

HOUSE BILL NO. 442

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES ELLIS, Koponen, Lincoln, Bruckman, Ivan, Gruenberg, Ulmer, Donley, B.Davis

Introduced: 2/5/92

Referred: Health, Education & Social Services, Finance

A BILL

FOR AN ACT ENTITLED

**1 "An Act relating to forgiveness of student loans of certain health care professionals and
2 to student financial assistance; and providing 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 (u) A borrower who meets the conditions provided in this section, meets the condition
6 imposed under AS 14.43.950, has received a tuition differential subsidy, and is employed as a
7 health care professional in a geographical area of the state determined to have a health care
8 professional shortage for the borrower's profession by the Department of Health and Social
9 Services under AS 44.29.020(b), shall, subject to appropriation by the legislature, have a portion
10 of the loan paid by the state equal to the following percentages of the total loan received plus
11 interest up to a total of 70 percent of the total loan: (1) one year employment, 10 percent; (2)
12 two years employment, an additional 12 percent; (3) three years employment, an additional 14
13 percent; (4) four years employment, an additional 16 percent; (5) five years employment, an
14 additional 18 percent. In this subsection, "health care professional" means a person who is**

1 licensed as a physician or osteopath under AS 08.64.230, as a physical therapist or occupational
2 therapist under AS 08.84, as a registered nurse under AS 08.68.190 or 08.68.200, or a person
3 practicing medicine as a physician's assistant.

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

7 * Sec. 2. AS 14.43 is amended by adding a new section to read:

8 Sec. 14.43.950. EMPLOYMENT CONDITION FOR PARTICIPANTS IN CERTAIN
9 EDUCATION PROGRAMS. As a condition of eligibility for receiving a tuition differential
10 subsidy under a program offered by the Western Interstate Commission for Higher Education or
11 the Alaska Commission on Postsecondary Education under AS 14.42.030(d), a program
12 participant shall agree to be employed in the state for a period of at least six months for each
13 school year of participation in the program for which there is a tuition differential subsidy.
14 Except for a person who is completing a medical residency program, a person who does not meet
15 the employment requirements of this section within four years after completing the person's
16 subsidized education shall pay to the state 50 percent of the tuition differential subsidy received
17 by the person plus interest at the rate provided for scholarship loans under AS 14.43.120(f).
18 Interest under this section begins to accrue one year after the person completes the subsidized
19 education program.

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

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

30 * Sec. 4. APPLICABILITY. (a) AS 14.43.120(u), added by sec. 1 of this Act, and AS 44.29.020(b),
31 added by sec. 3 of this Act, apply to a person's employment as a health care professional that occurs

1 after July 1, 1992.

2 (b) AS 14.43.950, added by sec. 2 of this Act, applies to a person who begins an education
3 program and who receives a tuition differential subsidy on or after January 1, 1993.

4 (c) AS 14.43.120(u), enacted in sec. 1 of this Act, does not apply to a loan received before
5 July 1, 1992.

6 * Sec. 5. This Act takes effect July 1, 1992.