

SHORT TITLE: Higher education; economic development; student loan program; codification; effective date; emergency.

STATE OF OKLAHOMA

2nd Session of the 46th Legislature (1998)

SENATE BILL NO. 798

By: Stipe

AS INTRODUCED

An Act relating to higher education and economic development; creating the Economic Development Through Education Act; requiring the Oklahoma Student Loan Authority to establish certain student loan program; providing grace period for loan repayment; authorizing certain loan repayment credits; stating eligibility requirements for certain loan repayment credits; requiring the Oklahoma Department of Commerce to furnish certain information; requiring the Oklahoma Student Loan Authority to promulgate certain rules; amending 70 O.S. 1991, Section 3218.2, which relates to establishment of tuition and fees; removing limitations on certain fees at institutions of higher education within The Oklahoma State System of Higher Education; removing certain limits on general enrollment fees and nonresident tuition; repealing 70 O.S. 1991, Section 3218.8, as last amended by Section 1, Chapter 303, O.S.L. 1997, Section 6, Chapter 348, O.S.L. 1993, as last amended by Section 2, Chapter 303, O.S.L. 1997, and 70 O.S. 1991, Sections 3218.9, as last amended by Section 3, Chapter 303, O.S.L. 1997, 3218.10, as amended by Section 3, Chapter 348, O.S.L. 1993, and 3218.11, as amended by Section 4, Chapter 348, O.S.L. 1993 (70 O.S. Supp. 1997, Sections 3218.8,

3218.8a, 3218.9, 3218.10 and 3218.11), which relate to general enrollment fees at institutions of higher education within The Oklahoma State System of Higher Education, general enrollment fees and nonresident tuition at Oklahoma State University technical branches, general enrollment fees and nonresident tuition for certain courses and programs, supplemental fees, and special service fees; providing for codification; providing an effective date; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 695.30 of Title 70, unless there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Economic Development Through Education Act".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 695.31 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. The Oklahoma Student Loan Authority shall establish and operate a loan program to be known as the Tuition Loan Program for any Oklahoma resident attending an institution of higher education within The Oklahoma State System of Higher Education.

B. The Tuition Loan Program shall make loans in the amount of the cost of general enrollment fees for an Oklahoma resident attending an institution of higher education within The Oklahoma State System of Higher Education.

C. No interest shall be charged on student loans issued pursuant to the Tuition Loan Program during the time that the

borrower is enrolled as a full-time student at an institution of higher education and is making satisfactory progress towards a degree.

D. The first installment payment to the Tuition Loan Program shall not be required prior to twelve (12) months after the borrower ceases to be enrolled full-time and making successful progress towards a degree at a qualified institution of higher education.

E. Loans issued pursuant to this Program shall provide for a repayment period of not less than ten (10) years.

F. Any borrower who obtains an associate or higher degree and is employed in a "basic industry", as defined by the Oklahoma Quality Jobs Program Act, within this state shall be eligible for repayment credits to be applied toward the balance owed by said borrower on funds loaned by the Tuition Loan Program. An eligible borrower may apply to the Authority for loan repayment credits against the borrower's loan obligation in the amount of the Oklahoma state income tax paid by that borrower on income earned from employment in Oklahoma in a basic industry. A borrower who desires to claim the loan repayment credit provided for in this section shall furnish to the Oklahoma Student Loan Authority a copy of the borrower's most recent Oklahoma income tax return, all necessary W-2 forms, and such other information as may be required by the Authority.

G. The Oklahoma Department of Commerce shall furnish to the Authority on at least an annual basis a list of all employers in this state who meet the criteria to be classified as a basic industry under the Oklahoma Quality Jobs Program Act.

H. The Authority shall collect its loans when due, and, in the event of a possible default after due diligence has been performed to collect, the Authority shall take whatever action may be necessary to collect from the borrower in order to assure that the

State of Oklahoma will not suffer any loss in connection with default payments.

I. The Authority shall establish the rate of interest to be paid on loans, which shall be paid by the borrowers to the Authority on a quarterly basis, which rate shall be as modest as possible for the benefit of the student but shall be at sufficient level to assure repayment of the debt incurred to underwrite the loans and expenses incurred by the Authority in administration of the Program.

J. The Authority may obtain funding for the Tuition Loan Program through authorized procedures as provided in the Oklahoma Student Loan Act.

K. It is the intent of the Legislature to appropriate to the Oklahoma State Regents for Higher Education sufficient monies to make payments to the Authority for purposes of covering the forgiven repayments.

L. The Authority shall promulgate rules as may be necessary and appropriate for the full and effective administration of the Tuition Loan Program.

SECTION 3. AMENDATORY 70 O.S. 1991, Section 3218.2, is amended to read as follows:

Section 3218.2 General enrollment fees, nonresident tuition, and other fees to be required of students receiving instruction or other academic services provided by institutions of The Oklahoma State System of Higher Education shall be established by the Oklahoma State Regents for Higher Education ~~within limits prescribed by the Legislature~~ in an amount necessary for the operation of such institutions. Nothing in ~~this act~~ the Oklahoma Higher Education Code shall be construed as limiting or prohibiting the requirement of payment for goods or services provided by auxiliary enterprises operated by or in conjunction with institutions of The Oklahoma State System of Higher Education and authorized by the Oklahoma State Regents for Higher Education.

SECTION 4. REPEALER 70 O.S. 1991, Section 3218.8, as last amended by Section 1, Chapter 303, O.S.L. 1997, Section 6, Chapter 348, O.S.L. 1993, as last amended by Section 2, Chapter 303, O.S.L. 1997, and 70 O.S. 1991, Sections 3218.9, as last amended by Section 3, Chapter 303, O.S.L. 1997, 3218.10, as amended by Section 3, Chapter 348, O.S.L. 1993, and 3218.11, as amended by Section 4, Chapter 348, O.S.L. 1993 (70 O.S. Supp. 1997, Sections 3218.8, 3218.8a, 3218.9, 3218.10 and 3218.11), are hereby repealed.

SECTION 5. This act shall become effective July 1, 1998.

SECTION 6. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

46-2-2115

PHB