

House Bill 702

By: Representatives Clark of the 147<sup>th</sup>, Blackmon of the 146<sup>th</sup>, Belton of the 112<sup>th</sup>, Williams of the 168<sup>th</sup>, Hitchens of the 161<sup>st</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 3 of Title 20 of the Official Code of Georgia Annotated, relating to  
2 postsecondary education, so as to provide for a service cancelable education loan program  
3 for students in fields of science, technology, engineering, and mathematics who work in  
4 federal civil service positions at defense installations in this state; to provide for eligibility,  
5 repayment, cancellation, and administration; to provide for related matters; to repeal  
6 conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Chapter 3 of Title 20 of the Official Code of Georgia Annotated, relating to postsecondary  
10 education, is amended by adding a new article to read as follows:

11 "ARTICLE 13

12 20-3-680.

13 As used in this article, the term:

14 (1) 'Civil service employee' means an individual who is under the provisions of the  
15 federal civil service system.

16 (2) 'Commission' means the Georgia Student Finance Commission created by Code  
17 Section 20-3-233.

18 (3) 'Defense installation' means a facility, base, or other installation located in the State  
19 of Georgia which is operated by the United States Department of Defense.

20 (4) 'Education loan' means any obligation of an individual to repay a debt created by the  
21 advances of money to the individual by an institutional or governmental lender that  
22 financed, in whole or in part, the debt incurred by the individual to obtain an  
23 undergraduate degree in the field of science, technology, engineering, or mathematics.

(5) 'Eligible student' means a student who obtains a degree in the field of science, technology, engineering, or mathematics from a postsecondary institution of the University System of Georgia who agrees to work as a civil service employee at a defense installation in the State of Georgia for a period of time established under this article.

(6) 'Fund' means the STEM Defense Support Fund created by Code Section 20-3-682. 20-3-681.

The commission is authorized to establish and administer loan forgiveness programs for education loans to encourage students to choose careers in the area of federal civil service employment at defense installations in this state. The commission is authorized to prescribe all rules, regulations, policies, and procedures necessary or convenient for the administration of these programs and all terms and conditions applicable to payments made under this article.

20-3-682.

(a) There is created the STEM Defense Support Fund.

(b) The commission shall maintain the fund to which shall be credited:

(1) State funds appropriated for use by the commission for education loan forgiveness purposes; and

(2) Unrestricted moneys received by gift or otherwise and other moneys available for and determined by the commission to be used for the purposes of this article.

The commission is authorized to use moneys available in the fund to make payments to assist in repaying education loans for eligible students in accordance with its rules and regulations.

(c) Any private donations made by gift or otherwise to the fund may not be designated as to the specific program for which they will be used.

(d) The fund shall be used by the commission to assist in the repayment of any education loan owed by an eligible student who is employed in a civil service job at a defense installation in this state under the terms and conditions as provided in this article and promulgated by the commission.

20-3-683.

(a) Beginning the seventh month that an eligible student is employed in a federal civil service position at a defense installation in this state, the commission may distribute education loan repayment assistance for the eligible student in an amount not to exceed the following:

(1) For the first year, \$10,000.00;

(2) For the second year, \$7,000.00;

(3) For the third year, \$5,000.00;

(4) For the fourth year, \$2,000.00; and

(5) For the fifth year, \$1,000.00;

provided, however, that no eligible student shall be entitled to receive payments in excess of the amount of the education loans owed by such eligible student.

(b) As a condition of receipt of the loan forgiveness provided for in subsection (a) of this Code section, the eligible student shall enter into a contract with the commission stating that the eligible student will remain employed as a federal civil service employee at a defense installation in this state for one year after receipt of the eligible student's last installment of such assistance for each year for which such assistance was received up to a maximum of five years; provided, however, that the commission may release the eligible student from such obligation if it is demonstrated to the satisfaction of the commission that such eligible student is unable to continue in employment as a federal civil service employee at a defense installation in this state.

(c) In the event that the eligible student breaches the conditions of the contract with the commission, all moneys distributed by the commission under the contract during the five years immediately preceding the month in which the breach occurs shall at once become due and payable to the commission in cash with interest at a rate to be set by the commission.

(d) The commission shall attempt to operate in such a manner as to qualify for the tax benefits provided in 26 U.S.C. Section 108.

(e) Nothing in this article shall preclude the obligations of the eligible student to repay his or her student loan by cash or by service.

20-3-684.

(a) No entitlement to funds is created by this article. Eligibility for education loan forgiveness shall be dependent on funding through appropriations, as well as all other conditions of eligibility, as determined by the commission.

(b) In the event funds available to the commission for the loan forgiveness program under this article are not sufficient for the full education loan forgiveness program, education loan forgiveness payable on behalf of the individuals in such program shall be reduced by the commission on a pro rata basis."

## **SECTION 2.**

All laws and parts of laws in conflict with this Act are repealed.