

HOUSE BILL No. 2186

By Representative Sloan

1-26

AN ACT concerning state educational institutions under the control and supervision of the state board of regents; establishing the higher education deferred expense program; prescribing certain powers, duties and functions for the state board of regents.

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

Section 1. (a) This act shall be known and may be cited as the higher education deferred expense program act.

(b) The words and phrases used in this act have the meanings respectively ascribed thereto in K.S.A. 76-711 and amendments thereto.

Sec. 2. (a) There is hereby established the higher education deferred expense program which shall be developed, implemented and administered by the state board of regents in accordance with this act. The higher education deferred expense program shall provide opportunities for students at state educational institutions to defer increases in tuition, fees and room and board charges while enrolled and actively engaged in an undergraduate or graduate program of study leading to a degree from a state educational institution.

(b) The program shall provide for deferred expense agreements for qualified students to defer any increases in the rates of tuition, fees and room and board charges of a state educational institution that are in effect when the student is enrolled or the deferred expense agreement is entered into, whichever is later. A student entering into a deferred expense agreement shall agree to pay the tuition, fees and room and board charges of a state educational institution at the rates prescribed by the agreement and to repay the amounts deferred under the agreement plus an interest premium specified by the agreement and applicable to all amounts deferred and accruing from the date the agreement is entered into. The interest premium shall be prescribed by the state board of regents at a rate that is equal to or greater than 150% of the market rate determined by the director of investments under K.S.A. 75-4237 and amendments thereto for the date the deferred expense agreement is entered into. The state board of regents may prescribe minimum repayment amounts and periods for repayment under deferred expense agreements.

Sec. 3. (a) Repayments under a deferred expense agreement shall

1 begin within six months after the date after the student graduates or
2 otherwise withdraws from attendance at the state educational institution,
3 unless the student (1) enrolls or re-enrolls and becomes actively engaged
4 in an undergraduate or graduate program of study leading to a degree
5 from a state educational institution during such six-month period or (2)
6 is otherwise permitted to postpone the repayment obligation under the
7 program established by this act and the policies adopted by the state board
8 of regents thereunder.

9 (b) To ensure repayment of obligations under deferred expense
10 agreements, the state board of regents may require parents or guardians
11 of students entering into deferred expense agreements to co-sign and
12 enter into such deferred expense agreements for students. Deferred ex-
13 pense agreements under this act may require authorization of payroll
14 deductions for the repayment of amounts under the deferred expense
15 agreements by the students and any parents or guardians.

16 Sec. 4. (a) The state board of regents shall adopt policies to imple-
17 ment the provisions of the higher education deferred expense program.

18 (b) The state board of regents may adopt policies providing for:

19 (1) Postponement of the repayment obligation under deferred ex-
20 pense agreements during any period of temporary medical or other dis-
21 ability in which the person obligated is unable to satisfy the repayment
22 obligation; and

23 (2) discharge of the obligation to pay if the person obligated dies,
24 becomes permanently physically or otherwise disabled and is unable to
25 satisfy such obligation after making the best effort possible.

26 Sec. 5. (a) The higher education deferred expense increase program
27 is hereby approved for the state board of regents for the purposes of
28 subsection (b) of K.S.A. 74-8905 and amendments thereto and the au-
29 thorization of the issuance of bonds by the Kansas development finance
30 authority in accordance with that statute. The proceeds of any such bonds
31 shall be deposited in the state treasury to the credit of the appropriate
32 special revenue funds of the state educational institutions under the pro-
33 gram as prescribed by the state board of regents or as may otherwise be
34 required by applicable bond covenants.

35 (b) The state board of regents may sell or authorize any state edu-
36 cational institution to sell deferred expense agreements at discount to one
37 or more financial institutions authorized to do business in Kansas. All
38 amounts received from such sales shall be deposited in the state treasury
39 and credited to the appropriate special revenue funds of the state edu-
40 cational institutions under the program as prescribed by the state board
41 of regents or as may otherwise be required by applicable bond covenants.

42 Sec. 6. This act shall take effect and be in force from and after its
43 publication in the statute book.