AN ORDINANCE introduced by Councilmembers Clark Duffy, Duane Pomeroy and Gary Price establishing the Advantage Topeka Program which provides for a loan forgiveness program for eligible students enrolled at the University of Kansas and such other higher educational institutions as the City Council may designate.

WHEREAS the Council of the City of Topeka, Kansas, (the "City") in order to protect and promote the public health, safety and welfare, and stimulate the local economy deems it advisable and necessary to establish a program to promote and foster a trained workforce within the City of Topeka.

NOW THEREFORE BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TOPEKA, KANSAS:

Section 1. The program authorized by this Ordinance shall be known as the Advantage Topeka Program (the "Program"). The Program shall provide loans to and establish a loan forgiveness program for students at the University of Kansas (KU) and such other accredited two (2) and four (4) year degree granting institutions of higher learning which shall be designated by resolution of the City Council who become employed in occupational areas of high demand in the City of Topeka.

Section 2. The Advantage Topeka Trust Fund is hereby created in the City treasury. All appropriations, private donations, and other funds provided for the Program shall be transferred periodically by the City to the endowment association of KU or other designated educational institution to be maintained in a restricted fund known as the Advantage Topeka Loan Program. All funds transferred from the City Advantage Topeka
Trust Fund to the endowment association of KU or other designated educational institution restricted Advantage Topeka Loan Program shall be maintained in perpetuity as an endowment and invested; the earning from such investment to be used to make loans from the revolving loan fund. The endowment association of KU or other designated educational institution will administer the Advantage Topeka Loan Program without cost to the City. KUEA and any other designated educational institution and its endowment association shall make a financial contribution to the Program equal to that made by the City. Further, the City's financial contribution to the Program shall be limited to an amount equal to that jointly provided by KUEA or other designated educational institution and its endowment association. Any balance, not transferred to the endowment association of KU or other designated educational institution by the end of the accounting period shall not revert to the General Revenue Fund.

Section 3. Definitions.

a. Chief Administrative Officer means the Chief Administrative Officer of the City or his/her designee.

b. Eligible student means an individual who is enrolled at least half-time at KU or other designated educational institution, who meets the eligibility requirements pursuant to the Program, and who meets the following additional requirements:
   1. Resident of the City of Topeka at the time of graduation from a high school;
   2. Has received a high school diploma, general educational development certificate (GED), or its equivalent from a high school located within Shawnee County;
3. Maintains satisfactory academic progress as determined by KU in pursuing a baccalaureate, graduate or professional degree or maintains satisfactory academic progress at such other designated educational institution in pursuing a one (1) year or two (2) year certificate. Failure to maintain satisfactory academic progress shall result in ineligibility for continued participation in the Program and ineligibility for forgiveness of any loan or loans received;

4. Is not currently confined in any federal or state correctional facility or jail;

5. Has not defaulted on the repayment of any previously granted higher education loan; and

6. Submits an application provided by the Office of Financial Aid at KU or other designated educational institution for participation in the Program.

c. **Fund** means the Advantage Topeka Trust Fund as established by this Ordinance.

d. **Occupational areas of high demand** means the specific professions or skill areas for which the Chief Administrative Officer determines that the City is experiencing or may experience a shortage of qualified employees.

e. **Program** means the Advantage Topeka Program established pursuant to this Ordinance.

f. **Restricted Advantage Topeka Loan Program** a perpetual revolving loan fund established at the endowment association of KU or other designated educational institution.

**Section 4.** By June 1, 2003, and by June 1, of each year thereafter, the Chief
Administrative Officer shall designate occupational areas of high demand in the City. The Chief Administrative Officer shall also designate professions and skill areas directly related to the areas of high demand, and the degree programs or certifications directly leading to employment in such areas. In making such designations, the Chief Administrative Officer shall consult with the City departments and private sector business and labor groups. The Chief Administrative Officer shall also consult with other private and public agencies and individuals with expertise related to labor markets, geographic and demographic analysis and solicit input from interested parties throughout the City in order to ensure that:

a. The diverse needs of the City are considered; and

b. That these designations reflect the broad long-term economic, educational, and public policy interests of the City in both the public and private sectors.

Section 5. Limitations on participation.

An eligible student may participate in the program for up to four (4) semesters, or their equivalent, whether consecutive or not, and may be awarded a loan of up to two thousand five hundred dollars ($2,500.00) per academic year if enrolled as a full-time student. The total amount loaned shall not exceed a maximum of five thousand dollars ($5,000.00). The loaned amount will be pro-rated for those enrolled at least half-time but less than full-time. No student shall be eligible to participate in the Program more than seven (7) years after beginning such participation.

Section 6. Loan forgiveness, when.

Eligible students who are in compliance with the Program requirements may qualify for forgiveness of a loan or loans received through the Program by agreeing to be
employed in an occupational area of high demand as determined by the Chief
Administrative Officer, within the City of Topeka. The employment shall begin within one
(1) calendar year of graduation or completion of the certificate program by the individual
from KU or other designated educational institution. The employment must also comply
with the other requirements as outlined in the contract pursuant to this Ordinance. The
employment qualifying the eligible student for loan forgiveness shall be approved by the
Chief Administrative Officer. The City shall approve loan forgiveness on a year-for-year
basis, with each year of approved employment qualifying the student for the forgiveness
of one (1) year's Advantage Topeka Loans. Students electing not to comply with these
employment requirements or students failing to meet these requirements shall be
required to repay with interest any or all loans received, pursuant to contractual provisions
described herein.

Section 7. Contract for participation, terms and conditions.
a. Each individual qualifying for participation in the Program at the time the
individual declares a major or decides on course of study, if a major is not declared at KU
or other designated educational institution, shall sign a promissory note. The promissory
note shall contain, but not be limited to, the following:

1. The terms and conditions under which the loan is made, and the
requirements for repayment of the loan by the student;

2. Interest shall be charged according to the terms and conditions
established by the endowment association of KU or other designated educational
institution;

3. The terms and conditions for qualifying for forgiveness of loan
proceeds received through the Program; and

4. The amount of any penalties assessed, in the event repayment of the loan by the student is not made in accordance with the contract, or the student fails to maintain eligibility or other requirements of the Program.

b. The interest rate for the following academic year shall be established by the endowment association of KU or other designated educational institution no later than August 1 of each year.

c. This Ordinance shall not be construed to require KUEA or other designated educational institution or its endowment association to make a loan to individuals who otherwise qualify for the Program when funds are not available for such purpose.

d. Loans will be made from available funds based upon the date of receipt of the loan application.

Section 8. Not a guarantee of admission, attendance or graduation.

Nothing in this Ordinance shall be construed as a promise or guarantee by the City that a person will be admitted to KU or other designated educational institution, will be allowed to continue to attend after having been admitted, or will be graduated from KU or other designated educational institution.

Section 9. Tax rebate for donations to fund.

a. As used in this section, the term “taxpayer” means an individual, a partnership, or a corporation paying property tax to the City of Topeka.

b. Any taxpayer may make a contribution to the Fund within the limits specified in subsection C of this section. A taxpayer shall be allowed a rebate of ad valorem taxes imposed by the City, and paid by the taxpayer; up to fifty percent (50%) of the total
amount contributed to the Fund, not to exceed one hundred thousand dollars ($100,000.00) per taxpayer, per annum.

c. The Department of Administrative and Financial Services of the City shall administer the tax rebates pursuant to this Ordinance and shall certify eligibility for the tax rebates in the order applications are received. The total amounts of tax rebates certified in any one (1) calendar year shall not exceed two hundred and fifty thousand dollars ($250,000.00) annually. Contributions of up to one hundred thousand dollars ($100,000.00) per annum per taxpayer may be certified by the department as a qualified contribution for purposes of receiving a tax rebates under the Program.

Section 10. This Ordinance shall sunset on January 1, 2007. Any loans outstanding as of January 1, 2007, shall remain in force and effect in accordance with the terms of the promissory note.

Section 11. Severability. If any part or parts of this Ordinance shall be held unconstitutional, invalid, or otherwise unenforceable by any Court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this Ordinance.

Section 12. This Ordinance shall take effect and be in force from and after its passage, approval and publication in the official City newspaper.

PASSED AND APPROVED by the City Council ________ NOV 2 5 2003 ________

Duane Pomeroy, Deputy Mayor

ATTEST: Iris E. Walker, City Clerk

APPROVED AS TO FORM AND LEGALITY
DATE 10/14/03 BY S.S.
TO BE CODIFIED ________ X ________
NOT TO BE CODIFIED ________ X ________