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CS FOR SENATE BILL NO. 174()

**IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SIXTH LEGISLATURE - SECOND SESSION**

BY

**Offered:
Referred:**

Sponsor(s): SENATOR MENARD

A BILL

FOR AN ACT ENTITLED

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

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

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

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

- 9 (1) dentistry;
- 10 (2) optometry; and
- 11 (3) pharmacy.

12 *** Sec. 2.** AS 14.44.035 is amended to read:

13 **Sec. 14.44.035. Administration.** The Alaska Commission on Postsecondary
14 Education shall administer the state's participation in the Western Regional Higher

1 Education Compact. The Alaska Commission on Postsecondary Education may adopt
2 regulations to implement AS 14.44.010 - 14.44.041 [AS 14.44.010 - 14.44.040].

3 * **Sec. 3.** AS 14.44.040(a) is amended to read:

4 (a) As a condition of eligibility for receiving financial support from the state
5 under the Professional Student Exchange Program of the Western Interstate
6 Commission for [ON] Higher Education, a program participant shall agree to repay to
7 the state the support provided by the state on behalf of that person. Except as
8 otherwise provided in this chapter, the terms of loan repayment must be
9 consistent with the terms provided under AS 14.43.510 [, PLUS INTEREST].

10 * **Sec. 4.** AS 14.44 is amended by adding a new section to article 1 to read:

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

16 (1) is a resident of the state;

17 (2) practices in the state in a field of study listed in AS 14.44.025(b)
18 for not less than 750 hours during the year; and

19 (3) maintains the participant's license in good standing in the state.

20 (b) In addition to other loan forgiveness benefits available to a participant, the
21 Alaska Commission on Postsecondary Education shall annually, for not more than five
22 years, forgive 10 percent of the outstanding principal on a loan made under the
23 Professional Student Exchange Program of the Western Interstate Commission for
24 Higher Education if the participant

25 (1) is a resident of the state;

26 (2) is in a practice that serves an underserved population

27 (A) in a geographical area the commissioner of health and
28 social services has designated as underserved; or

29 (B) by serving patients who are covered under the medical
30 assistance program in the state, if billings for services provided to those
31 patients are not less than five percent of the participant's average gross billings

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for the year; and

(3) maintains the participant's professional license in good standing in the state.

(c) A participant may receive aggregate loan forgiveness benefits in an amount that is not more than 50 percent of the original principal on a loan made under the Professional Student Exchange Program of the Western Interstate Commission for Higher Education.