

**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.