

SENATE BILL NO. 149

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY SENATOR LEMAN

Introduced: 3/19/01

Referred: Health, Education and Social Services, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing the Alaska education and health care professional incentive**
2 **program; and providing for an effective date."**

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

4 *** Section 1.** AS 14.43 is amended by adding a new section to read:

5 **Sec. 14.43.142. Merit loan forgiveness of loans made to certain borrowers.**

6 (a) Except as provided under (c) of this section, the state shall forgive a loan made to
7 a borrower who

8 (1) has complied with AS 14.43.120;

9 (2) has achieved a grade point average of 3.0 or better, or the
10 equivalent; and

11 (3) is employed in the state as

12 (A) a teacher or as a person providing professional special
13 education services at an elementary or secondary school in this state; or

14 (B) a health care provider.

1 (b) The amount to be forgiven under this section is the payments to be made
 2 by the borrower for a loan made under AS 14.43.110 equal to the following
 3 percentages of the total loan received plus interest up to a total of 50 percent of the
 4 total loan plus interest:

5 (1) one year employment as described in (a) of this section, 10 percent;

6 (2) two years employment as described in (a) of this section, an
 7 additional 10 percent;

8 (3) three years employment as described in (a) of this section, an
 9 additional 10 percent;

10 (4) four years employment as described in (a) of this section, an
 11 additional 10 percent;

12 (5) five years employment as described in (a) of this section, an
 13 additional 10 percent.

14 (c) This section does not apply to a loan under AS 14.43.110 given to a
 15 borrower who has fewer than 60 hours of credit at a college or university.

16 (d) The loan amount forgiven under this section may not exceed the loan
 17 balance due to the state. Notwithstanding any other provision of law, while

18 (1) a person's loan is being forgiven by the state under (b) of this
 19 section, that person may not receive forgiveness of a loan under any other provision of
 20 this chapter; and

21 (2) a person is qualified for forgiveness under this section, the state
 22 shall pay 50 percent of a borrower's obligation to repay the principal and interest on
 23 the loan.

24 (e) Forgiveness under (a) of this section and payment of principal and interest
 25 under (d) of this section is subject to appropriation by the legislature. Money obtained
 26 from the sale of bonds by the Student Loan Corporation under AS 14.42.220 may not
 27 be appropriated for the payment of forgiveness of loans.

28 (f) In this section,

29 (1) "health care provider" means a person licensed in this state to
 30 provide services for the purpose of preventing, alleviating, curing, or healing human
 31 illness, injury, or physical disability;

1 (2) "teacher" means a person who possesses a valid teacher certificate
2 issued under AS 14.20.020.

3 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 **APPLICABILITY.** This Act applies to loans entered into on or after July 1, 2001, and
6 to a person's employment that occurs on or after July 1, 2001.

7 * **Sec. 3.** This Act takes effect July 1, 2001.