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Mischel
4/7/09

CS FOR SENATE BILL NO. 174()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): SENATOR MENARD

A BILL
FOR AN ACT ENTITLED

**"An Act relating to professional student exchange program availability and conditions
for loan forgiveness."**

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 14.44.025 is amended by adding a new subsection to read:

(b) Notwithstanding the funding priorities established under (a) of this section,
the Alaska Commission on Postsecondary Education shall provide adequate funding
for not fewer than five students to attend four-year programs in each of the following
fields:

(1) dentistry;

(2) optometry; and

(3) pharmacy.

*** Sec. 2.** AS 14.44.040(a) is amended to read:

(a) As a condition of eligibility for receiving financial support from the state
under the Professional Student Exchange Program of the Western Interstate

Commission on Higher Education, a program participant shall agree to repay to the state the support provided by the state on behalf of that person. In addition to the principal owed, a participant shall pay interest at an annual rate of five percent on the outstanding principal of the loan. Interest may not accrue on a loan until the participant completes the degree program according to the terms and conditions under which the loan was made or discontinues participation in the program [, PLUS INTEREST].

* Sec. 3. AS 14.44 is amended by adding new sections to article 1 to read:

Sec. 14.44.041. Residency loan forgiveness for program participants. The Alaska Commission on Postsecondary Education shall annually, for not more than five years, forgive five percent of the outstanding principal on a loan made under the Professional Student Exchange Program of the Western Interstate Commission on Higher Education if the participant

- (1) is a resident of the state;
- (2) practices in the state in a field of study listed in AS 14.44.025(b) for not less than 750 hours during the year; and
- (3) maintains the participant's license in good standing in the state.

Sec. 14.44.042. Underserved care loan forgiveness for program participants. The Alaska Commission on Postsecondary Education shall annually, for not more than five years, forgive five percent of the outstanding principal on a loan made under the Professional Student Exchange Program of the Western Interstate Commission on Higher Education if the participant

- (1) is a resident of the state;
- (2) is in a practice that serves an underserved population
 - (A) in a geographical area the commissioner of health and social services has designated as underserved; or
 - (B) by serving patients who are covered under the medical assistance program in the state, if billings for services provided to those patients are not less than five percent of the participant's average gross billings for the year; and
- (3) maintains the participant's professional license in good standing in

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the state.