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84

ALASKA STATE LEGISLATURE



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Senator Gary Stevens

Memorandum

Date: March 5, 2003

To: Senator Fred Dyson
Chair, Senate HESS Committee

Fr: Senator Gary Stevens

Re: SB 84

I respectfully request a committee hearing on SB 84 "An Act relating to the Alaska teacher recruitment loan repayment program; and providing for an effective date" be scheduled at your earliest convenience.

Thank you.

Best regards,

A handwritten signature in black ink, appearing to be "Gary Stevens", with a long horizontal flourish extending to the right.

Gary

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Senator Gary Stevens

SPONSOR STATEMENT – SB 84

SB 84, "An Act relating to the Alaska teacher recruitment loan repayment program; and providing for an effective date" is a bill that will help school districts throughout Alaska recruit and retain teachers in a time of critical shortage.

SB 84 will give school districts a valuable tool to help solve this problem by establishing the Alaska Teacher Recruitment Loan Repayment Program. This program will provide financial incentives through the repayment, in whole or part, by the state, of education loans for teachers, upon the teacher's being first hired at an Alaskan public elementary, or secondary school. The bill creates an account in the General Fund and empowers the Alaska Commission on Post Secondary Education to administer the program, determine the availability of funding for it, and verify eligibility. The bill also limits the lifetime financial award for an individual teacher to \$10,000.

With the passage of this bill, those pursuing a teaching career in Alaska will reduce their financial burden. SB 84 will also give school districts throughout Alaska an added resource in attracting new teachers. I urge your support of this bill.

MAR 05 2002

LEGAL SERVICES

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MEMORANDUM

March 5, 2003

SUBJECT: Alaska teacher recruitment loan repayment program - SB 84

TO: Senator Gary Stevens
Attn: Doug

FROM: Michael F. Ford 
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Findings and purpose.

Section 2. Imposes duties on the State Board of Education relating to the Alaska teacher recruitment loan repayment program.

Section 3. Imposes duties on the Alaska Commission on Postsecondary Education relating to the Alaska teacher recruitment loan repayment program.

Section 4. Requires the executive director of the Alaska Commission on Postsecondary Education to administer the Alaska teacher recruitment loan repayment program.

Section 5. Allows money earned by the Alaska Student Loan Corporation to be used for the Alaska teacher recruitment loan repayment program.

Section 6. Establishes the Alaska teacher recruitment loan repayment program. Creates the Alaska teacher recruitment loan repayment program account in the general fund, provides for administration of the program, establishes eligibility criteria, and conditions and limitations on loan payments.

Section 7. Transition provision regarding adoption of regulations.

Senator Gary Stevens
March 5, 2003
Page 2

Section 8. Effective date for sec. 7.

Section 9. Effective date for all sections but sec. 7.

MFF:med
03-248.med

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB84
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Education
 Title An Act relating to the Alaska teacher recruitment BRU ACPE
loan repayment program; and providing for an effective date. Component Student Loan Program
 Sponsor Senator Gary Stevens
 Requester (S)HESS Component No. 213

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous	1,614.0	3,228.0	4,842.0	6,456.0	8,070.0	8,070.0
TOTAL OPERATING	1,614.0	3,228.0	4,842.0	6,456.0	8,070.0	8,070.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	1,614.0	3,228.0	4,842.0	6,456.0	8,070.0	8,070.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	1,614.0	3,228.0	4,842.0	6,456.0	8,070.0	8,070.0

Estimate of any current year (FY2003) cost: 00
 Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 SB 84 establishes the Alaska Teacher Recruitment Loan Repayment Program as a tool to attract and retain qualified teachers to work in the state. Setting the eligibility criteria and participant certification will be the responsibility of the Department of Education and Early Development. The Alaska Commission on Postsecondary Education will be responsible for monitoring the repayment program account and for acting as the fiscal agent in paying out repayment benefits on behalf of program participants. Although the bill contemplates that the legislature would appropriate some or all of the Alaska Student Loan Corporation's annual dividend to the State as a source of program funding, it is not mandated and, therefore, General Funds have been referenced as the program fund source above.

Prepared by: Sheila King, Finance Officer Phone 465-6757
 Division: Finance Date/Time 4/7/03 10:14 AM
 Approved by: Diane Barrans, Executive Director Date 4/7/2003
 Agency: Alaska Commission on Postsecondary Education

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

BILL NO. SB84

ANALYSIS CONTINUATION

The following cost analysis is based upon the current number of teaching positions in Alaska (no growth) and using information from *Retaining Quality Teachers for Alaska*, relative to an assumed 15% annual position turnover, and anticipating that approximately 51% of the individuals filling positions will be new teachers with educational debt. Payout of benefits also assumes a minimum five-year service requirement.

Cost Estimates for Alaska Teacher Recruitment Loan Repayment Program
(Dollar Amounts Shown in Thousands)

Year	# of New New Hires	2004	2005	2006	2007	2008	2009
2004	807	\$ 1,614	\$ 1,614	\$ 1,614	\$ 1,614	\$ 1,614	
2005	807		\$ 1,614	\$ 1,614	\$ 1,614	\$ 1,614	\$ 1,164
2006	807			\$ 1,614	\$ 1,614	\$ 1,614	\$ 1,164
2007	807				\$ 1,614	\$ 1,614	\$ 1,164
2008	807					\$ 1,614	\$ 1,164
2009	807						\$ 1,164
	1,075	\$ 1,614	\$ 3,228	\$ 4,842	\$ 6,456	\$ 8,070	\$ 8,070

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Senator Gary Stevens
Alaska State Legislature

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SPONSOR STATEMENT – SB 84
(Updated 4/8/03)

SB 84, “An Act relating to the Alaska Teacher Recruitment Loan Repayment program; and providing for an effective date” is a bill that will help school districts throughout Alaska recruit and retain teachers in a time of critical shortage.

SB 84 establishes the Alaska Teacher Recruitment Loan Repayment Program. This program will provide financial recruitment and retention incentives through the repayment, in whole or part, by the state, of education loans for teachers, upon a teacher’s first hiring at an Alaska public elementary, or secondary school. The bill authorizes the State Board of Education and Early Development to develop criteria to insure effective implementation of the program and creates an account in the General Fund and empowers the Alaska Commission on Postsecondary Education to administer the program in accordance with the criteria developed by the state board. The bill also limits the lifetime financial award for an individual teacher to \$10,000.

With the passage of this bill, those pursuing a teaching career in Alaska will receive assistance in managing their education-related debt burden so long as they meet the established service requirements. SB 84 will give school districts throughout Alaska an added resource for use in attracting new teachers. I urge your support of this bill.

AMENDMENT 1

OFFERED IN SENATE HESS

BY SENATOR GARY STEVENS

TO: SB 84, Draft Version "A"

- 1 Page 1, line 13: After "board", add: "in consultation with the Alaska Commission on Postsecondary Education".
- 2 Page 3, line 15: After "account", add: "or any federal or other funds".
- 3 Page 4, line 9: Delete: "entity", replace with: "lender".
- 4 Page 4, lines 10-12: Delete.
- 5 Page 4, line 31: Delete.
- 6 Page 5, line 1: Delete.
- 7 Renumber accordingly.