

**SENATE BILL NO. 170**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY SENATOR TAYLOR

Introduced: 4/11/97

Referred: HESS, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to financial assistance for students attending certain graduate  
2 education programs; and providing for an effective date."

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

4 \* **Section 1.** AS 14.42.030(d) is amended to read:

5 (d) The commission may enter into agreements with government or  
6 postsecondary education officials of this state or other states to provide postsecondary  
7 educational services and programs to Alaska residents pursuing a medical education.  
8 An agreement with another state must be limited to services and programs that are  
9 unavailable in Alaska. **The commission shall require a person participating in a**  
10 **medical education program offered under this subsection to agree to the**  
11 **repayment condition imposed under AS 14.44.040.**

12 \* **Sec. 2.** AS 14.44 is amended by adding a new section to article 1 to read:

13 **Sec. 14.44.040. Repayment condition for program participants.** (a) Except  
14 as provided under (b) and (c) of this section, as a condition of eligibility for receiving

1 financial aid under AS 14.44.010 - 14.44.040, a program participant shall agree to  
2 repay to the state the financial aid received from the state plus interest as required for  
3 scholarship loans under AS 14.43.120(f). Interest under this section begins to accrue  
4 six months after the person terminates studies under the graduate education program.

5 (b) If a person required to repay financial aid under (a) of this section has  
6 graduated from the graduate education program for which the person received financial  
7 aid, is employed within the state, and is employed in the field for which the person  
8 received financial aid, a portion of the financial aid required to be reimbursed to the  
9 state shall be forgiven in an amount equal to the following percentages of the total  
10 financial aid received from the state plus interest up to a total of 100 percent of the  
11 total financial aid received from the state plus interest:

- 12 (1) one year employment, 20 percent;
- 13 (2) two years employment, an additional 20 percent;
- 14 (3) three years employment, an additional 20 percent;
- 15 (4) four years employment, an additional 20 percent;
- 16 (5) five years employment, an additional 20 percent.

17 (c) Repayment under (a) of this section is required to begin not later than six  
18 months after the person terminates studies under the graduate education program,  
19 except that a person who qualifies for forgiveness under (b) of this section is not  
20 required to begin repayment to the state as long as the person remains qualified for  
21 forgiveness under (b) of this section and a person employed in a medical residency  
22 program is not required to begin repayment to the state as long as the person remains  
23 in the medical residency program. Forgiveness under (b) of this section only applies  
24 to financial aid received by a person that the person has not repaid to the state.

25 \* **Sec. 3. APPLICABILITY.** This Act applies to a person who begins a graduate education  
26 program and who receives financial aid from the state on or after July 1, 1997.

27 \* **Sec. 4.** This Act takes effect July 1, 1997.