

SENATE BILL No. 65

By Committee on Public Health and Welfare

1-18

AN ACT establishing the dental service loan program; authorizing loans for certain undergraduate students enrolled in or admitted to accredited schools of dentistry in a course of instruction leading to the degree of doctor of dental surgery or doctor of dental medicine; providing for loan repayment and forgiveness; providing for administration of the program.

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

Section 1. (a) Within the limits of appropriations for dental service loans, and in accordance with the provisions of this section, the state board of regents may award such loans to Kansas residents who are undergraduate students enrolled in or admitted to accredited schools of dentistry in a course of instruction leading to the degree of doctor of dental surgery or doctor of dental medicine and who enter into a written agreement with the state board of regents as provided in section 2 and amendments thereto.

(b) Dental service loans shall be in effect for the period of time specified in subsection (c) and shall provide to the person receiving the loan the payment of an amount not to exceed 70% of the cost of attendance for one academic year at the school of dentistry in which the person is enrolled.

(c) Dental service loans shall be awarded on an annual basis and shall be in effect for one year unless otherwise terminated before the expiration of such period of time. A Kansas resident who is an undergraduate student enrolled in or admitted to an accredited school of dentistry in a course of instruction leading to the degree of doctor of dental surgery or doctor of dental medicine may be awarded a loan for each year the student enters into a written agreement with the state board of regents as provided in section 2 and amendments thereto up to a maximum of four years. For each year a student is awarded a loan, the student shall engage in the practice of dentistry in Kansas for the period of time specified in subsection (a)(3) of section 2, and amendments thereto, unless such obligation is otherwise satisfied as provided in section 5 and amendments thereto.

(d) The state board of regents shall not award more than 15 dental service loans in any year to persons who have not previously been awarded

1 such a loan and, in any case, the state board shall not award more than
2 60 such loans in any year. In selecting Kansas residents to be awarded
3 dental service loans, the state board shall give primary consideration to
4 students commencing their first year of instruction at accredited schools
5 of dentistry and thereafter shall consider students in later years of
6 instruction.

7 Sec. 2. (a) An agreement entered into by the state board of regents
8 and a Kansas resident who is an undergraduate student enrolled in or
9 admitted to an accredited school of dentistry in a course of instruction
10 leading to the degree of doctor of dental surgery or doctor of dental
11 medicine for the awarding of a dental service loan shall require that the
12 person receiving the loan:

13 (1) Complete the required course of instruction and receive the de-
14 gree of doctor of dental surgery or doctor of dental medicine;

15 (2) apply for and obtain a license to practice dentistry in Kansas;

16 (3) except as otherwise provided in subsection (c), engage in the prac-
17 tice of dentistry in Kansas on a full-time basis for a period of 12 months
18 for each year a loan was received or on a part-time basis for a period
19 equivalent to 12 months, as determined by the state board of regents, for
20 each year a loan was received;

21 (4) commence such full-time or part-time practice of dentistry within
22 six months after licensure and continue such practice in Kansas for a
23 consecutive period of months equal to the total number of months re-
24 quired under the agreement;

25 (5) agree that the service commitment for each agreement entered
26 into under this section is in addition to the service commitment contained
27 in any other agreement which has been or may be entered into under
28 this section for the purpose of obtaining a loan;

29 (6) maintain records and make reports to the state board of regents
30 to document satisfaction of the obligation under such agreement to en-
31 gage in the full-time or part-time practice of dentistry in Kansas and to
32 continue such practice for a consecutive period of months equal to the
33 total number of months required under the agreement; and

34 (7) repay amounts to the state board of regents as provided in section
35 3 and amendments thereto upon failure to engage in full-time or part-
36 time practice of dentistry in Kansas for the required period of time under
37 any agreement entered into as provided in this section.

38 (b) Except as otherwise provided in subsection (c), each Kansas stu-
39 dent who enters into an agreement as provided in this section shall serve
40 the practice obligations incurred by such student under the agreement in
41 a dentally underserved area.

42 (c) (1) A person awarded a dental service loan may satisfy the obli-
43 gation to engage in the practice of dentistry under an agreement entered

1 into as provided in this section, even though such person is engaged in
2 practice in an area not designated a dentally underserved area, through
3 employment on a part-time basis by a community health center or em-
4 ployment on a part-time basis by the state of Kansas, which employment
5 has been approved by the state board of regents, for the practice of den-
6 tistry at any state medical care facility or institution.

7 (2) For the purposes of this subsection, providing dental services to
8 dentally indigent persons in an amount equivalent to at least 30% of the
9 total number of clients served by the person awarded a dental service
10 loan shall satisfy the obligation to engage in the full-time practice of den-
11 tistry in Kansas for a period of 12 months for each year a loan was received
12 as provided in an agreement entered into under this section.

13 (3) For the purposes of this subsection, service or employment at a
14 not-for-profit corporation having the status of an organization under 26
15 United States Code Annotated 501(c)(3) which is also a facility qualified
16 under subsection (b) of K.S.A. 65-431 and amendments thereto to select
17 and employ professional personnel, an indigent health care clinic as de-
18 fined by the rules and regulations of the secretary of health and environ-
19 ment, a federally qualified health center, a national health service corps
20 site or a local health department on an employment basis of at least the
21 equivalent of ½ time shall satisfy the obligation to engage in the full-time
22 practice of dentistry in Kansas for a period of 12 months for each year a
23 loan was received as provided in an agreement entered into under this
24 section.

25 (d) For the purposes of the dental service loan program (1) “state
26 medical care facility or institution” has the meaning ascribed thereto in
27 subsection (k) of K.S.A. 76-375, and amendments thereto; (2) “dentally
28 underserved area” means a practice location designated dentally under-
29 served by the secretary of health and environment or a federally desig-
30 nated dentally underserved area; and (3) “dentally indigent persons” shall
31 have the meaning ascribed to such term under subsection (b) of K.S.A.
32 65-1459 and amendments thereto.

33 Sec. 3. (a)(1) Except as otherwise provided in section 5 and amend-
34 ments thereto, upon the failure of any person to satisfy the obligation to
35 engage in the full-time or part-time practice of dentistry within the state
36 of Kansas for the required period of time under an agreement entered
37 into as provided in section 2 and amendments thereto, such person shall
38 repay to the state board of regents an amount equal to the total of (1) the
39 amount of money received by such person pursuant to such agreement
40 plus (2) accrued interest from the date such money was received at a rate
41 which is equivalent to the interest rate applicable to loans made under
42 the federal PLUS program at the time such person first entered into an
43 agreement plus five percentage points.

1 (b) Each person required to repay any amount under this section shall
2 repay an amount totaling the entire amount to be repaid under all such
3 agreements for which obligations are not satisfied, including all amounts
4 of interest at the rate prescribed. Except as otherwise provided in this
5 section, such repayment shall be in installment payments and each such
6 installment shall be not less than an amount equal to $\frac{1}{5}$ of the total
7 amount which would be required to be paid if repaid in five equal annual
8 installments.

9 (c) All installment payments under this section shall commence six
10 months after the date of the action or circumstance that causes the failure
11 of the person to satisfy the obligations of such agreements, as determined
12 by the state board of regents based upon the circumstances of each in-
13 dividual case. If an installment payment becomes 91 days overdue, the
14 entire amount outstanding shall become immediately due and payable,
15 including all amounts of interest at the rate prescribed.

16 (d) The total repayment obligation imposed under all agreements en-
17 tered into as provided in section 2 and amendments thereto, may be
18 satisfied at any time prior to graduation from the accredited school of
19 dentistry by making a single lump-sum payment equal to the total of (1)
20 the entire amount to be repaid under all such agreements upon failure
21 to satisfy the obligations under such agreements to practice in Kansas,
22 plus (2) all amounts of interest accrued thereon at the rate prescribed
23 under this section.

24 (e) The state board of regents is authorized to turn any repayment
25 account arising under the dental service loan program over to a designated
26 loan servicer or collection agency, the state not being involved other than
27 to receive payments from the loan servicer or collection agency at the
28 interest rate prescribed under this section.

29 Sec. 4. There is hereby created in the state treasury the dental serv-
30 ice loan repayment fund. The state board of regents shall remit all moneys
31 received under section 3 and amendments thereto to the state treasurer
32 at least monthly. Upon receipt of each such remittance the state treasurer
33 shall deposit the entire amount thereof in the state treasury, and such
34 amount shall be credited to the dental service loan repayment fund. All
35 expenditures from the dental service loan repayment fund shall be for
36 dental service loans and shall be made in accordance with appropriation
37 acts upon warrants of the director of accounts and reports issued pursuant
38 to vouchers approved by the executive officer of the state board of regents
39 or a person designated by the executive officer.

40 Sec. 5. (a) An obligation to engage in the practice of dentistry in
41 accordance with an agreement under section 2 and amendments thereto,
42 shall be postponed: (1) During any required period of active military
43 service; (2) during any period of service as a part of volunteers in service

1 to America (VISTA); (3) during any period of service in the peace corps;
2 (4) during any period of service commitment to the United States public
3 health service; (5) during any period of religious missionary work con-
4 ducted by an organization exempt from tax under section 501(c)(3) of the
5 federal internal revenue code as in effect on December 31, 1999;
6 (6) during any period of time the person obligated is engaged solely in
7 the teaching of dental surgery or dental medicine; (7) during any period
8 of time the person obligated is engaged solely in dental research;
9 (8) during any period of time the person obligated is unable because of
10 temporary medical disability to practice dentistry; (9) during any period
11 of time the person obligated is on job-protected leave under the federal
12 family and medical leave act of 1993; or (10) during any period of time
13 the state board of regents determines that the person obligated is unable
14 because of special circumstances to practice dentistry. Except for clauses
15 (8), (9) and (10), an obligation to engage in the practice of dentistry in
16 accordance with an agreement under section 2 and amendments thereto
17 shall not be postponed more than five years from the time the practice
18 of dentistry was to have been commenced under any such agreement. An
19 obligation to engage in the practice of dentistry in accordance with an
20 agreement under section 2 and amendments thereto shall be postponed
21 under clause (8) during the period of time the medical disability exists.
22 An obligation to engage in the practice of dentistry in accordance with
23 an agreement under section 2 and amendments thereto shall be post-
24 poned under clause (9) during the period of time the person obligated
25 remains on family and medical leave act leave. An obligation to engage
26 in the practice of dentistry in accordance with an agreement under section
27 2 and amendments thereto shall be postponed under clause (10) during
28 the period of time the state board of regents determines that the special
29 circumstances exist. The state board of regents shall adopt rules and reg-
30 ulations prescribing criteria or guidelines for determination of the exis-
31 tence of special circumstances causing an inability to practice dentistry,
32 and shall determine the documentation required to prove the existence
33 of such circumstances.

34 (b) An obligation to engage in the practice of dentistry in accordance
35 with an agreement under section 2 and amendments thereto shall be
36 satisfied: (1) If the obligation to engage in the practice of dentistry has
37 been completed in accordance with the agreement; (2) if the person ob-
38 ligated dies; and (3) if, because of permanent physical disability, the per-
39 son obligated is unable to practice dentistry.

40 Sec. 6. If a person fails to satisfy an obligation to engage in the prac-
41 tice of dentistry in Kansas for the required period of time under an agree-
42 ment entered into as provided in section 2 and amendments thereto be-
43 cause such person is engaged in the practice of dentistry in a state other

1 than Kansas, and if such person is subject to or currently making repay-
2 ments under such agreement, and if such person subsequently com-
3 mences the practice of dentistry in this state in compliance with the agree-
4 ment, the balance of the repayment amount, including interest thereon,
5 from the time of commencement of the practice of dentistry in this state
6 until the obligation of such person is satisfied, or until the time such
7 person again becomes subject to repayments, shall be waived. All repay-
8 ment amounts due prior to commencement of practice in this state, in-
9 cluding interest thereon, shall continue to be payable as provided in the
10 agreement. If subsequent to commencement of practice in this state, the
11 person fails to satisfy the obligation to practice for the period of time
12 specified in the agreement, the person again shall be subject to repay-
13 ments, including interest thereon, as provided in the agreement.

14 Sec. 7. This act shall take effect and be in force from and after its
15 publication in the statute book.

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