

ENGROSSED SENATE
BILL NO. 540

By: Williams of the Senate
and
Nations of the House

[higher education - 70 O.S. 1991, Section 698.2 -
forgivable loan program - effective date -
emergency]

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

SECTION 1. AMENDATORY 70 O.S. 1991, Section 698.2, as amended by Section 1, Chapter 232, O.S.L. 1992 (70 O.S. Supp. 1998, Section 698.2), is amended to read as follows:

Section 698.2 A. It is the intent of the Oklahoma Legislature that the Oklahoma State Regents for Higher Education establish a program for making available forgivable loans, as defined in this section, to students enrolled in a major course of study at the graduate or undergraduate level who declare an intention to serve and who subsequently serve this state by teaching in the subject areas of mathematics, science, computer learning, middle school technology education, or foreign languages at the elementary, middle or secondary level in the public schools of this state. This program may be used by a state institution of higher education to meet any statutorily prescribed duty of providing financial assistance to minority students who intend to become teachers in the above subject areas. Forgivable loans pursuant to this subsection shall not be authorized on or after July 1, 1999.

B. On and after July 1, 1999, the Oklahoma State Regents for Higher Education are authorized to establish a program for making available forgivable loans or financial incentives to students enrolled at the graduate or undergraduate level who declare an

intention to serve and who subsequently serve this state by teaching in geographical or subject shortage areas as determined by the Oklahoma State Regents for Higher Education. This program may be used by a state institution of higher education to meet any statutorily prescribed duty of providing financial assistance to minority students who intend to become teachers in shortage areas.

C. The Oklahoma State Regents for Higher Education in consultation with the State Board of Education and local school districts are authorized to annually determine areas for which a teaching shortage exists or is projected to exist within the next five (5) years, including geographical areas and subject areas.

D. The Oklahoma State Regents for Higher Education are authorized to provide student loans to persons who are enrolled at institutions of higher education in this state for the purposes specified in ~~subsection A~~ subsections A and B of this section. The loans shall be applied to the cost of said education. It is the intent of the Oklahoma Legislature that only those undergraduate and graduate students who are enrolled full time be eligible for said loans.

~~E.~~ E. No person shall receive more than three annual loans of such kind. The maximum annual loan amount may be set by the Oklahoma State Regents for Higher Education at an amount not to exceed the normal cost of room, board, tuition, and fees at the state-supported colleges and universities, except that intersession or summer school loans may also be offered in amounts not to exceed one-third (1/3) of the annual loan amount.

~~D.—The~~ F. For loans approved before July 1, 1999, the Oklahoma State Regents for Higher Education are authorized to forgive loans authorized pursuant to the provisions of subsection A of this section which have been provided to persons who actually render service as teachers in the public schools of this state if not less than seventy-five percent (75%) of the teaching assignment is in a

subject area specified in subsection A of this section. Loan forgiveness shall be one (1) year's loan for each school year of service rendered. One-half (1/2) school year of service shall be required for forgiveness of an intersession or summer session loan.

G. For loans approved on or after July 1, 1999, the Oklahoma State Regents for Higher Education are authorized to forgive loans authorized pursuant to the provisions of subsections B and C of this section which have been provided to persons who actually render service as teachers at the elementary, middle or secondary level in the public schools of this state if not less than seventy-five percent (75%) of the teaching assignment is in a shortage area as determined by the Oklahoma State Regents for Higher Education. Loan forgiveness shall be one (1) year's loan for each school year of service rendered. One-half (1/2) school year of service shall be required for forgiveness of an intersession or summer session loan.

~~E. H.~~ Persons failing to complete an appropriate program of ~~studies~~ study or to meet any other requirements for full-time teaching employment, ~~including certification in an area of mathematics, science, computer learning, middle school technology education, or foreign languages,~~ shall immediately become liable to the Oklahoma State Regents for Higher Education for the sum of all outstanding loans received pursuant to the provisions of this section. Persons liable for repayment of loans shall also be liable for interest for the entire period of the loans at a rate to be determined at the time each loan is granted. The Oklahoma State Regents for Higher Education may grant forbearance or deferment for justifiable temporary periods of interruption of studies. In the event of a borrower's death or total and permanent disability, the Chancellor of the Oklahoma State Regents for Higher Education may cancel the borrower's indebtedness to this program. On or before July 1, 1999, the Oklahoma State Regents for Higher Education are authorized to make financial incentive payments to graduates of

Oklahoma colleges and universities who actually render service as teachers at the elementary, middle or secondary level in the public schools of this state if not less than Seventy-five percent (75%) of the teaching assignment is in a shortage area as determined in subsection C of this subsection. Such payments shall be available for only the first three (3) years after graduation. Recipients shall be eligible for one payment per year, payable upon completion of each year of service. Payment amounts shall not exceed fifty percent (50%) of the average annual undergraduate cost of attendance at a comprehensive or regional university within The Oklahoma State System of Higher Education. The annual cost of attendance shall be determined by the Oklahoma State Regents for Higher Education. Payments to recipients with student loan debt shall be made directly to the holder of the loan and applied to the loan principal.

~~F.~~ I. The Oklahoma State Regents for Higher Education shall require the execution of appropriate contracts and promissory notes with loan recipients. The Chancellor, with approval of the State Regents, may contract with any other appropriate organization or unit of government for the administration of the provisions of this section.

~~G.~~ J. All loans and interest repaid to the Oklahoma State Regents for Higher Education pursuant to the provisions of this section may be used for the continuation of this program.

~~H.~~ K. If insufficient funds are available for loans to qualified persons during any fiscal year, the Chancellor may make reductions in the loans made to qualifying applicants. Priority consideration may be given to ~~highly~~ highly:

1. Applicants who agree to teach in shortage areas as determined by the State Regents for Higher Education; and

2. Highly qualified persons previously participating and making satisfactory academic progress in the program as determined by the institution.

SECTION 2. This act shall become effective July 1, 1999.

SECTION 3. 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.

Passed the Senate the 23rd day of February, 1999.

President of the Senate

Passed the House of Representatives the ____ day of _____ ,
1999.

Speaker of the House of
Representatives