

SENATE BILL NO. 61

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY SENATOR GARY STEVENS

Introduced: 1/18/05

Referred: Health, Education and Social Services, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the Alaska teacher recruitment loan repayment program; and**
2 **providing for an effective date."**

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

4 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 FINDINGS; PURPOSE. (a) The legislature finds that a shortage of qualified teachers
7 in the public elementary and secondary schools exists in this state.

8 (b) The purpose of this Act is to establish the Alaska teacher recruitment loan
9 repayment program to provide financial incentives through the repayment, in whole or part,
10 by the state of education loans for teachers upon the teacher's being first hired at a public
11 elementary or secondary school in the state.

12 * **Sec. 2.** AS 14.07.170 is amended by adding a new subsection to read:

13 (c) The board, in consultation with the Alaska Commission on Postsecondary
14 Education, shall establish standards for the Alaska teacher recruitment loan repayment

1 program under AS 14.43.530 - 14.43.590, certify eligible applicants under that
 2 program, and perform other duties assigned to the board under the program, including
 3 the adoption of necessary regulations.

4 * **Sec. 3.** AS 14.42.030(b) is amended to read:

5 (b) The commission shall

6 (1) administer the financial aid and interstate education compact
 7 programs under AS 14.43.091 - 14.43.920 and 14.43.990, and AS 14.44;

8 (2) administer the provisions of AS 14.48 concerning regulation of
 9 postsecondary educational institutions;

10 (3) resolve disputes under a consortium or other cooperative agreement
 11 between institutions of public and private higher education in the state; and

12 (4) serve as the state agency required under 20 U.S.C. 1001 - 1155;

13 **and**

14 **(5) perform duties assigned under AS 14.43.530 - 14.43.590**

15 **(Alaska teacher recruitment loan repayment program).**

16 * **Sec. 4.** AS 14.42.040 is amended by adding a new subsection to read:

17 (c) The executive director of the commission shall administer the Alaska
 18 teacher recruitment loan repayment program under AS 14.43.530 - 14.43.590 in
 19 accordance with standards set by the commission and by the board.

20 * **Sec. 5.** AS 14.42.295(a) is amended to read:

21 (a) The board may elect to pay the state a return of contributed capital, or a
 22 dividend, for each base fiscal year that the corporation's net income equals or exceeds
 23 \$2,000,000. The payment may not be less than 10 percent nor more than 35 percent,
 24 as approved by the board, of the corporation's net income for the base fiscal year, and
 25 is subject to the provisions of any applicable bond indentures of the corporation. If a
 26 payment is authorized under this section, payment must be made available by the
 27 corporation before the end of the fiscal year in which payment has been authorized.
 28 The corporation shall notify the commissioner of revenue when the amount of the
 29 payment authorized under this section is available for appropriation. **The money**
 30 **made available under this subsection may be appropriated for the Alaska teacher**
 31 **recruitment loan repayment program under AS 14.43.530 - 14.43.590 or for any**

1 **other public purpose.**

2 * **Sec. 6.** AS 14.43 is amended by adding new sections to read:

3 **Article 9A. Alaska Teacher Recruitment Loan Repayment Program.**

4 **Sec. 14.43.530. Program established.** (a) There is established the Alaska
5 teacher recruitment loan repayment program to provide financial incentives for
6 qualified teachers to teach in the public elementary or secondary schools in this state
7 through the repayment of education loans.

8 (b) The program is not a financial obligation of the corporation.

9 **Sec. 14.43.540. Alaska teacher recruitment loan repayment program**
10 **account.** (a) The Alaska teacher recruitment loan repayment program account is
11 created in the general fund. The account shall be used to provide financial awards for
12 the repayment of education loans under the program and to pay for the costs of
13 administering the program.

14 (b) The account includes money that the legislature appropriates from the
15 Alaska Student Loan Corporation's dividend to the state under AS 14.42.295 or any
16 federal or other funds and the interest and earnings on money in the account. If money
17 available is inadequate to finance the requests from eligible teachers under this
18 program for a fiscal year, additional money may be requested from the general fund
19 and appropriated to the account for the program.

20 **Sec. 14.43.550. Administration.** (a) The Alaska teacher recruitment loan
21 repayment program shall be administered by the executive director of the commission
22 using

23 (1) the eligibility and other criteria of the program established by the
24 board under AS 14.07.170(c); and

25 (2) the financial management standards for proper administration of
26 the Alaska teacher recruitment loan repayment program account as established by the
27 commission.

28 (b) After consultation with the board, the commission may adopt regulations
29 to carry out its duties and the executive director's duties under the program.

30 **Sec. 14.43.560. Eligibility criteria.** (a) The board shall establish in
31 regulation the eligibility criteria and certification procedures for the program. The

1 criteria established must include the following:

2 (1) the applicant was first hired as a classroom teacher by a district in
3 this state on or after July 1, 2005, and has not previously been employed as a
4 classroom teacher in another district in the state;

5 (2) the applicant has the required certificates and endorsements to
6 lawfully teach in the subject area in the public schools of this state;

7 (3) the applicant shall agree to fulfill any requirement of the program,
8 including any required completion of a length of classroom teaching in a district;

9 (4) the applicant has outstanding education loans from a recognized
10 lender to be repaid under the program.

11 (b) The board shall distribute information regarding the program

12 (1) to districts in the state; and

13 (2) to others upon request.

14 **Sec. 14.43.570. Conditions and limitations on loan payments.** (a) The total
15 amount of financial awards for repayment of educational loans may not exceed
16 \$10,000 in a lifetime for a teacher.

17 (b) A financial award must be conditioned on the availability of money for the
18 program. The executive director shall monitor the outstanding financial awards made
19 under the program to ensure the adequacy of the balance of the account to meet
20 program needs. If the executive director finds that the balance of the account is
21 insufficient to pay for existing awards and incur additional obligations to new
22 applicants, the executive director shall advise the commission and the board. Until the
23 commission and the board determine the account is sufficient to incur additional
24 obligations, the executive director shall

25 (1) prorate the money available in the account among all existing
26 award recipients; and

27 (2) suspend the acceptance of new applications and the processing of
28 pending applications under the program.

29 **Sec. 14.43.590. Definitions.** In AS 14.43.530 - 14.43.590, unless the context
30 otherwise requires,

31 (1) "account" means the Alaska teacher recruitment loan repayment

1 program account established in AS 14.43.540;

2 (2) "board" means the state Board of Education and Early
3 Development;

4 (3) "district" has the meaning given in AS 14.17.990;

5 (4) "executive director" means the executive director of the
6 commission;

7 (5) "program" means the Alaska teacher recruitment loan repayment
8 program.

9 * **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to
10 read:

11 TRANSITION: REGULATIONS. Notwithstanding sec. 9 of this Act, the state Board
12 of Education and Early Development and the Alaska Commission on Postsecondary
13 Education may immediately proceed to adopt regulations necessary to implement their
14 respective duties under this Act. The regulations take effect under AS 44.62 (Administrative
15 Procedure Act), but not before July 1, 2005.

16 * **Sec. 8.** Section 7 of this Act takes effect immediately under AS 01.10.070(c)

17 * **Sec. 9.** Except as provided in sec. 8 of this Act, this Act takes effect July 1, 2005.