A BILL FOR AN ACT

RELATING TO LOAN FORGIVENESS FOR EARLY CHILDHOOD EDUCATION PROFESSIONALS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. Section 304A-701, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

"(a) There is created the Hawaii educator loan program to be administered by the University of Hawaii, in partnership with a financial institution whose operations are principally conducted in Hawaii, to provide financial support to students and teachers who complete a state-approved teacher education program and who agree to teach as a full-time teacher for a period of time to be determined by the university prior to the award of a loan, in:

(1) The Hawaii public school system in a hard-to-fill position including special education, regular education shortage categories, or Title 1 schools, and in one of the following capacities:
(A) As an elementary school teacher teaching in the field of elementary education who has met standards as set forth by the Hawaii teacher standards board; or

(B) As a secondary school teacher teaching in the subject area that is relevant to the loan recipient's academic major or licensure field as certified by the department of education who has met standards as set forth by the Hawaii teacher standards board; [or]

(2) At a school located in a rural area in the State, as determined by the superintendent of education; or

(3) At an early childhood education center or facility, including any school participating in the executive office on early learning public prekindergarten program pursuant to section 302L-7, as determined by the director of human services.

Eligibility shall be determined by the university on a competitive basis. The amount to be loaned to a student shall be determined by the board of regents based on need for financial aid and proof of acceptance into a state-approved
teacher education program at the university. The maximum amount
of loans that a student may receive under this program shall be
an aggregate amount equivalent to tuition payments and costs of
textbooks and other instructional materials necessary to
complete a state-approved teacher education program."
2. By amending subsections (e) and (f) to read:
"(e) Upon a showing of proof that the loan recipient has
completed a state-approved teacher education program and for
each year that the loan award recipient teaches in the Hawaii
public school system pursuant to subsection (a)(1) or (2) or
in an early childhood education center or facility pursuant to
subsection (a)(3), loan forgiveness shall be provided to the
recipient as follows:
   (1) [Ten] Fifteen per cent of the total amount of the loan
       award and interest shall be waived every year for the
       first [five] three years of repayment; and
   (2) [Twenty-five] Twenty-seven and one-half per cent of
       the total amount of the loan award and interest shall
       be waived every year for the [sixth] fourth and
       [seventh] fifth years of repayment.
provided that the total loan forgiveness for a loan award
recipient shall not exceed $________.

(f) If a loan recipient who is a graduate of a state-
approved teacher education program subject to this section and
teaching pursuant to subsection (a) fails to teach in the Hawaii
public school system or early childhood education center or
facility for the minimum number of years, as determined by the
university prior to the loan, from the recipient's original date
of employment with the department of education[7] or early
childhood education center or facility, excluding temporary
leaves of absence, then the recipient shall repay any remaining
loan balance at the rate of ten per cent simple interest."

SECTION 2. This Act shall not apply to any loan issued
pursuant to the Hawaii educator loan program under section
304A-701, Hawaii Revised Statutes, and existing on the effective
date of this Act.

SECTION 3. There is appropriated out of the general
revenues of the State of Hawaii the sum of $________ or so
much thereof as may be necessary for fiscal year 2020-2021 for
loan forgiveness for early childhood education professionals.
1 SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

3 SECTION 5. This Act shall take effect on July 1, 2050.
Report Title:  
University of Hawaii; Early Childhood Education; Loan Forgiveness; Appropriation

Description:  
Adds early childhood education teachers to the Hawaii educator loan program and allows the education loans of participants to be forgiven after 5 years of teaching. Establishes a cap on the total loan forgiveness. Exempts existing program loans. Appropriates funds. Effective 7/1/2050. (SD2)

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