

**CS FOR SENATE BILL NO. 174(EDC)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

**BY THE SENATE EDUCATION COMMITTEE**

**Offered: 4/8/09**

**Referred: Finance**

**Sponsor(s): SENATOR MENARD**

**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 14.44.040(a) is amended to read:

13 (a) As a condition of eligibility for receiving financial support from the state  
14 under the Professional Student Exchange Program of the Western Interstate

1 Commission on Higher Education, a program participant shall agree to repay to the  
 2 state the support provided by the state on behalf of that person. **In addition to the**  
 3 **principal owed, a participant shall pay interest at an annual rate of five percent**  
 4 **on the outstanding principal of the loan. Interest may not accrue on a loan until**  
 5 **the participant completes the degree program according to the terms and**  
 6 **conditions under which the loan was made or discontinues participation in the**  
 7 **program** [, PLUS INTEREST].

8 \* **Sec. 3.** AS 14.44 is amended by adding new sections to article 1 to read:

9 **Sec. 14.44.041. Residency loan forgiveness for program participants.** The  
 10 Alaska Commission on Postsecondary Education shall annually, for not more than five  
 11 years, forgive five percent of the outstanding principal on a loan made under the  
 12 Professional Student Exchange Program of the Western Interstate Commission on  
 13 Higher Education if the participant

14 (1) is a resident of the state;

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

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

18 **Sec. 14.44.042. Underserved care loan forgiveness for program**  
 19 **participants.** The Alaska Commission on Postsecondary Education shall annually, for  
 20 not more than five years, forgive five percent of the outstanding principal on a loan  
 21 made under the Professional Student Exchange Program of the Western Interstate  
 22 Commission on Higher Education if the participant

23 (1) is a resident of the state;

24 (2) is in a practice that serves an underserved population

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

27 (B) by serving patients who are covered under the medical  
 28 assistance program in the state, if billings for services provided to those  
 29 patients are not less than five percent of the participant's average gross billings  
 30 for the year; and

31 (3) maintains the participant's professional license in good standing in

1 the state.