

CS FOR HOUSE BILL NO. 32 (HES)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION
BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE
Offered: 3/15/91
Referred: Finance
Sponsor(s): REPRESENTATIVE KOPONEN

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 complied with the other
8 provisions of this section, a portion of the loan payments made by the borrower shall be
9 reimbursed to the borrower by the state equal to the following percentages of the total loan re-
10 ceived plus interest up to a total of 70 percent of the total loan plus interest: (1) one year
11 employment, 10 percent; (2) two years employment, an additional 12 percent; (3) three years
12 employment, an additional 14 percent; (4) four years employment, an additional 16 percent; (5)
13 five years employment, an additional 18 percent. The loan amount reimbursed to the borrower
14 may not exceed the loan amount paid by the borrower to the state. In this subsection, "early

1 childhood education" means employment as a day care provider, in a Head Start program, or in
2 a similar program providing for the education of children that are less than six years of age.

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

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

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

12 * Sec. 2. APPLICABILITY. This Act applies to loans entered into on or after July 1, 1991, and to
13 a person's employment in early childhood education that occurs on or after July 1, 1991.

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