

The House Committee on Higher Education offers the following substitute to HB 702:

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 3 of Title 20 of the Official Code of Georgia Annotated, relating to
2 postsecondary education, so as to provide for a service cancelable education loan program
3 for students in fields of science, technology, engineering, and mathematics who work in
4 federal civil service positions at defense installations in this state; to provide for eligibility,
5 repayment, cancellation, and administration; to provide restrictions for loan repayment
6 program eligibility; to provide for definitions; to provide for related matters; to repeal
7 conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 SECTION 1.

10 Chapter 3 of Title 20 of the Official Code of Georgia Annotated, relating to postsecondary
11 education, is amended by adding a new article to read as follows:

12 "ARTICLE 13

13 20-3-680.

14 As used in this article, the term:

15 (1) 'Authority' means the Georgia Student Finance Authority created by Code Section
16 20-3-313.

17 (2) 'Civil service employee' means an individual who is under the provisions of the
18 federal civil service system.

19 (3) 'Defense installation' means a facility, base, or other installation located in the State
20 of Georgia which is operated by the United States Department of Defense.

21 (4) 'Education loan' means any obligation of an individual to repay a debt created by the
22 advances of money to the individual pursuant to a federal or state educational loan or a
23 loan from a private lender that is approved by the educational institution attended by the

24 individual that financed, in whole or in part, the costs incurred by the individual to obtain
 25 an undergraduate degree in the field of science, technology, engineering, or mathematics.

26 (5) 'Eligible student' means a student who obtains a baccalaureate, master's, or doctoral
 27 degree in the field of science, technology, engineering, or mathematics from a
 28 postsecondary institution of the University System of Georgia who agrees to work as a
 29 civil service employee at a defense installation in the State of Georgia for a period of time
 30 established under this article in positions in the fields of computer science or engineering
 31 but is not currently employed as a civil service employee at a defense installation in the
 32 State of Georgia in the fields of computer science or engineering at the time of such
 33 eligible student's initial application.

34 (6) 'Fund' means the STEM Defense Support Fund created by Code Section 20-3-682.
 35 20-3-681.

36 The authority is authorized to establish and administer loan repayment programs for
 37 education loans to encourage students to choose careers in the area of federal civil service
 38 employment at defense installations in this state. The authority is authorized to prescribe
 39 all rules, regulations, policies, and procedures necessary or convenient for the
 40 administration of these programs and all terms and conditions applicable to payments made
 41 under this article.

42 20-3-682.

43 (a) There is created the STEM Defense Support Fund.

44 (b) The authority shall maintain the fund to which shall be credited:

45 (1) State funds appropriated for use by the authority for education loan repayment
 46 purposes; and

47 (2) Unrestricted moneys received by gift or otherwise and other moneys available for and
 48 determined by the authority to be used for the purposes of this article.

49 The authority is authorized to use moneys available in the fund to make payments to assist
 50 in repaying education loans for eligible students in accordance with its rules and
 51 regulations.

52 (c) Any private donations made by gift or otherwise to the fund may not be designated as
 53 to the specific program for which they will be used.

54 (d) The fund shall be used by the authority to assist in the repayment of any education loan
 55 owed by an eligible student who is employed in a civil service job at a defense installation
 56 in this state under the terms and conditions as provided in this article and promulgated by
 57 the authority.

58 20-3-683.

59 (a) Beginning the twelfth month following the eligible student's application for educational
60 loan repayment assistance under this article, the authority may distribute education loan
61 repayment assistance for the eligible student in an amount not to exceed the following:

62 (1) For the first year, \$5,000.00;

63 (2) For the second year, \$5,000.00;

64 (3) For the third year, \$5,000.00;

65 (4) For the fourth year, \$5,000.00; and

66 (5) For the fifth year, \$5,000.00;

67 provided, however, that no eligible student shall be entitled to receive payments in excess
68 of the amount of the education loans owed by such eligible student.

69 (b) As a condition of receipt of the loan repayment provided for in subsection (a) of this
70 Code section, the eligible student shall enter into a contract with the authority stating that
71 the eligible student will remain employed as a federal civil service employee at a defense
72 installation in this state for one year after receipt of the eligible student's last installment
73 of such assistance; provided, however, that the authority may release the eligible student
74 from such obligation if it is demonstrated to the satisfaction of the authority that such
75 eligible student is unable to continue in employment as a federal civil service employee at
76 a defense installation in this state as a result of death, disability, or loss of employment
77 through no fault of such eligible student.

78 (c) In the event that the eligible student breaches the conditions of the contract with the
79 authority, all moneys distributed by the authority to the student under the contract during
80 the five years immediately preceding the month in which the breach occurs shall at once
81 become due and payable by the student to the authority with interest at a rate to be set by
82 the authority. The authority may permit such eligible student who breaches such contract
83 to repay the amount due on an installment basis under such terms and conditions as agreed
84 to by both the authority and such student.

85 (d) The authority shall attempt to operate in such a manner as to qualify for the tax benefits
86 provided in 26 U.S.C. Section 108.

87 (e) Nothing in this article shall preclude the obligations of the eligible student to repay his
88 or her student loan by cash or by service.

89 (f) A student shall be eligible to participate in the educational loan repayment program
90 established pursuant to this article only one time. No loan repayment shall apply to the
91 seeking or obtaining of a second or subsequent degree if the student has previously
92 received payments under this program.

93 20-3-684.

94 (a) No entitlement to funds is created by this article. Eligibility for education loan
95 repayment shall be dependent on funding through appropriations, as well as all other
96 conditions of eligibility, as determined by the authority.

97 (b) In the event funds available to the authority for the loan repayment program under this
98 article are not sufficient for the full education loan repayment program, education loan
99 repayment payable on behalf of the individuals in such program shall be reduced by the
100 authority on a pro rata basis."

101

SECTION 2.

102 All laws and parts of laws in conflict with this Act are repealed.