

## HOUSE BILL No. 2645

By Committee on Education

Requested by Fred Patton on behalf of the State Board of Regents

1-31

1 AN ACT concerning postsecondary education; relating to the nursing  
2 service scholarship program; removing limits on the amount of  
3 scholarship awards and the number of scholarships; removing the  
4 requirement to obtain a sponsor; modifying the terms and conditions  
5 for interest accrual on repayment obligations; abolishing the nursing  
6 service scholarship review committee; amending K.S.A. 74-3292, 74-  
7 3293, 74-3294, 74-3295, 74-3296, 74-3297 and 74-3298 and repealing  
8 the existing sections; also repealing K.S.A. 74-3299.

9  
10 *Be it enacted by the Legislature of the State of Kansas:*

11 Section 1. K.S.A. 74-3292 is hereby amended to read as follows: 74-  
12 3292. As used in this act:

13 (a) ~~"Committee" means the nursing service scholarship review~~  
14 ~~committee established under K.S.A. 74-3299, and amendments thereto.~~

15 (b) ~~"Executive officer" means the chief executive officer of the state~~  
16 ~~board of regents appointed under K.S.A. 74-3203a, and amendments~~  
17 ~~thereto.~~

18 (c) ~~"Mental health or treatment facility" means:~~

19 (1) ~~Any private treatment facility as such term is defined in K.S.A.~~  
20 ~~59-29b46, and amendments thereto;~~

21 (2) ~~any public treatment facility as such term is defined in K.S.A. 59-~~  
22 ~~29b46, and amendments thereto;~~

23 (3) ~~any community mental health center organized pursuant to the~~  
24 ~~provisions of K.S.A. 19-4001 through 19-4015, and amendments thereto,~~  
25 ~~and licensed pursuant to K.S.A. 39-2001 et seq., and amendments thereto;~~

26 (4) ~~any mental health clinic organized pursuant to the provisions of~~  
27 ~~K.S.A. 65-211 through 65-215, and amendments thereto, and licensed~~  
28 ~~pursuant to K.S.A. 39-2001 et seq., and amendments thereto;~~

29 (5) ~~any psychiatric hospital, psychiatric residential treatment facility~~  
30 ~~or residential care facility as such terms are defined in K.S.A. 39-2002,~~  
31 ~~and amendments thereto;~~

32 (6) ~~any hospital as defined in K.S.A. 65-425, and amendments~~  
33 ~~thereto, provided: (A) The hospital has a psychiatric unit; and (B) the~~  
34 ~~scholarship recipient is required to fulfill the nursing service scholarship's~~  
35 ~~employment obligations as an employee in the psychiatric unit of the~~

1 hospital; or

2 ~~(7) Osawatomic state hospital, Rainbow mental health facility, Larned~~  
3 ~~state hospital, Parsons state hospital and training center or the Kansas~~  
4 ~~neurological institute.~~

5 ~~(d) "Rural area" means any county of this state other than Douglas,~~  
6 ~~Johnson, Sedgwick, Shawnee and Wyandotte counties.~~

7 ~~(e)(b) "School of nursing" means a school within the state of Kansas~~  
8 ~~which that is approved by the state board of nursing to grant an associate~~  
9 ~~degree or a baccalaureate degree in professional nursing or a certificate of~~  
10 ~~completion in practical nursing and is:~~

11 ~~(1) Under the control and supervision of the state board of regents;~~

12 ~~(2) a municipal university; or~~

13 ~~(3) a not-for-profit independent institution of higher education that~~  
14 ~~has its main campus or principal place of operation in Kansas, maintains~~  
15 ~~open enrollment as such term is defined in K.S.A. 74-32,120, and~~  
16 ~~amendments thereto, and is operated independently and not controlled or~~  
17 ~~administered by the state or any agency or subdivision thereof.~~

18 ~~(f) "Sponsor" means any adult care home licensed under the adult~~  
19 ~~care home licensure act, any medical care facility licensed under K.S.A.~~  
20 ~~65-425 et seq., and amendments thereto, any home health agency licensed~~  
21 ~~under K.S.A. 65-5101 et seq., and amendments thereto, any local health~~  
22 ~~department as defined in K.S.A. 65-241, and amendments thereto, any~~  
23 ~~mental health or treatment facility and any state agency which employs~~  
24 ~~licensed practical nurses or licensed professional nurses.~~

25 Sec. 2. K.S.A. 74-3293 is hereby amended to read as follows: 74-  
26 3293. (a) There is hereby established the nursing service scholarship  
27 program. A scholarship may be awarded under the nursing service  
28 scholarship program to any qualified nursing student enrolled in or  
29 admitted to a school of nursing in a course of instruction leading to  
30 licensure as a licensed professional nurse or licensed practical nurse. A  
31 nursing student shall not be required to be a resident of Kansas to qualify  
32 for a scholarship under the nursing service scholarship program. ~~The~~  
33 ~~number of new scholarships awarded under the nursing service scholarship~~  
34 ~~program in each year shall not exceed 250. Of this number, except as~~  
35 ~~otherwise provided in this section, 100 scholarships shall be awarded to~~  
36 ~~nursing students whose sponsors are located in rural areas and who are~~  
37 ~~enrolled in a course of instruction leading to licensure as a registered~~  
38 ~~professional nurse, 50 scholarships shall be awarded to nursing students~~  
39 ~~enrolled in a course of instruction leading to licensure as a licensed~~  
40 ~~practical nurse and the remaining 100 scholarships shall be awarded to any~~  
41 ~~nursing students who have a sponsor and who are enrolled in a course of~~  
42 ~~instruction leading to licensure as a registered professional nurse. If all~~  
43 ~~scholarships authorized to be awarded under this section to nursing~~

1 students whose sponsors are located in rural areas have not been awarded  
2 by a date established by the state board of regents, the scholarships which  
3 have not been awarded by that date may be awarded to nursing students  
4 who have a sponsor and who are otherwise qualified to be awarded a  
5 scholarship under the nursing service scholarship program. The  
6 determination of the individuals qualified for such scholarships shall be  
7 made by the executive officer after seeking advice from the committee.  
8 Within each scholarship category prescribed by this subsection,  
9 Scholarships shall be awarded on a priority basis to qualified applicants:  
10 (1) Whose sponsor is a mental health or treatment facility; and (2) who  
11 have the greatest financial need for such scholarships. To the extent  
12 practicable and consistent with the other provisions of this section,  
13 consideration shall be given to minority applicants.

14 (b) Scholarships awarded under the nursing service scholarship  
15 program shall be awarded for the length of the course of instruction  
16 leading to licensure as a licensed professional nurse or licensure as a  
17 licensed practical nurse which the student is enrolled in or admitted to  
18 unless otherwise terminated before the expiration of such period of time.  
19 Such scholarships shall provide to a nursing student:

20 (1) If the nursing student is enrolled in a school of nursing operated  
21 by a state educational institution, an amount not to exceed 70% of the in-  
22 state tuition cost of attendance for an academic year at the school of  
23 nursing in which the nursing student is enrolled; or

24 (2) if the nursing student is enrolled in a school of nursing not  
25 operated by a state educational institution, the lesser of: (A) An amount not  
26 to exceed 70% of the in-state tuition cost of attendance for a year at the  
27 school of nursing in which the nursing student is enrolled; or (B) an  
28 amount not to exceed 70% of the average amount of the in-state tuition  
29 cost of attendance for a year at the schools of nursing operated by the state  
30 educational institutions.

31 (c) The amount of each scholarship shall be established annually by  
32 the executive officer and shall be financed equally by the sponsor of the  
33 nursing student and by the state of Kansas except if:

34 (1) The sponsor is located in a rural area or is a health care facility  
35 which has less than 100 beds, and is not a mental health or treatment  
36 facility pursuant to K.S.A. 74-3292(c)(1), (c)(5) or (c)(6), and amendments  
37 thereto, the total amount of the scholarship financed by such sponsor shall  
38 not exceed \$1,000 and the balance of such amount shall be paid by the  
39 state of Kansas; or

40 (2) the sponsor is a mental health or treatment facility pursuant to  
41 K.S.A. 74-3292(c)(2), (c)(3), (c)(4) or (c)(7), and amendments thereto, the  
42 amount of the scholarship shall be paid by the state and such sponsor shall  
43 not finance any amount of the scholarship.

1       Sec. 3. K.S.A. 74-3294 is hereby amended to read as follows: 74-  
2 3294. (a) An applicant for a scholarship under the nursing service  
3 scholarship program shall provide to the executive officer, on forms  
4 supplied by the executive officer, the following information:

5       (1) The name and address of the applicant;

6       (2) the name and address of the school of nursing in which the  
7 applicant is enrolled or to which the applicant has been admitted; *and*

8       ~~(3) the name and address of the sponsor of the applicant and a~~  
9 ~~verified copy of the agreement entered into by the applicant and the~~  
10 ~~sponsor in accordance with the provisions of the nursing service~~  
11 ~~scholarship program; and~~

12 ~~(4) any additional information which that may be required by the~~  
13 ~~executive officer.~~

14       (b) As a condition to awarding a scholarship under the nursing  
15 service scholarship program, the executive officer and the applicant for a  
16 scholarship shall enter into an agreement ~~which that~~ shall require that the  
17 scholarship recipient:

18       (1) Complete the required course of instruction and, *within six*  
19 *months after completion*, attain licensure with the Kansas state board of  
20 nursing as a licensed professional nurse or a licensed practical nurse;

21       (2) *complete the free application for federal student aid for each*  
22 *academic year for which scholarship funds are awarded under the*  
23 *agreement;*

24       (3) *within six months after attaining licensure*, engage in the full-time  
25 practice of nursing, or the equivalent to full-time practice, in ~~the~~  
26 ~~employment of the sponsor in accordance with the agreement entered into~~  
27 ~~by the scholarship recipient and the sponsor~~ *Kansas* and continue such  
28 full-time practice, or the equivalent to full-time practice, for the total  
29 amount of time required under the agreement, which shall be for a period  
30 of not less than the length of the course of instruction for which  
31 scholarship assistance was provided, or engage in the part-time practice of  
32 nursing in ~~the employment of the sponsor in accordance with the~~  
33 ~~agreement entered into by the scholarship recipient and the sponsor~~  
34 *Kansas* and continue such part-time practice for the total amount of time  
35 required under the agreement, which shall be for a period of time that is  
36 equivalent to full time, as determined by the state board of regents,  
37 multiplied by the length of the course of instruction for which scholarship  
38 assistance was provided;

39       ~~(3)(4) commence the full-time practice of nursing, or the equivalent~~  
40 ~~to full-time practice, or the part-time practice of nursing, within six months~~  
41 ~~after registration in accordance with the agreement entered into by the~~  
42 ~~scholarship recipient and the sponsor, continue such practice for the total~~  
43 ~~amount of time required under the agreement, and comply with such other~~

1 terms and conditions as may be specified by such agreement;

2 ~~(4)(5)~~ maintain records and make reports to the executive officer as  
3 may be required by the executive officer to document the satisfaction of  
4 the obligations under the nursing service scholarship program and under  
5 agreements entered into with the sponsor pursuant thereto; and

6 ~~(5)(6)~~ upon failure to satisfy an agreement to engage in the full-time  
7 practice of nursing, or the equivalent to full-time practice, or the part-time  
8 practice of nursing, for the required period of time under any such  
9 agreement, the requirements of the agreement, to repay to the state and to  
10 the sponsor the amounts as provided in K.S.A. 74-3295, and amendments  
11 thereto.

12 (e) Upon the awarding of a scholarship under the nursing service  
13 scholarship program, the sponsor shall pay to the executive officer the  
14 amount of such scholarship to be financed by the sponsor, if any. Each  
15 such amount shall be deposited in the nursing service scholarship program  
16 fund in accordance with K.S.A. 74-3298, and amendments thereto.

17 ~~(d)~~ The sponsorship by a scholarship recipient may be transferred  
18 from one sponsor to another upon the agreement of the original sponsor,  
19 the scholarship recipient and the sponsor to which the sponsorship is to be  
20 transferred. The terms, conditions and obligations of the transferred  
21 agreement shall be substantially similar to the terms, conditions and  
22 obligations of the original agreement. No sponsorship shall be transferred  
23 unless the agreement transferring such sponsorship provides for service in  
24 a rural area or in a mental health or treatment facility and is approved by  
25 the executive officer as consistent with the provisions of the nursing-  
26 service scholarship program and as consistent with any rules and  
27 regulations relating thereto adopted by the state board of regents in  
28 accordance with the provisions of K.S.A. 74-3297, and amendments  
29 thereto.

30 Sec. 4. K.S.A. 74-3295 is hereby amended to read as follows: 74-  
31 3295. (a) Except as provided in K.S.A. 74-3296, and amendments thereto,  
32 upon the failure of any person to satisfy the obligation under any  
33 agreement entered into pursuant to the nursing service scholarship  
34 program, such person shall pay to the executive officer an amount equal to  
35 the total amount of money received by such person pursuant to such  
36 agreement which *that* was financed by the state of Kansas plus accrued  
37 interest at a rate which is equivalent to the interest rate applicable to loans  
38 made under the federal PLUS program at the time such person first entered  
39 into an agreement plus five percentage points and shall pay to the sponsor  
40 an amount equal to the total amount of money received by such person  
41 pursuant to such agreement which was financed by the sponsor plus  
42 accrued interest at a rate which is equivalent to the interest rate applicable  
43 to loans made under the federal PLUS program at the time such person

1 ~~first entered into an agreement plus five percentage points of 5% per~~  
 2 ~~annum. Interest shall begin to accrue on the date of the action or~~  
 3 ~~circumstances that cause such person to fail to satisfy the obligations of~~  
 4 ~~such agreement, as determined by the executive officer based upon the~~  
 5 ~~circumstances of each individual case. Installment payments of any such~~  
 6 ~~amounts may be made in accordance with the provisions of agreements~~  
 7 ~~entered into by the scholarship recipient and the sponsor or if no such~~  
 8 ~~provisions exist in such agreements, in accordance with rules and~~  
 9 ~~regulations of the state board of regents, except that. Such installment~~  
 10 ~~payments shall commence six months after the date of the action or~~  
 11 ~~circumstances that cause the failure of the person to satisfy the obligations~~  
 12 ~~of such agreements, as determined by the executive officer based upon the~~  
 13 ~~circumstances of each individual case on which interest begins to accrue.~~  
 14 Amounts paid under this section to the executive officer shall be deposited  
 15 in the nursing service scholarship repayment fund in accordance with  
 16 K.S.A. 74-3298, and amendments thereto.

17 (b) The state board of regents is authorized to turn any repayment  
 18 account arising under the nursing service scholarship program over to a  
 19 designated loan servicer or collection agency, the state not being involved  
 20 other than to receive payments from the loan servicer or collection agency  
 21 at the interest rate prescribed under this section.

22 Sec. 5. K.S.A. 74-3296 is hereby amended to read as follows: 74-  
 23 3296. (a) ~~(1) Except as otherwise specified in the agreement with the~~  
 24 ~~sponsor, An obligation under any agreement entered into under the nursing~~  
 25 ~~student scholarship program shall be postponed:~~

- 26 ~~(1)(A)~~ During any required period of active military service;
- 27 ~~(2)(B)~~ during any period of service as a part of volunteers in service  
 28 to America (VISTA);
- 29 ~~(3)(C)~~ during any period of service in the peace corps;
- 30 ~~(4)(D)~~ during any period of service commitment to the United States  
 31 public health service;
- 32 ~~(5)(E)~~ during any period of religious missionary work conducted by  
 33 an organization exempt from tax under section 501(c)(3) of the federal  
 34 internal revenue code as in effect on ~~December 31, 2000~~ July 1, 2024;
- 35 ~~(6)(F)~~ during any period of time the person obligated is unable  
 36 because of temporary medical disability to practice nursing;
- 37 ~~(7)(G)~~ during any period of time the person obligated is enrolled and  
 38 actively engaged on a full-time basis in a course of study leading to a  
 39 degree in the field of nursing ~~which~~ that is higher than that attained  
 40 formerly by the person obligated;
- 41 ~~(8)(H)~~ during any period of time that the person obligated is on job-  
 42 protected leave under the federal family and medical leave act of 1993; or
- 43 ~~(9)(I)~~ during any period of time the state board of regents determines

1 that the person obligated is unable because of special circumstances to  
2 practice nursing.

3 (2) Except for ~~clauses (6), (8) and (9)~~ *paragraphs (1)(F), (1)(H) and*  
4 *(1)(I)*, an obligation under any agreement entered into as provided in the  
5 nursing service scholarship program shall not be postponed more than five  
6 years from the time the obligation was to have been commenced under any  
7 such agreement.

8 (3) An obligation under any agreement entered into as provided in the  
9 nursing service scholarship program shall be postponed under ~~clause (6)~~  
10 *paragraph (1)(F)* during the period of time the medical disability exists.

11 (4) An obligation under any agreement entered into as provided in the  
12 nursing service scholarship program shall be postponed under ~~clause (8)~~  
13 *paragraph (1)(H)* during the period of time the person obligated remains  
14 on FMLA leave.

15 (5) An obligation under any agreement entered into as provided in the  
16 nursing service scholarship program shall be postponed under ~~clause (9)~~  
17 *paragraph (1)(I)* during the period of time the state board of regents  
18 determines that the special circumstances exist.

19 (6) The state board of regents shall adopt rules and regulations  
20 prescribing criteria or guidelines for determination of the existence of  
21 special circumstances causing an inability to satisfy an obligation under  
22 any agreement entered into as provided in the nursing service scholarship  
23 program, and shall determine the documentation required to prove the  
24 existence of such circumstances. ~~Except for clauses (1), (6), (8) and (9), an~~  
25 ~~obligation under any agreement entered into as provided in the nursing~~  
26 ~~service scholarship program shall not be postponed unless the~~  
27 ~~postponement is approved by the sponsor or is otherwise provided for in~~  
28 ~~the agreement with the sponsor.~~

29 (b) An obligation under any agreement entered into as provided in the  
30 nursing service scholarship program shall be satisfied:

31 (1) If the obligation has been completed in accordance with the  
32 agreement;

33 (2) if the person obligated dies;

34 (3) if, because of permanent physical disability, the person obligated  
35 is unable to satisfy the obligation;

36 (4) if the person obligated fails to satisfy the requirements for  
37 graduation from the school of nursing after making the best effort possible  
38 to do so; *and*

39 (5) if the person obligated fails to satisfy all requirements for a  
40 permanent license to practice nursing in Kansas or has been denied a  
41 license after applying for a license and making the best effort possible to  
42 obtain such license; ~~(6) if, because of bankruptcy, loss of licensure or~~  
43 ~~certification or other failure in the operations of the sponsor, the sponsor~~

1 cannot or will not employ the person obligated; or (7) if the sponsor  
2 releases the person obligated from employment with the sponsor and the  
3 person obligated otherwise completes the terms, conditions and obligations  
4 of the agreement by engaging in the practice of nursing in Kansas.

5 Sec. 6. K.S.A. 74-3297 is hereby amended to read as follows: 74-  
6 3297. (a) The state board of regents, ~~after consultation with the committee,~~  
7 ~~may adopt rules and regulations establishing minimum terms, conditions~~  
8 ~~and obligations which shall be incorporated into the provisions of any~~  
9 ~~agreement entered into between a sponsor and the recipient of a~~  
10 ~~scholarship under the nursing service scholarship program. The terms,~~  
11 ~~conditions and obligations shall be consistent with the provisions of law~~  
12 ~~relating to the nursing service scholarship program. The terms, conditions~~  
13 ~~and obligations so established shall include, but not be limited to, the~~  
14 ~~terms of eligibility for financial assistance under the nursing service~~  
15 ~~scholarship program, the amount of financial assistance to be offered, the~~  
16 ~~length of employment with the sponsor required as a condition to the~~  
17 ~~receipt of such financial assistance, the circumstances under which the~~  
18 ~~employment obligation may be discharged or forgiven, the amount of~~  
19 ~~money required to be repaid because of failure to satisfy the obligations~~  
20 ~~under an agreement and the method of repayment and such other~~  
21 ~~additional provisions as may be necessary to carry out the provisions of~~  
22 ~~the nursing service scholarship program. The state board of regents, after~~  
23 ~~consultation with the committee,~~ shall adopt rules and regulations as  
24 necessary to administer the nursing service scholarship program.

25 (b) The state board of regents shall provide an annual written report  
26 on the nursing service scholarship program to the senate and house  
27 committees on education.

28 Sec. 7. K.S.A. 74-3298 is hereby amended to read as follows: 74-  
29 3298. (a) There is hereby created in the state treasury the nursing service  
30 scholarship program fund. The executive officer shall remit all moneys  
31 received from ~~sponsors, which are paid under K.S.A. 74-3294, and~~  
32 ~~amendments thereto, pursuant to scholarship awards, or from a school of~~  
33 ~~nursing, which that are paid because of nonattendance or discontinued~~  
34 ~~attendance by scholarship recipients, to the state treasurer in accordance~~  
35 ~~with the provisions of K.S.A. 75-4215, and amendments thereto. Upon~~  
36 ~~receipt of each such remittance, the state treasurer shall deposit the entire~~  
37 ~~amount in the state treasury to the credit of the nursing service scholarship~~  
38 ~~program fund. All expenditures from the nursing service scholarship~~  
39 ~~program fund shall be for scholarships awarded under the nursing service~~  
40 ~~scholarship program or refunds to sponsors and shall be made in~~  
41 ~~accordance with appropriation acts upon warrants of the director of~~  
42 ~~accounts and reports issued pursuant to vouchers approved by the~~  
43 ~~executive officer or by a person designated by the executive officer.~~



1 (b) The nursing student scholarship discontinued attendance fund is  
2 hereby abolished. On the effective date of this act, the director of accounts  
3 and reports shall transfer all moneys remaining in the nursing student  
4 scholarship discontinued attendance fund to the nursing service  
5 scholarship program fund.

6 (c) There is hereby created in the state treasury the nursing service  
7 scholarship repayment fund. The executive officer shall remit all moneys  
8 received for amounts paid under K.S.A. 74-3295, and amendments thereto,  
9 to the state treasurer in accordance with the provisions of K.S.A. 75-4215,  
10 and amendments thereto. Upon receipt of each such remittance the state  
11 treasurer shall deposit the entire amount in the state treasury to the credit  
12 of the nursing service scholarship repayment fund. All expenditures from  
13 the nursing service scholarship repayment fund shall be for scholarships  
14 awarded under the nursing service scholarship program and shall be made  
15 in accordance with appropriation acts upon warrants of the director of  
16 accounts and reports issued pursuant to vouchers approved by the  
17 executive officer or by a person designated by the executive officer.

18 Sec. 8. K.S.A. 74-3292, 74-3293, 74-3294, 74-3295, 74-3296, 74-  
19 3297, 74-3298 and 74-3299 are hereby repealed.

20 Sec. 9. This act shall take effect and be in force from and after its  
21 publication in the Kansas register.