

**HOUSE BILL NO. 18**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES MEYER, Lynn

Introduced: 1/16/07

Referred: Health, Education and Social Services, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act amending the functions and powers of the Alaska Commission on  
2 Postsecondary Education; and relating to the repayment provisions for medical  
3 education and postsecondary degree program participants."

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

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

6 (d) The commission may enter into agreements with government or  
7 postsecondary education officials of this state or other states to provide postsecondary  
8 educational services and programs to Alaska residents pursuing a medical education  
9 degree. An agreement with another state must be limited to services and programs that  
10 are unavailable in Alaska **and provide services and programs for Alaska residents.**  
11 **The commission may enter into a separate agreement with government or**  
12 **postsecondary education officials to expand the number of Alaska residents able**  
13 **to participate in the medical education program.** The commission shall require a  
14 person participating in a medical education program offered under this subsection to

1 agree to the repayment condition imposed under AS 14.43.510.

2 \* **Sec. 2.** AS 14.43.510(a) is amended to read:

3 (a) Except as provided under (b) and (c) of this section, as a condition of  
 4 participating in a medical education program under AS 14.42.030(d), a program  
 5 participant shall agree to **either return to the state and actively engage in**  
 6 **professional medical practice or** repay [THE] financial support provided by the state  
 7 on behalf of the student. The financial support to be repaid is equal to **one-third of the**  
 8 **amount paid for each student by the state to the contracting postsecondary**  
 9 **institution, plus interest** [THE DIFFERENCE BETWEEN RESIDENT AND  
 10 NONRESIDENT TUITION AT THE CONTRACTING POSTSECONDARY  
 11 INSTITUTION, PLUS INTEREST, INCLUDING ANY DIFFERENTIAL FOR THE  
 12 FIRST YEAR OF THE PROGRAM DELIVERED AT THE UNIVERSITY OF  
 13 ALASKA, ANCHORAGE]. The rate of interest is equal to the 12th Federal Reserve  
 14 District discount rate in effect on March 1 of the year in which the financial support is  
 15 provided plus two percentage points. Interest imposed under this subsection begins to  
 16 accrue **at the later of termination of the student's** [WHEN THE PERSON  
 17 TERMINATES] studies under the medical education program **or at the conclusion of**  
 18 **the student's residency or fellowship training program, military service, United**  
 19 **States Public Health Service, or Indian Health Service obligation. If the**  
 20 **commission finds that the student has withdrawn from the medical education,**  
 21 **residency, or fellowship program, or that the student is otherwise failing to make**  
 22 **adequate progress toward completion of the program, the commission may start**  
 23 **the accrual of interest after notifying the student.** Accrued interest shall be added to  
 24 the principal balance of the repayment obligation at the time the borrower is obligated  
 25 to commence repayment and at the end of a deferment period.

26 \* **Sec. 3.** AS 14.43.510(c) is amended to read:

27 (c) Repayment under (a) of this section is required to begin not later than six  
 28 months after the person terminates studies under the medical education program **or on**  
 29 **completion of a residency or fellowship training program, military service,**  
 30 **United States Public Health Service, or Indian Health Service** except that  
 31 repayment shall be deferred for a person who (1) qualifies for forgiveness under (b) of

1           this section for as long as the person remains qualified for forgiveness under (b) of this  
2           section; (2) is employed in a medical residency program in the state for as long as the  
3           person remains in the medical residency program; or (3) is performing a service  
4           obligation imposed by the National Health Service Corps, the Indian Health Service,  
5           or the Uniformed Service Scholarship Program for as long as the person is performing  
6           the service. Forgiveness under (b) of this section only applies to that portion of the  
7           repayment obligation that has not been repaid to the state.