

HOUSE BILL No. 2644

By Committee on Education

Requested by Fred Patton on behalf of the State Board of Regents

1-31

1 AN ACT concerning the state board of regents; relating to certain
2 scholarship programs administered by the board; establishing uniform
3 interest rate provisions for scholarship programs that include repayment
4 obligations as a condition of receipt of such financial assistance;
5 authorizing the board to recover the costs of collecting such repayment
6 obligations; authorizing the board to charge fees to cover the costs of
7 administering scholarship, grant and other financial assistance
8 programs; amending K.S.A. 74-3260, 74-3267, 74-3272, 74-3295, 74-
9 32,104, 74-32,116, 74-32,135, 74-32,153, 74-32,154 and 74-32,223 and
10 K.S.A. 2023 Supp. 74-32,276 and 74-32,286 and repealing the existing
11 sections.
12

13 *Be it enacted by the Legislature of the State of Kansas:*

14 New Section 1. (a) The applicable interest rate shall be 5% per
15 annum for any repayment obligation owed by an individual that:

16 (1) Arises under any scholarship, grant or other student financial aid
17 program established in article 32 of chapter 74 of the Kansas Statutes
18 Annotated, and amendments thereto, or under any agreement entered into
19 pursuant to any such scholarship, grant or other student financial aid
20 program; and

21 (2) requires the payment of interest pursuant to the terms of the
22 statute governing repayment obligations under such scholarship, grant or
23 other student financial aid program or any agreement entered into by
24 which the individual received the scholarship, grant or other student
25 financial aid moneys.

26 (b) The interest rate set forth in subsection (a) shall begin to accrue
27 not earlier than the date that the individual's obligation to repay such
28 scholarship, grant or other student financial aid moneys to the state board
29 of regents commences as determined by the state board of regents.

30 (c) The interest rate set forth in subsection (a) and the accrual date as
31 determined under subsection (b) shall apply to all repayment obligations
32 arising in relation to any scholarship, grant or other student financial aid
33 moneys distributed prior to July 1, 2024, pursuant to any scholarship, grant
34 or other student financial aid program established in article 32 of chapter
35 74 of the Kansas Statutes Annotated, and amendments thereto.

1 (d) Nothing in this section shall be construed to:

2 (1) Impose an interest rate that is in excess of the interest rate
3 specified in applicable state law at the time an individual received the
4 scholarship, grant or other student financial aid moneys related to such
5 individual's repayment obligation or as specified in any agreement
6 between such individual and a state educational institution, a sponsor or
7 the state board of regents for the receipt of such scholarship, grant or other
8 student financial aid moneys; and

9 (2) grant any right, claim or other entitlement by any individual to a
10 refund of any portion of amounts paid by such individual as full or partial
11 fulfillment of such individual's repayment obligations.

12 New Sec. 2. The state board of regents may recover the reasonable
13 costs of collection, including, but not limited to, court costs, attorney fees
14 and collection agency fees, from any individual who is subject to a
15 repayment obligation arising under any scholarship, grant or other student
16 financial aid program established in article 32 of chapter 74 of the Kansas
17 Statutes Annotated, and amendments thereto, or under any agreement
18 entered into pursuant to any such scholarship, grant or other student
19 financial aid program.

20 New Sec. 3. The chief executive officer of the state board of regents
21 may fix, charge and collect fees for the processing of applications and
22 other activities related to the administration of student financial assistance
23 programs administered by the state board of regents. Such fees shall be
24 fixed in such amounts as to recover all or a part of the direct and indirect
25 operating expenses incurred for administering such programs. All moneys
26 received by the state board of regents from the payment of such fees shall
27 be deposited in the state treasury in accordance with K.S.A. 75-4215, and
28 amendments thereto, and shall be credited to the financial aid services fee
29 fund of the state board of regents.

30 Sec. 4. K.S.A. 74-3260 is hereby amended to read as follows: 74-
31 3260. (a) Upon the failure of any person, who as an eligible student
32 qualified for and received payments under an ROTC service scholarship,
33 to remain eligible and qualified or to satisfy the obligation to accept a
34 commission and serve as an officer in the Kansas national guard for the
35 required period of time under an agreement entered into pursuant to this
36 act, such person shall pay to the state of Kansas an amount equal to the
37 total amount of payments received by such person plus accrued interest
38 from the date such payments were received at a rate which is equivalent to
39 the interest rate applicable to loans made under the federal PLUS program
40 at the time such person first entered into an agreement plus five percentage
41 points accrual date as determined under section 1, and amendments
42 thereto, and at the rate prescribed in section 1, and amendments thereto.
43 Such payment shall commence within 30 days, and be completed within

1 five years, after the date of the act or circumstance that causes the failure
2 of the person to remain eligible and qualified or to satisfy the obligation of
3 such agreement. Payments under this section shall be installment payments
4 and each such installment shall be not less than an amount equal to $\frac{1}{3}$ of
5 the total amount ~~which~~ *that* would be required to be paid if paid in five
6 equal annual installments. If an installment payment becomes 91 days
7 overdue, the entire amount outstanding shall become immediately due and
8 payable, including all interest at the rate prescribed *in section 1, and*
9 *amendments thereto*. Amounts paid under this section shall be deposited in
10 the state treasury and credited to the ROTC service scholarship repayment
11 fund as provided in K.S.A. 74-3260a, and amendments thereto.

12 (b) The state board of regents is authorized to turn any repayment
13 account arising under the ROTC service scholarship program over to a
14 designated loan servicer or collection agency, the state not being involved
15 other than to receive payments from the loan servicer or collection agency
16 at the interest rate prescribed ~~under this section~~ *in section 1, and*
17 *amendments thereto*.

18 Sec. 5. K.S.A. 74-3267 is hereby amended to read as follows: 74-
19 3267. (a) (1) Except as otherwise provided in K.S.A. 74-3268, and
20 amendments thereto, upon the failure of any person to satisfy the
21 obligation to engage in the full-time or part-time practice of medicine and
22 surgery within the state of Kansas for the required period of time under an
23 agreement entered into as provided in K.S.A. 74-3266, and amendments
24 thereto, such person shall repay to the state board of regents an amount
25 equal to the total of ~~(1)~~:

26 (A) The amount of money received by such person pursuant to such
27 agreement; plus ~~(2)~~

28 (B) accrued interest from the ~~date such money was received at a rate~~
29 ~~which is equivalent to the interest rate applicable to loans made under the~~
30 ~~federal PLUS program at the time such person first entered into an~~
31 ~~agreement plus five percentage points~~ *accrual date as determined under*
32 *section 1, and amendments thereto, and at the rate prescribed in section 1,*
33 *and amendments thereto*.

34 (2) Any person who applies for and enters a postgraduate residency
35 training program that is not an approved program as provided in this
36 section shall be required to repay all moneys received as provided in an
37 agreement entered into under K.S.A. 74-3266, and amendments thereto,
38 plus accrued interest from the ~~date such moneys were received at a rate~~
39 ~~which is equivalent to the interest rate applicable to loans made under the~~
40 ~~federal PLUS program at the time such person first entered into an~~
41 ~~agreement plus five percentage points~~ *accrual date as determined under*
42 *section 1, and amendments thereto, and at the rate prescribed in section 1,*
43 *and amendments thereto, and shall commence such repayment in*

1 accordance with subsection (b) within 90 days of graduation from the
2 school of osteopathic medicine or upon termination or completion of a
3 residency training program ~~which~~ *that* does not comply with the
4 provisions of this act, whichever is later.

5 (3) Any person who enters and completes an approved postgraduate
6 residency training program but fails to satisfy the obligation to engage in
7 the full-time or part-time practice of medicine and surgery for the required
8 period of time shall be required to repay all money received pursuant to an
9 agreement entered into under K.S.A. 74-3266, and amendments thereto,
10 plus accrued interest from the ~~date such money was received at a rate~~
11 ~~which is equivalent to the interest rate applicable to loans made under the~~
12 ~~federal PLUS program at the time such person first entered into an~~
13 ~~agreement plus five percentage points~~ *accrual date as determined under*
14 *section 1, and amendments thereto, and at the rate prescribed in section 1,*
15 *and amendments thereto, and shall commence such repayment in*
16 *accordance with subsection (b) within 90 days of failure to satisfy the*
17 *obligation.*

18 (b) Each person required to repay any amount under this section shall
19 repay an amount totaling the entire amount to be repaid under all such
20 agreements for which obligations are not satisfied, including all amounts
21 of interest at the rate prescribed *in section 1, and amendments thereto.*
22 Except as otherwise provided in this section, such repayment shall be in
23 installment payments and each such installment shall be not less than an
24 amount equal to $\frac{1}{5}$ of the total amount ~~which~~ *that* would be required to be
25 paid if repaid in five equal annual installments.

26 (c) Except as otherwise provided in ~~subparts (2) and (3) of subsection~~
27 ~~(a) subsections (a)(2) and (a)(3)~~, all installment payments under this
28 section shall commence six months after the date of the action or
29 circumstance that causes the failure of the person to satisfy the obligations
30 of such agreements, as determined by the state board of regents based
31 upon the circumstances of each individual case. If an installment payment
32 becomes 91 days overdue, the entire amount outstanding shall become
33 immediately due and payable, including all amounts of interest at the rate
34 prescribed *in section 1, and amendments thereto.*

35 (d) The total repayment obligation imposed under all agreements
36 entered into as provided in K.S.A. 74-3266, and amendments thereto, may
37 be satisfied at any time prior to graduation from the accredited school of
38 osteopathic medicine by making a single lump sum payment equal to the
39 total of:

40 (1) The entire amount to be repaid under all such agreements upon
41 failure to satisfy the obligations under such agreements to practice in
42 Kansas; plus

43 (2) all amounts of interest accrued thereon at the rate prescribed

1 ~~under this section in section 1, and amendments thereto.~~

2 (e) The state board of regents is authorized to turn any repayment
3 account arising under the osteopathic medical service scholarship program
4 over to a designated loan servicer or collection agency, the state not being
5 involved other than to receive payments from the loan servicer or
6 collection agency at the interest rate prescribed ~~under this section in~~
7 *section 1, and amendments thereto.*

8 Sec. 6. K.S.A. 74-3272 is hereby amended to read as follows: 74-
9 3272. (a) Except as otherwise provided in subsection (e) and in K.S.A. 74-
10 3273, and amendments thereto, upon the failure of any person to satisfy
11 the obligation to engage in the full-time or part-time practice of optometry
12 within the state of Kansas for the required period of time under an
13 agreement entered into pursuant to K.S.A. 74-3271, and amendments
14 thereto, such person shall repay to the state board of regents an amount
15 equal to the total of:

16 (1) The amount of money paid by the state board of regents for
17 guaranteed admission and continued enrollment of such person in an
18 accredited school or college of optometry pursuant to a contract entered
19 into therefor under K.S.A. 76-721a, and amendments thereto; plus

20 (2) ~~accrued interest from the date such money was paid pursuant to~~
21 ~~such contract at a rate which is equivalent to the interest rate applicable to~~
22 ~~loans made under the federal PLUS program at the time such person first~~
23 ~~entered into an agreement plus five percentage points~~ *accrual date as*
24 *determined under section 1, and amendments thereto, and at the rate*
25 *prescribed in section 1, and amendments thereto.*

26 (b) Each person required to repay any amount under this section shall
27 repay an amount totaling the entire amount to be repaid under such
28 agreement for which such obligation is not satisfied, including all interest
29 at the rate prescribed *in section 1, and amendments thereto.* Except as
30 otherwise provided in this section, such repayment shall be in installment
31 payments and each such installment shall be not less than an amount equal
32 to $\frac{1}{5}$ of the total amount ~~which that~~ would be required to be paid if repaid
33 in five equal annual installments.

34 (c) All installment payments under this section shall commence six
35 months after the date of the action or circumstance that causes the failure
36 of the person to satisfy the obligations of such agreement, as determined
37 by the state board of regents based upon the circumstances of each
38 individual case. If an installment payment becomes 91 days overdue, the
39 entire amount outstanding shall become immediately due and payable,
40 including all interest at the rate prescribed *in section 1, and amendments*
41 *thereto.*

42 (d) The total repayment obligation imposed under an agreement
43 entered into pursuant to K.S.A. 74-3271, and amendments thereto, may be

1 satisfied at any time prior to graduation from the accredited school or
 2 college of optometry by making a single lump-sum payment equal to the
 3 total of:

4 (1) The entire amount to be repaid under such agreement upon failure
 5 to satisfy the obligation to practice optometry in Kansas; plus

6 (2) all interest thereon at the rate prescribed ~~to the date of payment in~~
 7 *section 1, and amendments thereto.*

8 (e) If a person fails to satisfy an obligation to engage in the full-time
 9 or part-time practice of optometry in Kansas for the required period of
 10 time under an agreement entered into pursuant to K.S.A. 74-3271, and
 11 amendments thereto, because such person is engaged in the practice of
 12 optometry in a state other than Kansas, and if such person is subject to or
 13 currently making repayments under this section, and if such person
 14 subsequently commences the practice of optometry in this state which
 15 complies with the agreements entered into under such statute, the balance
 16 of the repayment amount, including interest thereon, from the time of such
 17 commencement of practice until the obligation of such person is satisfied,
 18 or until the time such person again becomes subject to repayments, shall
 19 be waived. All repayment amounts due prior to such commencement of
 20 practice in this state, including interest thereon, shall continue to be
 21 payable as provided in this section. If subsequent to such commencement
 22 of practice, the person fails to satisfy such obligation, the person again
 23 shall be subject to repayments, including interest thereon, as otherwise
 24 provided in this section.

25 (f) The state board of regents is authorized to turn any repayment
 26 account arising under the optometry service scholarship program over to a
 27 designated loan servicer or collection agency, the state not being involved
 28 other than to receive payments from the loan servicer or collection agency
 29 at the interest rate prescribed ~~under this section~~ *in section 1, and*
 30 *amendments thereto.*

31 Sec. 7. K.S.A. 74-3295 is hereby amended to read as follows: 74-
 32 3295. (a) Except as provided in K.S.A. 74-3296, and amendments thereto,
 33 upon the failure of any person to satisfy the obligation under any
 34 agreement entered into pursuant to the nursing service scholarship
 35 program, such person shall pay to the executive officer an amount equal to
 36 the total amount of money received by such person pursuant to such
 37 agreement ~~which that was financed by the state of Kansas plus accrued~~
 38 ~~interest at a rate which is equivalent to the interest rate applicable to loans~~
 39 ~~made under the federal PLUS program at the time such person first entered~~
 40 ~~into an agreement plus five percentage points from the accrual date as~~
 41 ~~determined under section 1, and amendments thereto, and at the rate~~
 42 ~~prescribed in section 1, and amendments thereto, and shall pay to the~~
 43 sponsor an amount equal to the total amount of money received by such

1 person pursuant to such agreement ~~which~~ *that* was financed by the sponsor
2 plus accrued interest ~~at a rate which is equivalent to the interest rate~~
3 ~~applicable to loans made under the federal PLUS program at the time such~~
4 ~~person first entered into an agreement plus five percentage points~~ *from the*
5 *accrual date as determined under section 1, and amendments thereto, and*
6 *at the rate prescribed in section 1, and amendments thereto.* Installment
7 payments of any such amounts may be made in accordance with the
8 provisions of agreements entered into by the scholarship recipient and the
9 sponsor or if no such provisions exist in such agreements, in accordance
10 with rules and regulations of the state board of regents, except that such
11 installment payments shall commence six months after the date of the
12 action or circumstances that cause the failure of the person to satisfy the
13 obligations of such agreements, as determined by the executive officer
14 based upon the circumstances of each individual case. Amounts paid under
15 this section to the executive officer shall be deposited in the nursing
16 service scholarship repayment fund in accordance with K.S.A. 74-3298,
17 and amendments thereto.

18 (b) The state board of regents is authorized to turn any repayment
19 account arising under the nursing service scholarship program over to a
20 designated loan servicer or collection agency, the state not being involved
21 other than to receive payments from the loan servicer or collection agency
22 at the interest rate prescribed ~~under this section~~ *in section 1, and*
23 *amendments thereto.*

24 Sec. 8. K.S.A. 74-32,104 is hereby amended to read as follows: 74-
25 32,104. (a) Except as provided in K.S.A. 74-32,105, and amendments
26 thereto, upon the failure of any person to satisfy the obligation under any
27 agreement entered into pursuant to the teacher service scholarship
28 program, such person shall pay to the executive officer an amount equal to
29 the total amount of money received by such person pursuant to such
30 agreement plus accrued interest ~~at a rate which is equivalent to the interest~~
31 ~~rate applicable to loans made under the federal PLUS program at the time~~
32 ~~such person first entered into an agreement plus five percentage points~~
33 *from the accrual date as determined under section 1, and amendments*
34 *thereto, and at the rate prescribed in section 1, and amendments thereto.*
35 Amounts of payment under this section shall be adjusted proportionately
36 for full years of the obligation that have been satisfied. Installment
37 payments of any such amounts may be made in accordance with the
38 provisions of the agreement entered into by the scholarship recipient or if
39 no such provisions exist in such agreement, in accordance with rules and
40 regulations of the state board of regents, except that such installment
41 payments shall commence six months after the date of the action or
42 circumstances that cause the failure of the person to satisfy the obligations
43 of such agreements, as determined by the executive officer based upon the

1 circumstances of each individual case. Amounts paid under this section to
2 the executive officer shall be deposited in the teacher service scholarship
3 repayment fund in accordance with K.S.A. 74-32,107, and amendments
4 thereto.

5 (b) The state board of regents is authorized to turn any repayment
6 account arising under the teacher service scholarship program over to a
7 designated loan servicer or collection agency, the state not being involved
8 other than to receive payments from the loan servicer or collection agency
9 at the interest rate prescribed ~~under this section~~ *in section 1, and*
10 *amendments thereto.*

11 Sec. 9. K.S.A. 74-32,116 is hereby amended to read as follows: 74-
12 32,116. (a) Except as provided in K.S.A. 74-32,117, and amendments
13 thereto, upon the failure of a person to satisfy any obligation under an
14 agreement entered into in accordance with the Kansas ethnic minority
15 fellowship program, such person shall pay to the executive officer an
16 amount equal to the total amount of money received by such person
17 pursuant to such agreement plus accrued interest from the ~~date such money~~
18 ~~was received at a rate which is equivalent to the interest rate applicable to~~
19 ~~loans made under the federal PLUS program at the time such person first~~
20 ~~entered into an agreement plus five percentage points~~ *accrual date as*
21 *prescribed in section 1, and amendments thereto.* Amounts of payment
22 under this section shall be adjusted proportionately for full years of
23 performance of the obligations that have been satisfied. Installment
24 payments of any such amounts may be made in accordance with the
25 provisions of the agreement entered into by the fellowship recipient or if
26 no such provisions exist in such agreement, in accordance with rules and
27 regulations of the state board of regents, except that such installment
28 payments shall commence six months after the date of the action or
29 circumstances that cause the failure of the person to satisfy the obligations
30 of such agreements, as determined by the executive officer based upon the
31 circumstances of each individual case. Amounts paid under this section to
32 the executive officer shall be deposited in the Kansas ethnic minority
33 fellowship program fund in accordance with K.S.A. 74-32,119, and
34 amendments thereto.

35 (b) The state board of regents is authorized to turn any repayment
36 account arising under the Kansas ethnic minority fellowship program over
37 to a designated loan servicer or collection agency, the state not being
38 involved other than to receive payments from the loan servicer or
39 collection agency at the interest rate prescribed ~~under this section~~ *in*
40 *section 1, and amendments thereto.*

41 Sec. 10. K.S.A. 74-32,135 is hereby amended to read as follows: 74-
42 32,135. (a) Except as provided in K.S.A. 74-32,136, and amendments

1 thereto, upon the failure of any person to satisfy the obligation under any
2 agreement entered into pursuant to this act, such person shall pay to the
3 executive officer an amount equal to the total amount of money received
4 by such person pursuant to such agreement ~~which~~ *that* is financed by the
5 state of Kansas plus accrued interest ~~at a rate which is equivalent to the~~
6 ~~interest rate applicable to loans made under the federal PLUS program at~~
7 ~~the time such person first entered into an agreement plus five percentage~~
8 ~~points from the accrual date as determined under section 1, and~~
9 ~~amendments thereto, and at the rate prescribed in section 1, and~~
10 ~~amendments thereto.~~ Installment payments of such amounts may be made
11 in accordance with rules and regulations of the state board of regents,
12 except that such installment payments shall commence six months after
13 the date of the action or circumstances that cause the failure of the person
14 to satisfy the obligations of such agreements, as determined by the
15 executive officer based upon the circumstances of each individual case.
16 Amounts paid under this section to the executive officer shall be deposited
17 in the advanced practice registered nurse service scholarship program fund
18 in accordance with K.S.A. 74-32,138, and amendments thereto.

19 (b) The state board of regents is authorized to turn any repayment
20 account arising under the advanced practice registered nurse service
21 scholarship program over to a designated loan servicer or collection
22 agency, the state not being involved other than to receive payments from
23 the loan servicer or collection agency at the interest rate prescribed ~~under~~
24 ~~this section in section 1, and amendments thereto.~~

25 Sec. 11. K.S.A. 74-32,153 is hereby amended to read as follows: 74-
26 32,153. (a) Upon completion of the recipient's program of study, the
27 recipient shall be eligible for forgiveness of the loan by living and working
28 in Kansas.

29 (b) By annually providing to the board of regents the required
30 documentation certifying that the recipient worked and lived in Kansas
31 throughout the prior year. Such documentation shall be provided to the
32 board of regents within 30 days of the annual due date calculated from the
33 completion of the course of study.

34 (c) If the required documentation certifying that the recipient lived
35 and worked in Kansas is not received in the prescribed time by the board,
36 the remaining loan amount shall be due and payable as prescribed under
37 K.S.A. 74-32,154 and amendments thereto.

38 (d) ~~Interest rates on the loan shall be determined by the state treasurer~~
39 ~~according to the interest rate received on the state idle funds plus 3%.~~

40 Sec. 12. K.S.A. 74-32,154 is hereby amended to read as follows: 74-
41 32,154. (a) Except as otherwise provided in K.S.A. 74-32,155, and
42 amendments thereto, upon the failure of any person to satisfy an obligation
43 incurred under the loan agreement as provided in K.S.A. 74-32,152, and

1 amendments thereto, such person shall repay to the state treasurer an
2 amount equal to the total of: (1) The amount of money received by such
3 person pursuant to such agreement; plus (2) accrued interest, ~~calculated at~~
4 ~~the interest rate on the state idle funds plus 3%, from the date such money~~
5 ~~was received~~ *from the accrual date as determined under section 1, and*
6 *amendments thereto, and at the rate prescribed in section 1, and*
7 *amendments thereto.*

8 (b) Each person required to repay any amount under this section shall
9 repay an amount totaling the entire amount to be repaid under all such
10 agreements for which obligations are not satisfied, including all amounts
11 of interest at the rate prescribed in ~~subsection (a)~~ *section 1, and*
12 *amendments thereto.* Except as otherwise provided in this section, such
13 repayment shall be made in installment payments determined by the state
14 board of regents as provided in ~~subsection (c)~~ *of the K.S.A. 74-32,152(c),*
15 *and amendments thereto.*

16 (c) All installment payments under this section shall commence six
17 months after the date of the action or circumstance that causes the failure
18 of the person to satisfy the obligations of such agreements, as determined
19 by the state board of regents based upon the circumstances of each
20 individual case. If an installment payment becomes 91 days overdue, the
21 entire amount outstanding shall become immediately due and payable,
22 including all amounts of interest at the rate prescribed *in section 1, and*
23 *amendments thereto.*

24 (d) The total repayment obligation imposed under all agreements
25 entered into as provided in K.S.A. 74-32,152, and amendments thereto,
26 may be satisfied at any time prior to graduation by making a single lump-
27 sum payment equal to the total of: (1) The entire amount to be repaid
28 under all such agreements upon failure to satisfy the obligations under
29 such agreements to practice in Kansas; plus (2) all amounts of interest
30 accrued thereon at the rate prescribed in ~~subsection (a)~~ *section 1, and*
31 *amendments thereto.*

32 (e) The state board of regents is authorized to turn any delinquent
33 repayment account arising under the workforce development loan program
34 to a designated loan servicer or collection agency, the state not being
35 involved other than to receive payments from the loan servicer or
36 collection agency at the interest rate prescribed ~~under this section~~ *in*
37 *section 1, and amendments thereto.*

38 Sec. 13. K.S.A. 74-32,223 is hereby amended to read as follows: 74-
39 32,223. (a) Except as provided in K.S.A. 74-32,224, and amendments
40 thereto, upon the failure of any person to satisfy the obligation under any
41 agreement entered into pursuant to the program, such person shall pay to
42 the executive officer an amount equal to the total amount of money
43 received by such person pursuant to such agreement plus accrued interest

1 ~~at a rate which is equivalent to the interest rate applicable to loans made~~
2 ~~under the federal PLUS program at the time such person first entered into~~
3 ~~an agreement plus five percentage points from the accrual date as~~
4 ~~determined under section 1, and amendments thereto, and at the rate~~
5 ~~prescribed in section 1, and amendments thereto.~~ Installment payments of
6 any such amounts may be made in accordance with the provisions of
7 agreements entered into by the scholarship recipient and the executive
8 officer, in accordance with rules and regulations of the state board of
9 regents, except that such installment payments shall commence six months
10 after the date of the action or circumstances that cause the failure of the
11 person to satisfy the obligations of such agreements, as determined by the
12 executive officer based upon the circumstances of each individual case.
13 Amounts paid under this section to the executive officer shall be deposited
14 in the nurse educator service scholarship repayment fund in accordance
15 with K.S.A. 74-32,226, and amendments thereto.

16 (b) The state board of regents is authorized to turn any repayment
17 account arising under the program over to a designated loan servicer or
18 collection agency, the state not being involved other than to receive
19 payments from the loan servicer or collection agency at the interest rate
20 prescribed ~~under this section~~ *in section 1, and amendments thereto.*

21 Sec. 14. K.S.A. 2023 Supp. 74-32,276 is hereby amended to read as
22 follows: 74-32,276. (a) As a condition to receiving a Kansas promise
23 scholarship, an eligible student shall enter into a Kansas promise
24 scholarship agreement with the state board of regents. The eligible
25 postsecondary educational institution making the scholarship award to
26 such student shall counsel each eligible student on the requirements and
27 conditions of the promise scholarship agreement. Such agreement shall
28 require any student who receives a Kansas promise scholarship to:

29 (1) Enroll as a full-time or part-time student at the eligible
30 postsecondary educational institution from which the student is receiving a
31 Kansas promise scholarship and engage in and complete the required
32 promise eligible program within 36 months of the date the scholarship was
33 first awarded;

34 (2) within six months after graduation from the promise eligible
35 program:

36 (A) Reside in and commence work in the state of Kansas for at least
37 two consecutive years following completion of such program. A
38 scholarship recipient may use a *form* W-2 wage and tax statement showing
39 Kansas withholding or estimated income tax to the state of Kansas as
40 proof of work in Kansas; or

41 (B) enroll as a full-time or part-time student in any public or private
42 postsecondary educational institution with its primary location in Kansas
43 and upon graduation or failure to re-enroll, reside in and commence work

1 in Kansas for at least two consecutive years following the completion of
2 such program;

3 (3) maintain records and make reports to the state board of regents on
4 such forms and in such manner as required by the state board of regents to
5 document the satisfaction of the requirements of this act; and

6 (4) upon failure to satisfy the requirements of a Kansas promise
7 scholarship agreement, repay the amount of the Kansas promise
8 scholarship the student received under the program as provided in
9 subsection (b) to the state board of regents.

10 (b) (1) Except as provided in subsection (c), if any student who
11 receives a Kansas promise scholarship fails to satisfy the requirements of a
12 Kansas promise scholarship agreement, such student shall pay an amount
13 equal to the total amount of money received by such student pursuant to
14 such agreement that is financed by the state of Kansas plus accrued
15 interest ~~at a rate equivalent to the interest rate applicable to loans made~~
16 ~~under the federal PLUS program at the time such student's first course~~
17 ~~funded by a Kansas promise scholarship award began. Interest shall begin~~
18 ~~accruing on the date the student is determined to be out of compliance with~~
19 ~~the Kansas promise scholarship agreement from the accrual date as~~
20 ~~determined under section 1, and amendments thereto, and at the rate~~
21 ~~prescribed in section 1, and amendments thereto.~~ Monthly installment
22 payments of such amounts may be made in accordance with rules and
23 regulations of the state board of regents. Such installment payments shall
24 begin six months after the date of the action or circumstances that cause
25 such student to fail to satisfy the requirements of a Kansas promise
26 scholarship agreement, as determined by the state board of regents upon
27 the circumstances of each individual case. All moneys received pursuant to
28 this subsection shall be remitted to the state treasurer in accordance with
29 the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt
30 of each such remittance, the state treasurer shall deposit the entire amount
31 in the state treasury to the credit of the Kansas promise scholarship
32 program fund.

33 (2) For any Kansas promise scholarship awarded on or after July 1,
34 2021, the state board of regents shall be the sole entity responsible for
35 collecting or recouping any Kansas promise scholarship funds required to
36 be repaid by a student who fails to satisfy the requirements of a Kansas
37 promise scholarship agreement pursuant to this section.

38 (3) The state board of regents is authorized to turn any repayment
39 account arising under this act to a designated loan servicer or collection
40 agency to collect on the state board's behalf, the state not being involved
41 other than to receive payments from the loan servicer or collection agency
42 at the interest rate prescribed ~~under this subsection in section 1, and~~
43 ~~amendments thereto.~~

1 (4) Eligible postsecondary educational institutions and each state
2 agency are authorized to provide academic, employment, residency and
3 contact information regarding students who received a Kansas promise
4 scholarship to the state board of regents for the purposes of:

5 (A) Determining whether or not a student satisfied the requirements
6 of this act and the Kansas promise scholarship agreement; and

7 (B) aiding in the collection or recoupment of any funds required to be
8 repaid pursuant to this section.

9 (5) Eligible postsecondary educational institutions shall:

10 (A) Provide annually to the state board of regents the last known
11 contact information of each student who received a Kansas promise
12 scholarship until the requirements of the program and scholarship
13 agreement are complete; and

14 (B) notify the state board of regents when a student who received a
15 Kansas promise scholarship:

16 (i) Completes the program of study for which the student received the
17 scholarship or has exhausted scholarship benefits; and

18 (ii) exceeds the 36-month program completion requirement provided
19 in this section. This requirement shall apply to any Kansas promise
20 scholarship awarded on or after July 1, 2021.

21 (6) For any Kansas promise scholarship awarded on or after July 1,
22 2021, eligible postsecondary educational institutions shall not be
23 considered a contractor of the state nor shall such institutions be required
24 to participate in tracking, collecting or recouping any funds required to be
25 repaid by a student who fails to satisfy the requirements of a Kansas
26 promise scholarship agreement pursuant to this section.

27 (c) Any requirement of a Kansas promise scholarship agreement
28 entered into pursuant to this section may be postponed for good cause in
29 accordance with rules and regulations of the state board of regents.

30 (d) A scholarship recipient satisfies the requirements of the Kansas
31 promise scholarship program if such recipient:

32 (1) Completes the requirements of the scholarship agreement;

33 (2) commences service as a military servicemember after receiving a
34 Kansas promise scholarship;

35 (3) fails to satisfy the requirements after making the best possible
36 effort to do so as determined by the state board of regents;

37 (4) is unable to obtain employment or continue in employment after
38 making the best possible effort to do so; or

39 (5) is unable to satisfy the requirements due to disability or death of
40 the scholarship recipient.

41 Sec. 15. K.S.A. 2023 Supp. 74-32,286 is hereby amended to read as
42 follows: 74-32,286. (a) As a condition to receiving a grant under this act,
43 an eligible student shall enter into an agreement with the *state board of*

1 *regents. The* eligible postsecondary educational institution that awarded
2 such grant. ~~Such eligible postsecondary educational institution~~ shall
3 counsel each eligible student on the requirements and conditions of the
4 agreement. Such agreement shall require any student who receives a grant
5 award to:

6 (1) Enroll as a full-time or part-time student at the eligible
7 postsecondary educational institution that made the grant award and
8 engage in and complete the adult learner grant eligible program;

9 (2) within six months after graduation from the adult learner grant
10 eligible program:

11 (A) Reside and commence work in the state of Kansas for at least two
12 consecutive years following completion of such program. A scholarship
13 recipient may use a *form* W-2 wage and tax statement showing Kansas
14 withholding or estimated income tax to the state of Kansas as proof of
15 work in Kansas; or

16 (B) enroll as a full-time or part-time student in any public or private
17 postsecondary educational institution with its primary location in Kansas
18 and upon graduation or failure to re-enroll, reside in and commence work
19 in Kansas for at least two consecutive years following the completion of
20 such program;

21 (3) maintain records and make reports to the state board of regents on
22 such forms and in such manner as required by the state board of regents to
23 document the satisfaction of the requirements of this act; and

24 (4) upon failure to satisfy the requirements of an agreement entered
25 into pursuant to this section, repay the amount of the grant award the
26 student received under the program as provided in subsection (b) to the
27 state board of regents.

28 (b) (1) Except as provided in subsection (c), if any student who
29 receives a grant award fails to satisfy the requirements of the agreement
30 entered into pursuant to this section, such student shall pay an amount
31 equal to the total amount of money received by such student pursuant to
32 such agreement plus accrued interest ~~at a rate equivalent to the interest rate~~
33 ~~applicable to loans made under the federal PLUS program at the time such~~
34 ~~student's first course funded by a grant award began. Interest shall begin~~
35 ~~accruing on the date the student is determined to be out of compliance with~~
36 ~~the agreement from the accrual date as determined under section 1, and~~
37 ~~amendments thereto, and at the rate prescribed in section 1, and~~
38 ~~amendments thereto.~~ Monthly installment payments of such amounts may
39 be made in accordance with rules and regulations of the state board of
40 regents. Such installment payments shall begin six months after the date of
41 the action or circumstances that cause such student to fail to satisfy the
42 requirements of the agreement, as determined by the state board of regents
43 upon the circumstances of each individual case. All moneys received

1 pursuant to this subsection shall be remitted to the state treasurer in
2 accordance with the provisions of K.S.A. 75-4215, and amendments
3 thereto. Upon receipt of each such remittance, the state treasurer shall
4 deposit the entire amount in the state treasury to the credit of the Kansas
5 adult learner grant program fund.

6 (2) The state board of regents shall be the sole entity responsible for
7 collecting or recouping any grant moneys required to be repaid by a
8 student who fails to satisfy the requirements of an agreement entered into
9 pursuant to this section.

10 (3) The state board of regents is authorized to turn any repayment
11 account arising under this act to a designated loan servicer or collection
12 agency to collect on the state board's behalf. The state's involvement shall
13 only be to receive payments from the loan servicer or collection agency at
14 the interest rate prescribed ~~under this subsection~~ *in section 1, and*
15 *amendments thereto.*

16 (4) Eligible postsecondary educational institutions and each state
17 agency are authorized to provide academic, employment, residency and
18 contact information regarding students who received a grant award to the
19 state board of regents for the purposes of:

20 (A) Determining whether or not a student satisfied the requirements
21 of this act and the agreement entered into pursuant to this section; and

22 (B) aiding in the collection or recouping of any funds required to be
23 repaid pursuant to this section.

24 (5) Eligible postsecondary educational institutions shall:

25 (A) Provide annually to the state board of regents the last known
26 contact information of each student who received a grant award until the
27 requirements of the program and the agreement are complete; and

28 (B) notify the state board of regents when a student who received a
29 grant award completes the program of study for which the student received
30 the grant or has exhausted the benefits available under this act.

31 (6) Eligible postsecondary educational institutions shall not be
32 considered a contractor of the state nor shall such institutions be required
33 to participate in tracking, collecting or recouping any moneys required to
34 be repaid by a student who fails to satisfy the requirements of an
35 agreement entered into pursuant to this section.

36 (c) Any requirement of an agreement entered into pursuant to this
37 section may be postponed for good cause in accordance with rules and
38 regulations of the state board of regents.

39 (d) A scholarship recipient satisfies the requirements of the adult
40 learner grant program if such recipient:

41 (1) Completes the requirements of the agreement entered into
42 pursuant to this section;

43 (2) commences service as a military servicemember after receiving a

1 grant award;

2 (3) fails to satisfy the requirements after making the best possible
3 effort to do so as determined by the state board of regents;

4 (4) is unable to obtain employment or continue in employment after
5 making the best possible effort to do so; or

6 (5) is unable to satisfy the requirements due to disability or death of
7 the grant recipient.

8 Sec. 16. K.S.A. 74-3260, 74-3267, 74-3272, 74-3295, 74-32,104, 74-
9 32,116, 74-32,135, 74-32,153, 74-32,154 and 74-32,223 and K.S.A. 2023
10 Supp. 74-32,276 and 74-32,286 are hereby repealed.

11 Sec. 17. This act shall take effect and be in force from and after its
12 publication in the statute book.