

SENATE BILL NO. 174

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY SENATOR MENARD

Introduced: 4/1/09

Referred: Education, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to professional student exchange program availability and conditions**
2 **for loan forgiveness."**

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

4 *** Section 1.** AS 14.44.025 is amended by adding a new subsection to read:

5 (b) Notwithstanding the funding priorities established under (a) of this section,
6 the Alaska Commission on Postsecondary Education shall provide adequate funding
7 for not fewer than five students to attend four-year programs in each of the following
8 fields:

- 9 (1) dentistry;
10 (2) occupational therapy;
11 (3) optometry;
12 (4) physician assistance;
13 (5) podiatry; and
14 (6) pharmacy.

1 * **Sec. 2.** AS 14.44.040(a) is amended to read:

2 (a) As a condition of eligibility for receiving financial support from the state
3 under the Professional Student Exchange Program of the Western Interstate
4 Commission on Higher Education, a program participant shall agree to repay to the
5 state the support provided by the state on behalf of that person. **In addition to the**
6 **principal owed, a participant shall pay interest at an annual rate of 7.5 percent**
7 **on the outstanding principal of the loan. Interest may not accrue on a loan until**
8 **the participant completes the degree program according to the terms and**
9 **conditions under which the loan was made or discontinues participation in the**
10 **program** [, PLUS INTEREST].

11 * **Sec. 3.** AS 14.44 is amended by adding new sections to article 1 to read:

12 **Sec. 14.44.041. Residency loan forgiveness for program participants.** The
13 Alaska Commission on Postsecondary Education shall annually, for not more than five
14 years, forgive five percent of the outstanding principal on a loan made under the
15 Professional Student Exchange Program of the Western Interstate Commission on
16 Higher Education if the participant

17 (1) is a resident of the state;

18 (2) practices in the state in a field of study listed in AS 14.44.025(b)
19 for not less than 750 hours during the year; and

20 (3) maintains the participant's license in good standing in the state.

21 **Sec. 14.44.042. Underserved care loan forgiveness for program**
22 **participants.** The Alaska Commission on Postsecondary Education shall annually, for
23 not more than five years, forgive five percent of the outstanding principal on a loan
24 made under the Professional Student Exchange Program of the Western Interstate
25 Commission on Higher Education if the participant

26 (1) is a resident of the state;

27 (2) is in a practice that serves an underserved population

28 (A) in a geographical area the commissioner of health and
29 social services has designated as underserved; or

30 (B) by serving patients who are covered under the medical
31 assistance program in the state, if billings for services provided to those

1 patients are not less than five percent of the participant's average gross billings
2 for the year; and
3 (3) maintains the participant's professional license in good standing in
4 the state.