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CS FOR SENATE BILL NO. 33()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY

Offered:

Referred:

Sponsor(s): SENATORS ELLIS, Paskvan, Thomas, McGuire, Stevens

A BILL

FOR AN ACT ENTITLED

"An Act relating to the Alaska Advantage Education Grant Program; and establishing loan forgiveness for eligible applicants."

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

*** Section 1.** AS 14.43.400 is amended to read:

Sec. 14.43.400. Purpose; creation. There is created the Alaska Advantage education grant and loan forgiveness program to provide financial assistance to eligible students to enable them to attend, to [OR] continue their attendance at, or to forgive loans made to them by the state for attendance at postsecondary educational institutions. Funds designated by the corporation or appropriated for this program may be used as matching funds for the state's participation in the federal grant program under 20 U.S.C. 1070c - 1070c-4.

*** Sec. 2.** AS 14.43.405(a) is amended to read:

(a) The Alaska Advantage education grant and loan forgiveness program created under AS 14.43.400 - 14.43.420 shall be administered by the executive

1 director of the commission.

2 * **Sec. 3.** AS 14.43.410(a) is amended to read:

3 (a) The funds for the payment of grants from AlaskAdvantage education
4 grant and loan forgiveness program may be allocated to eligible students in
5 accordance with the provisions of the federal grant program under 20 U.S.C. 1070c -
6 1070c-4 and regulations adopted under AS 14.43.105 and 14.43.405.

7 * **Sec. 4.** AS 14.43.410 is amended by adding a new subsection to read:

8 (c) The commission shall annually distribute not less than \$10,000,000 or, if
9 available funding from appropriations and other sources is less than that amount, the
10 full amount available in grants and loan forgiveness awards on behalf of eligible
11 students under AS 14.43.415. Payments shall be made directly to the postsecondary or
12 lending institution if feasible.

13 * **Sec. 5.** AS 14.43.415(b) is repealed and reenacted to read:

14 (b) The commission shall give an applicant eligible under (a) or (e) of this
15 section priority for a grant or loan forgiveness award if that applicant

16 (1) is, or is about to be, enrolled in a postsecondary education program
17 that prepares the applicant for employment in an occupation or profession for which
18 there is a severe shortage of trained individuals in the state;

19 (2) has completed a postsecondary education program within the four
20 years preceding an application for loan forgiveness and is employed in the state in an
21 occupation or profession for which there is a severe shortage of trained individuals in
22 this state; or

23 (3) has achieved a cumulative grade point average at the postsecondary
24 institution at which the student is or was enrolled of 3.0 or above on a 4.0 grade point
25 scale, with a higher priority for students who achieved a cumulative grade point
26 average of 3.5 or above.

27 * **Sec. 6.** AS 14.43.415 is amended by adding new subsections to read:

28 (d) In addition to the priorities required under (b) of this section, the
29 commission may give an applicant priority for a grant award if that applicant has
30 participated in a secondary education program of study that can be demonstrated to the
31 commission to be a predictor for success at the postsecondary education level for a

program of study described in (b)(1) of this section.

(e) A portion of a loan made by the state in an amount that is equal to the amount of a grant for which a student was or would have been eligible under (a) of this section shall be forgiven by the state for a person who

(1) is a resident of the state;

(2) has completed within the four years preceding the application for loan forgiveness a postsecondary education program that is eligible to participate in federal financial aid programs under 20 U.S.C. 1070 - 1099c-2, as amended, and that is located in the state; and

(3) has an outstanding balance on the loan and has not defaulted on the loan repayments.

(f) Forgiveness under (e) of this section is subject to appropriation by the legislature. Money obtained from the sale of bonds by the corporation under AS 14.42.220 may not be appropriated for the forgiveness of loans.

(g) In this section,

(1) "occupation or profession" means a job for which specific postsecondary certification is a prerequisite for entry-level placement;

(2) "severe shortage" means a current or recurring job vacancy rate of 15 percent or greater, as determined by the Department of Labor and Workforce Development or by another workforce data source determined reliable by the commission.

* Sec. 7. AS 14.43.420(a) is amended to read:

(a) A grant or loan forgiveness made under AS 14.43.400 - 14.43.420 may not be in an amount less than \$1,000 [\$500] nor more than \$5,000 [\$2,000] for each school year.

* Sec. 8. AS 14.43.420(c) is amended to read:

(c) A student may receive not more than a total of \$20,000 [\$8,000] in grants or loan forgiveness awarded under AS 14.43.400 - 14.43.420.

* Sec. 9. The uncoded law of the State of Alaska is amended by adding a new section to read:

REVISOR'S INSTRUCTION. The revisor of statutes is instructed to change the

- 1 heading of art. 8 of AS 14.43 from "AlaskAdvantage Education Grant Program" to
- 2 "AlaskAdvantage Education Grant and Loan Forgiveness Program."