

HOUSE BILL NO. 32
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE KOPONEN

Introduced: 1/21/91

Referred: Health, Education and Social Services, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to reimbursement and taxation of certain student loans; and providing
2 for an effective date."

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

4 * Section 1. AS 14.43.120 is amended by adding new subsections to read:

5 (s) If a borrower has graduated from an early childhood career education program or
6 received an undergraduate degree in early childhood education from a college or university, is
7 employed in early childhood education within the state, and has fully repaid the entire principle
8 and interest due on the loan, a portion of the loan shall be reimbursed to the borrower by the
9 state equal to the following percentages of the total loan received plus interest up to a total of
10 70 percent of the total loan: (1) one year employment, 10 percent; (2) two years employment,
11 an additional 12 percent; (3) three years employment, an additional 14 percent; (4) four years
12 employment, an additional 16 percent; (5) five years employment, an additional 18 percent. In
13 this subsection, "early childhood education" means employment as a day care provider, in a Head
14 Start program, or in a similar program providing for the education of children that are less than

1 six years of age.

2 (t) Notwithstanding any other provision of law, while a person's loan is being reimbursed
3 by the state under (s) of this section, that person may not receive forgiveness of a loan under any
4 other provision of this chapter.

5 (u) The commission shall adopt regulations that permit a borrower to exclude a
6 reimbursed portion of a loan from the gross income of the borrower if allowed under the Internal
7 Revenue Code.

8 (v) Reimbursement under (s) of this section is subject to appropriation by the legislature.
9 Money obtained from the sale of bonds by the Student Loan Corporation under AS 14.42.220
10 may not be appropriated for the reimbursement of loans.

11 * Sec. 2. APPLICABILITY. This Act applies to a person's employment in early childhood education
12 that occurs after July 1, 1991.

13 * Sec. 3. This Act takes effect July 1, 1991.