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State Loans and Finance

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1 IN THE HOUSE

2 HOUSE BILL NO. 504

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the teacher scholarship loan
7 program."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 14.43 is amended by adding new sections to read:

10 ARTICLE 7. TEACHER SCHOLARSHIP LOAN PROGRAM.

11 Sec. 14.43.600. FINDINGS AND INTENT. (a) The legislature finds
12 that there is a wide and unacceptable disparity between the ethnic
13 distribution of teachers and the ethnic distribution of students in
14 the state public schools. Particularly in rural areas, many schools
15 have virtually no Native teachers and no non-Native students. The
16 undesirable effects of this disparity include the following:

17 (1) there is a serious weakness in the ability of teaching
18 staffs, particularly in rural schools, to foster a sense of ethnic
19 traditions and cultures in the students;

20 (2) many rural students are forced to exist in two entirely
21 separate situations: the essentially traditional atmosphere of many
22 Native homes, and the essentially modern atmosphere of the classroom;

23 (3) almost no students among the state's ethnic minorities
24 return to rural schools to teach, continuing the ethnic imbalance and
25 exacerbating its effects; and

26 (4) there is an annual turnover of 40 percent among teach-
27 ers in rural educational attendance areas in the state.

28 (b) The legislature further finds that existing programs have
29 failed to increase the proportion of members of ethnic minorities

1 teaching in rural schools. Therefore, it is the intent of the legis-
2 lature to establish the teacher scholarship loan program to encourage
3 members of ethnic minorities to return to rural schools as teachers
4 and relieve the conditions described in this section.

5 Sec. 14.43.610. PROGRAM ESTABLISHED. There is established the
6 teacher scholarship loan program to provide an incentive for graduates
7 of Alaska high schools who are from ethnic minorities to pursue teach-
8 ing careers in Alaska schools.

9 Sec. 14.43.620. TEACHER SCHOLARSHIP REVOLVING LOAN FUND. There
10 is created a teacher scholarship revolving loan fund. The fund shall
11 be used to make scholarship loans to students selected under AS 14.-
12 43.600 - 14.43.650. All repayments of principal and interest on
13 teacher scholarship loans shall be paid into the teacher scholarship
14 revolving fund and shall be used to make new teacher scholarship
15 loans. If estimated funds available from teacher scholarship loan
16 repayments are inadequate to fully fund estimated teacher scholarship
17 loans for any fiscal year, additional funding from the general fund
18 may be requested and appropriated for that year.

19 Sec. 14.43.630. ADMINISTRATION. The teacher scholarship loan
20 program shall be administered by the student financial aid committee
21 (AS 14.43.095) in accordance with regulations adopted by the
22 committee. The committee shall distribute the funds available for
23 teacher scholarship loans annually to local school boards giving a
24 preference to school districts with a high percentage of students in
25 ethnic minorities and a low percentage of teachers in ethnic
26 minorities. The local school boards shall select the recipients of
27 the teacher scholarship loans.

28 Sec. 14.43.640. CONDITIONS OF LOANS. Each school district shall
29 award teacher scholarship loans subject to the following conditions:

1 (1) the conditions provided in AS 14.43.120 apply except
2 that no loans may be made to graduate students and the state shall
3 repay a portion of a teacher scholarship loan under AS 14.43.120(j)
4 only if, in addition to the other criteria, the borrower is also
5 employed as a public school teacher in the state during the period for
6 which the loan is forgiven;

7 (2) if a borrower meets the conditions provided in para-
8 graph (1) of this section and is employed as a public school teacher
9 in the district from which the borrower graduated, the portion of the
10 loan that shall be paid by the state is the following percentages of
11 the total loan received plus interest up to a total of 100 percent of
12 the total loan:

13 (A) one year employment, 15 percent;

14 (B) two years employment, an additional 15 percent;

15 (C) three years employment, an additional 15 percent;

16 (D) four years employment, an additional 25 percent;

17 (E) over four years employment, an additional 30 per-

18 cent; and

19 (3) a loan may not exceed \$10,000 in a school year.

20 Sec. 14.43.650. SELECTION CRITERIA. (a) To be eligible for a
21 teacher scholarship loan, a student must

22 (1) be a graduate of, or scheduled for graduation within
23 six months from, a state public high school, with sufficient credits
24 to be admitted to an accredited college or university;

25 (2) be enrolled in or show evidence of intent to enroll in
26 a degree program directed at a teaching career at the elementary or
27 secondary school level; and

28 (3) meet the conditions set by the student's local school
29 district with respect to the district's requirements for teachers in

1 particular subject areas.

2 (b) Each school district shall award teacher scholarship loans
3 in direct proportion to the distribution of ethnic groups among the
4 students eligible for graduation from the school district each year.

5 (c) A student may not be awarded a scholarship loan under
6 AS 14.43.090 - 14.43.160 and a teacher scholarship loan under AS 14.-
7 43.600 - 14.43.650 for the same school year.