

Original sponsors(s): REP. ELLIS, Koponen, Gruenberg, Boucher

1 IN THE HOUSE BY THE LABOR & COMMERCE COMMITTEE  
2 SENATE CS FOR CS FOR HOUSE BILL NO. 10 (L&C)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to forgiveness of student loans of  
7 certain health care professionals, to taxation of  
8 student loans, and to student financial assistance;  
9 and providing for an effective date."

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

11 \* Section 1. AS 14.43.120(b) is amended to read:

12 (b) Scholarship loans may only be used to attend a

13 (1) career education program that has been approved by the  
14 commission before July 1, 1986, or has been operating for at least one  
15 year [TWO YEARS] before the borrower attends; or

16 (2) a college or university that

17 (A) has been approved by the commission before July 1,  
18 1986, or has been operating for at least two years before the  
19 borrower attends;

20 (B) is accredited by a national or regional accredita-  
21 tion association recognized by the Council on Postsecondary  
22 Accreditation or is approved by the commission; and

23 (C) if the loans are federally insured, is approved by  
24 the United States Secretary of Education.

25 \* Sec. 2. AS 14.43.120 is amended by adding new subsections to read:

26 (s) If a borrower meets the conditions provided in this section  
27 and is employed as a health care professional in a geographical area  
28 of the state determined to have a health care professional shortage  
29 for the borrower's profession by the Department of Health and Social

1 Services under AS 44.29.020(b), a portion of the loan shall, subject  
2 to appropriation by the legislature, be paid by the state equal to the  
3 following percentages of the total loan received plus interest up to a  
4 total of 70 percent of the total loan: (1) one year employment, 10  
5 percent; (2) two years employment, an additional 12 percent; (3) three  
6 years employment, an additional 14 percent; (4) four years employment,  
7 an additional 16 percent; (5) five years employment, an additional 18  
8 percent. In this subsection, "health care professional" means a  
9 person who is licensed as a physician or osteopath under AS 08.64.230,  
10 as a physical therapist or occupational therapist under AS 08.84, as a  
11 registered nurse under AS 08.68.190 or 08.68.200, a person practicing  
12 medicine as a physician's assistant, or a person employed as a medical  
13 technician.

14 (t) Notwithstanding any other provision of law, while a person's  
15 loan is being paid by the state under (s) of this section, that person  
16 may not receive forgiveness of a loan under any other section of this  
17 chapter.

18 (u) The commission shall adopt regulations that permit a borrow-  
19 er to exclude a forgiven portion of a loan from the gross income of  
20 the borrower as allowed under the Internal Revenue Code.

21 \* Sec. 3. AS 44.29.020 is amended by adding a new subsection to read:

22 (b) The department shall, by September 30 of each year, prepare  
23 a report that (1) lists by profession those geographic areas of the  
24 state that have a health care professional shortage, (2) identifies  
25 the number of health care professionals employed in each area of  
26 shortage, and (3) recommends changes to the health care professional  
27 loan forgiveness program under AS 14.43.120(s). The report prepared  
28 under this subsection shall be provided to the Alaska Commission on  
29 Postsecondary Education. The commissioner of health and social

1 services shall adopt regulations regarding the determination of geo-  
2 graphic areas with a health care professional shortage. In this  
3 subsection "health care professional" has the meaning given in AS 14.-  
4 43.120(s).

5 \* Sec. 4. APPLICABILITY. Sections 2 and 3 of this Act apply to a  
6 person's employment as a health care professional that occurs after July 1,  
7 1990.

8 \* Sec. 5. This Act takes effect July 1, 1990.