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MEMORANDUM

To: Chairman Thomas
Members of the House Committee on Education

From: The Office of Revisor of Statutes

Date: February 12, 2024

Subject: HB 2644 – Establishing uniform repayment terms and conditions for service scholarships administered by the Kansas Board of Regents.

House Bill No. 2644 (HB 2644) would create new state law to establish uniform repayment terms and conditions for service scholarships administered by the Kansas Board of Regents (Board). Under current law, if a service scholarship program requires the recipient to provide a certain amount of service as a condition for receiving financial assistance, the statute establishing such scholarship program generally has a requirement that the recipient repay a portion of the financial assistance received if they do not fulfill their service obligations. Each scholarship program has its own terms and conditions for that repayment obligation, including the applicable interest rate and when interest begins to accrue on the obligation.

HB 2644 establishes a uniform interest rate of 5% per annum on any such obligation. It also sets the accrual date as the date on which such obligation began as determined by the Board. Such provisions will apply to all repayment obligations, including those arising from financial assistance that was provided prior to July 1, 2024. The bill further provides that if the applicable interest rate specified by state law at the time the financial assistance was provided is lower than 5%, then the lower rate will apply.

HB 2644 also provides the Board with the authority to recover reasonable costs for collections on repayment obligations, including attorney fees, court costs, and collection agency fees. The Board would also be authorized to set charges and fees for the costs of administering service scholarships.

Finally, HB 2644 amends the statutes for the following service scholarships to conform to the uniform repayment terms and conditions:

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- Reservice Officers' Training Corps Program;
- Osteopathic Medical Services Scholarships;
- Optometry Education Program;
- Nursing Service Scholarship Program;
- Teacher Service Scholarship Program;
- Kansas Ethnic Minority Fellowship Program;
- Advanced Practice Registered Nurse Service Scholarship Program;
- Workforce Development Loan Program Act;
- Nurse Educator Service Scholarship Program;
- Kansas Promise Scholarship Act; and
- Kansas Adult Learner Grant Act.

If enacted, HB 2644 would become effective on July 1, 2024.