

HOUSE BILL NO. HB0131

Wyoming targeted education incentive loans.

Sponsored by: Representative(s) Illoway, Lockhart and  
Luthi and Senator(s) Boggs and Sessions

A BILL

for

1 AN ACT relating to student loans for targeted education  
2 incentives; authorizing loans; providing for loan  
3 administration by the Wyoming higher education assistance  
4 authority; specifying loan eligibility and procedures for  
5 loan application, administration and repayment; providing  
6 appropriations; and providing for an effective date.

7

8 *Be It Enacted by the Legislature of the State of Wyoming:*

9

10 **Section 1.** W.S. 21-7-601 is created to read:

11

12 ARTICLE 6

13 STUDENT LOANS FOR TARGETED EDUCATION INCENTIVES

14

15 **21-7-601. Wyoming student loans for targeted**  
16 **education incentives; eligibility criteria; procedures.**

1

2 (a) Wyoming student loans for targeted education  
3 incentives are authorized under this section. The loans  
4 shall be issued in accordance with this section by the  
5 Wyoming higher education assistance authority created under  
6 W.S. 21-16-703. The authority shall, after consultation  
7 with the Wyoming business council, the University of  
8 Wyoming, the Wyoming community college commission, the  
9 Wyoming department of education and the Wyoming department  
10 of employment, and not later than six (6) months prior to  
11 the beginning of the academic period of study for which a  
12 loan may be issued under this act:

13

14 (i) Identify targeted occupations in Wyoming  
15 that require a degree from the University of Wyoming or a  
16 Wyoming community college as a condition of employment and  
17 for which a shortage or projected shortage exists as  
18 reflected by:

19

20 (A) Vacancies in jobs in Wyoming for that  
21 occupation where the occupation is necessary for the health  
22 or welfare of Wyoming citizens or the economic  
23 competitiveness of Wyoming businesses; or

24

1                   (B) The lack of persons in Wyoming  
2 qualified in that occupation where, in conjunction with  
3 economic development activities, the occupation is needed  
4 to attract new businesses to Wyoming or to retain or expand  
5 existing business in Wyoming.

6

7                   (ii) Allocate appropriated amounts to implement  
8 this section to be expended for loans for each targeted  
9 occupation.

10

11                  (b) Applicants may apply to the authority for loans  
12 under this section on a form and in a manner required by  
13 the authority. To qualify for a targeted loan under this  
14 section, the applicant shall:

15

16                   (i) Be accepted by the University of Wyoming or  
17 any Wyoming community college into an education program  
18 leading to an associate's, baccalaureate or graduate  
19 degree, or certification to teach in the public schools,  
20 necessary to be qualified to pursue a targeted occupation  
21 identified by the authority in accordance with paragraph  
22 (a) (i) of this section; and

23

24                   (ii) Apply for federal financial assistance.

1

2 (c) Any loan issued under this section shall be used  
3 for education and other expenses necessary to enable the  
4 recipient to complete the educational program received at  
5 the University of Wyoming or any Wyoming community college.  
6 The loan amount for each academic year shall not exceed the  
7 cost of attendance, reduced by the amount of any other  
8 federal grant or state or institutional scholarships or  
9 grants received by the applicant. The loan recipient may  
10 transfer enrollment from a Wyoming community college to the  
11 University of Wyoming to complete the educational program  
12 for which the loan is issued. The total loan amount issued  
13 to any one (1) recipient shall not exceed the cost of  
14 attendance at the institution the recipient attends for  
15 each academic year. A recipient is limited to receiving a  
16 loan under this section for one (1) period of four (4)  
17 consecutive academic years, commencing with the first year  
18 the loan is received. The loan recipient shall be enrolled  
19 in at least eight (8) credit hours each semester to remain  
20 eligible for loans issued under this section.

21

22 (d) A recipient of a loan under this section may  
23 repay the loan without cash payment by being employed on a  
24 full-time basis in Wyoming in the targeted occupation for

1 which the person was educated under this section, subject  
2 to the following:

3

4 (i) Full-time employment for any year includes  
5 full-time employment in a Wyoming school during the regular  
6 academic year;

7

8 (ii) The authority determines the employment is  
9 in the targeted occupation for which the person completed  
10 the education program;

11

12 (iii) Work shall be performed during the period  
13 beginning with the calendar month following the month in  
14 which the student completed the academic program and shall  
15 continue for a period equal to the number of years during  
16 which the recipient received a loan under this section plus  
17 one (1) year.

18

19 (e) Qualified work under subsection (d) of this  
20 section shall be credited such that the student's loan  
21 balance is reduced on the basis of one (1) year of full-  
22 time employment repaying the loan balance for one (1)  
23 academic year. Qualified work shall be credited on a  
24 proportional basis.

1

2 (f) Any recipient of a loan under this section who  
3 fails to:

4

5 (i) Complete the academic program for which the  
6 loan was provided shall commence repayment of the loan not  
7 later than forty-five (45) days after the recipient leaves  
8 the academic program;

9

10 (ii) Commence and remain continuously employed  
11 in Wyoming on a full-time basis in the targeted occupation  
12 for which the person received education within six (6)  
13 months following completion of the education program shall  
14 commence repayment of the loan in the seventh calendar  
15 month following completion of the program or shall commence  
16 repayment within forty-five (45) days after the person  
17 ceases to be continuously employed on a full-time basis in  
18 the targeted occupation. Repayment of the loan may be  
19 suspended if the recipient becomes employed in the targeted  
20 occupation on a full-time basis.

21

22 (g) Repayment requirements under this section shall  
23 be deferred for a period not to exceed four (4) years while

1 a loan recipient is serving on full-time active duty with  
2 any branch of the military services of the United States.

3

4 (h) The Wyoming higher education assistance authority  
5 shall have the powers and duties specified in W.S.  
6 21-15-705 to implement this section and shall establish  
7 terms and conditions of loans issued under this section,  
8 including:

9

10 (i) Interest rates and loan terms;

11

12 (ii) The form and process for loan application,  
13 review and award;

14

15 (iii) Criteria under which students may be  
16 relieved from having to repay loans and interest, in whole  
17 or in part, where the requirement to repay would cause  
18 undue hardship;

19

20 (iv) Loan repayment.

21

22 (j) Repayment of loans and interest shall be credited  
23 to the general fund.

24

1           (k) Funding of targeted education incentive loans  
2 authorized under this section shall be by appropriation of  
3 the legislature. The authority shall transfer approved loan  
4 amounts to the University of Wyoming and to Wyoming  
5 community colleges at which loan recipients are enrolled.  
6 In consultation with the university and affected community  
7 colleges, the authority shall establish procedures for  
8 transferring loan amounts and for reporting requirements on  
9 the expenditure of transferred loan amounts. In addition,  
10 the authority shall limit loans to new students and  
11 administer the program such that sufficient amounts are  
12 available to fund loans for the full period of time  
13 necessary for the recipient to complete the education  
14 program.

15

16           (m) The authority shall annually review targeted  
17 education incentive loans authorized under this section and  
18 in accordance with W.S. 9-2-1014, shall report to the  
19 governor and legislature regarding targeted occupations  
20 that have been identified, funds received and loans issued  
21 during the preceding academic year, together with the  
22 status of all outstanding loan commitments and repayments.

23

1           **Section 2.** W.S. 21-16-705 by creating a new  
2 subsection (c) is amended to read:

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4           **21-16-705. Powers and duties generally; preference to**  
5 **state financial institutions; administration of Wyoming**  
6 **targeted education incentive loans; contractual**  
7 **administrative assistance.**

8

9           (c) In addition to subsection (a) of this section,  
10 the authority shall administer loans for targeted education  
11 incentives as authorized under W.S. 21-7-601. For purposes  
12 of performing duties under this subsection, the authority  
13 may contract with a qualified entity for a commercially  
14 reasonable fee to perform administrative services necessary  
15 to administer loans using funds appropriated to the  
16 authority for that purpose. Solely for purposes of  
17 performing its duties under this subsection, the authority  
18 is not required to obtain a surety bond required under W.S.  
19 21-16-703(e).

20

21           **Section 3.**

22

23           (a) There is appropriated from the general fund to  
24 the Wyoming higher education assistance authority to

1 implement this act for the period commencing April 1, 2002,  
2 and ending June 30, 2006:

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4 (i) One million one hundred thousand dollars  
5 (\$1,100,000.00) for student loans for targeted education  
6 incentives as provided under W.S. 21-7-601, as created  
7 under section 1 of this act, provided no loans shall be  
8 issued for education programs commencing prior to the 2002  
9 summer school session;

10

11 (ii) Two hundred thousand dollars (\$200,000.00)  
12 for acquiring program administration contract assistance as  
13 specified by this act.

14

15 **Section 4.** This act is effective immediately upon  
16 completion of all acts necessary for a bill to become law  
17 as provided by Article 4, Section 8 of the Wyoming  
18 Constitution.

19

20 (END)