

Offered: 3/14/84  
Referred: Finance

Original sponsors: Hayes, Hurlbert,  
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1 IN THE HOUSE

BY THE HOUSE SPECIAL  
COMMITTEE ON STATE LOANS

2

CS FOR HOUSE BILL NO. 504 (Loans)

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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THIRTEENTH LEGISLATURE - SECOND SESSION

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A BILL

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For an Act entitled: "An Act establishing the teacher scholarship loan

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program."

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

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

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ARTICLE 7. TEACHER SCHOLARSHIP LOAN PROGRAM.

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Sec. 14.43.600. FINDINGS AND INTENT. (a) The legislature finds

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that there is a wide and unacceptable disparity between the distribu-

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tion of Native teachers and Native students in rural elementary and

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secondary schools in the state. Many rural schools have virtually no

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Native teachers and no non-Native students. The undesirable effects

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of this disparity include the following:

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(1) there is a serious weakness in the ability of teaching

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staffs in rural schools to foster a sense of Native traditions and

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cultures in the Native students;

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(2) many rural students are forced to exist in two entirely

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separate situations: the essentially traditional atmosphere of many

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Native homes, and the essentially modern atmosphere of the classroom;

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(3) almost no Native students return to rural schools to  
teach, continuing the imbalance and exacerbating its effects; and

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(4) there is an annual turnover of 40 percent among teach-

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ers in rural educational attendance areas in the state.

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(b) The legislature further finds that existing programs have

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failed to increase the proportion of Natives teaching in rural

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schools. Therefore, it is the intent of the legislature to establish

1 the teacher scholarship loan program to encourage rural high school  
2 graduates to return to rural schools as teachers and relieve the  
3 conditions described in this section.

4 Sec. 14.43.610. PROGRAM ESTABLISHED. There is established the  
5 teacher scholarship loan program to provide an incentive for rural  
6 high school graduates to pursue teaching careers in rural elementary  
7 and secondary schools in the state.

8 Sec. 14.43.620. TEACHER SCHOLARSHIP REVOLVING LOAN FUND. There  
9 is created a teacher scholarship revolving loan fund. The fund shall  
10 be used to make scholarship loans to students selected under AS 14.-  
11 43.600 - 14.43.700. All repayments of principal and interest on  
12 teacher scholarship loans shall be paid into the teacher scholarship  
13 revolving loan fund and shall be used to make new teacher scholarship  
14 loans. If estimated funds available from teacher scholarship loan  
15 repayments are inadequate to fully fund estimated teacher scholarship  
16 loans for any fiscal year, additional funding from the general fund  
17 may be requested and appropriated for that year.

18 Sec. 14.43.630. ADMINISTRATION. (a) The teacher scholarship  
19 loan program shall be administered by the student financial aid com-  
20 mittee (AS 14.43.095) in accordance with regulations adopted by the  
21 committee. The committee shall

22 (1) allocate the loan awards available for teacher scholar-  
23 ship loans annually to local school boards giving a preference to  
24 rural school districts; and

25 (2) develop and distribute to the local school boards an  
26 application form for teacher scholarship loans; the form shall include  
27 a requirement that the applicant supply a high school academic trans-  
28 cript and a statement of intent to enter a teaching career at the  
29 elementary or secondary school level in the state.

1 (b) The local school boards shall select the recipients of the  
2 teacher scholarship loans according to the criteria in AS 14.43.650.

3 Sec. 14.43.640. CONDITIONS OF LOANS. (a) The conditions pro-  
4 vided in AS 14.43.120 apply to teacher scholarship loans except that  
5 loans may not be made to graduate students.

6 (b) If a borrower meets the conditions provided in (a) of this  
7 section and is employed as a teacher in a rural elementary or secon-  
8 dary school, the portion of the loan that shall be paid by the state,  
9 notwithstanding AS 14.43.120(j), is the following percentages of the  
10 total loan received plus interest up to a total of 100 percent of the  
11 total loan:

- 12 (1) one year employment, 15 percent;
- 13 (2) two years employment, an additional 15 percent;
- 14 (3) three years employment, an additional 15 percent;
- 15 (4) four years employment, an additional 25 percent;
- 16 (5) over four years employment, an additional 30 percent.

17 (c) A loan may not exceed \$10,000 in a school year.

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

20 (1) be a graduate of a public or private high school in the  
21 state, with sufficient credits to be admitted to an accredited college  
22 or university;

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

26 (3) meet the conditions set by the student's local school  
27 board with respect to the district's requirements for teachers in  
28 particular subject areas; and

29 (4) submit to the local school board an application

1 provided by the student financial aid committee under AS 14.43.-  
2 630(a)(3); an application may be submitted six months before gradua-  
3 tion from high school.

4 (b) A local school board shall award teacher scholarship loans  
5 giving a preference to applicants from rural schools who meet the  
6 qualifications for a loan and taking into account the applicants'  
7 academic records.

8 (c) A student may not be awarded a scholarship loan under AS 14.  
9 43.090 - 14.43.160 and a teacher scholarship loan under AS 14.43.600 -  
10 14.43.700 for the same school year.

11 Sec. 14.43.700 DEFINITION. In AS 14.43.600 - 14.43.700, "rural"  
12 means

13 (1) a community in the second, third, or fourth judicial  
14 district of the state with a population of 4,500 or less that is not  
15 connected by road or rail to Anchorage or Fairbanks; or

16 (2) a community in the first judicial district of the state  
17 with a population of 4,500 or less.