

CS FOR HOUSE BILL NO. 235(EDC)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE EDUCATION COMMITTEE

Offered: 2/8/10

Referred: Finance

Sponsor(s): REPRESENTATIVES MUÑOZ, Kerttula

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to professional student exchange program availability and conditions**
2 **for loan forgiveness."**

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

4 *** Section 1.** AS 14.44.025 is amended by adding a new subsection to read:

5 (b) Notwithstanding the funding priorities established under (a) of this section,
6 the Alaska Commission on Postsecondary Education shall provide adequate funding
7 for not fewer than five students to attend four-year programs in each of the following
8 fields:

- 9 (1) dentistry;
10 (2) optometry; and
11 (3) pharmacy.

12 *** Sec. 2.** AS 14.44.035 is amended to read:

13 **Sec. 14.44.035. Administration.** The Alaska Commission on Postsecondary
14 Education shall administer the state's participation in the Western Regional Higher

1 Education Compact. The Alaska Commission on Postsecondary Education may adopt
2 regulations to implement AS 14.44.010 - 14.44.041 [AS 14.44.010 - 14.44.040].

3 * **Sec. 3.** AS 14.44.040(a) is amended to read:

4 (a) As a condition of eligibility for receiving financial support from the state
5 under the Professional Student Exchange Program of the Western Interstate
6 Commission **for** [ON] Higher Education, a program participant shall agree to repay to
7 the state the support provided by the state on behalf of that person. **Except as**
8 **otherwise provided in this chapter, the terms of loan repayment must be**
9 **consistent with the terms provided under AS 14.43.510** [, PLUS INTEREST].

10 * **Sec. 4.** AS 14.44 is amended by adding a new section to article 1 to read:

11 **Sec. 14.44.041. Loan forgiveness for program participants.** (a) If money has
12 been appropriated for the purpose, the Alaska Commission on Postsecondary
13 Education shall annually, for not more than five years, forgive five percent of the
14 outstanding principal on a loan made under the Professional Student Exchange
15 Program of the Western Interstate Commission for Higher Education if the participant

16 (1) is a resident of the state;

17 (2) practices in the state in a field of study listed in AS 14.44.025(b)
18 for not less than 750 hours during the year; and

19 (3) maintains the participant's license in good standing in the state.

20 (b) If money has been appropriated for the purpose, and as an alternative to
21 loan forgiveness benefits provided under (a) of this section, the Alaska Commission
22 on Postsecondary Education shall annually, for not more than five years, forgive 10
23 percent of the outstanding principal on a loan made under the Professional Student
24 Exchange Program of the Western Interstate Commission for Higher Education if the
25 participant

26 (1) is a resident of the state;

27 (2) practices in the state in a field of study described in
28 AS 14.44.025(b) for not less than 750 hours during the year;

29 (3) is in a practice that serves an underserved population

30 (A) in a geographical area the commissioner of health and
31 social services has designated as underserved; or

1 (B) by serving patients who are covered under the medical
2 assistance program as provided in AS 47.07, if billings for services provided to
3 those patients are not less than five percent of the average gross billings
4 submitted by the practice for the year; and

5 (4) maintains the participant's professional license in good standing in
6 the state.

7 (c) A participant may receive aggregate loan forgiveness benefits in an
8 amount that is not more than 50 percent of the original principal on a loan made under
9 the Professional Student Exchange Program of the Western Interstate Commission for
10 Higher Education.