

**HOUSE BILL NO. 25**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**EIGHTEENTH LEGISLATURE - FIRST SESSION**

**BY REPRESENTATIVES BRICE, Ulmer**

**Introduced: 1/11/93**

**Referred: Health, Education & Social Services, Judiciary, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to reimbursement and taxation of certain student loans; and  
2 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) If a borrower has graduated from an early childhood career education  
6 program or received an undergraduate degree in early childhood education from a  
7 college or university, is employed in early childhood education within the state, and  
8 has complied with the other provisions of this section, a portion of the loan payments  
9 made by the borrower shall be reimbursed to the borrower by the state equal to the  
10 following percentages of the total loan received plus interest up to a total of 70 percent  
11 of the total loan plus interest: (1) one year employment, 10 percent; (2) two years em-  
12 ployment, an additional 12 percent; (3) three years employment, an additional 14  
13 percent; (4) four years employment, an additional 16 percent; (5) five years  
14 employment, an additional 18 percent. The loan amount reimbursed to the borrower

1           may not exceed the loan amount paid by the borrower to the state. In this subsection,  
2           "early childhood education" means employment as a day care provider, in a Head Start  
3           program, or in a similar program providing for the education of children that are less  
4           than six years of age.

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

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

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

14          \* Sec. 2. APPLICABILITY. This Act applies to loans entered into on or after July 1,  
15          1993, and to a person's employment in early childhood education that occurs on or after  
16          July 1, 1993.

17          \* Sec. 3. This Act takes effect July 1, 1993.