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# A BILL FOR AN ACT

RELATING TO HAWAII EDUCATOR LOANS.

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

1           SECTION 1. The legislature finds that the Hawaii educator  
2 loan program was established to recruit college students to  
3 become educators and ensure that these graduates teach in the  
4 State's public schools. The program provides loans to students  
5 who agree to teach in hard-to-fill positions at public schools  
6 or at public schools located in rural areas. Loan recipients  
7 who successfully complete their teaching education program and  
8 go on to teach in a position that meets the requirements of the  
9 program are eligible for forgiveness of the loan.

10           The legislature further finds that the State continues to  
11 face a growing shortage of qualified teachers. The legislature  
12 believes that reducing the service requirement for total loan  
13 forgiveness under the Hawaii educator loan program will increase  
14 participation in the program. The legislature additionally  
15 believes that increasing the amount of funds available to issue  
16 loans under the Hawaii educator loan program will help to  
17 encourage more students to teach in hard-to-fill positions



1 within the department of education or in public charter schools,  
2 including those at rural schools.

3 The purpose of this Act is to:

4 (1) Amend the Hawaii educator loan program to:

5 (A) Open eligibility for students and teachers who  
6 agree to teach as a full-time teacher in a public  
7 charter school;

8 (B) Decrease the service requirement for total loan  
9 forgiveness to five years; and

10 (C) Increase the percent of the total loan award to  
11 be waived annually to twenty percent; and

12 (2) Appropriate funds for the Hawaii educator loan  
13 program.

14 SECTION 2. Section 304A-701, Hawaii Revised Statutes, is  
15 amended as follows:

16 1. By amending subsections (a) and (b) to read:

17 "(a) There is created the Hawaii educator loan program to  
18 be administered by the University of Hawaii, in partnership with  
19 a financial institution whose operations are principally  
20 conducted in Hawaii, to provide financial support to students  
21 and teachers who complete a state-approved teacher education



1 program and who agree to teach as a full-time teacher for a  
2 period of time to be determined by the university prior to the  
3 award of a loan, in:

4 (1) The Hawaii public school system, including public  
5 charter schools, in a hard-to-fill position including  
6 special education, regular education shortage  
7 categories, or Title 1 schools, and in one of the  
8 following capacities:

9 (A) As an elementary school teacher teaching in the  
10 field of elementary education who has met  
11 standards as set forth by the Hawaii teacher  
12 standards board; or

13 (B) As a secondary school teacher teaching in the  
14 subject area that is relevant to the loan  
15 recipient's academic major as certified by the  
16 department of education who has met standards as  
17 set forth by the Hawaii teacher standards board;  
18 or

19 (2) At a school located in a rural area in the State, as  
20 determined by the superintendent of education.



1 Eligibility shall be determined by the university on a  
2 competitive basis. The amount to be loaned to a student shall  
3 be determined by the board of regents based on need for  
4 financial aid and proof of acceptance into a state-approved  
5 teacher education program at the university. The maximum amount  
6 of loans that a student may receive under this program shall be  
7 an aggregate amount equivalent to tuition payments and costs of  
8 textbooks and other instructional materials necessary to  
9 complete a state-approved teacher education program.

10 (b) All loans made under this subpart shall bear interest  
11 at five per cent simple interest. Repayment of principal and  
12 interest charges shall commence one year after graduation or  
13 three months after a loan recipient ceases to be enrolled in a  
14 state-approved teacher education program and shall be paid in  
15 periodic installments within a [~~seven-year~~] five-year period.  
16 The university may charge late fees and all other reasonable  
17 costs for the collection of delinquent loans."

18 2. By amending subsection (e) to read:

19 "(e) Upon a showing of proof that the loan recipient has  
20 completed a state-approved teacher education program and for  
21 each year that the loan award recipient teaches in the Hawaii



1 public school system pursuant to subsection (a) (1) or (2), loan  
2 forgiveness shall be provided to the recipient as follows:

- 3 (1) [~~Ten~~] Twenty per cent of the total amount of the loan
- 4 award and interest shall be waived every year for the
- 5 [~~first~~] five years of repayment [~~and~~
- 6 ~~(2) Twenty five per cent of the total amount of the loan~~
- 7 ~~award and interest shall be waived every year for the~~
- 8 ~~sixth and seventh years of repayment]."~~

9 SECTION 3. There is appropriated out of the general  
10 revenues of the State of Hawaii the sum of \$ or so  
11 much thereof as may be necessary for fiscal year 2024-2025 to be  
12 deposited into the Hawaii educator loan program revolving fund.

13 SECTION 4. There is appropriated out of the Hawaii  
14 educator loan program revolving fund the sum of \$ or  
15 so much thereof as may be necessary for fiscal year 2024-2025 to  
16 be used for the Hawaii educator loan program.

17 The sum appropriated shall be expended by the university of  
18 Hawaii for the purposes of this Act.

19 SECTION 5. In accordance with section 9 of article VII of  
20 the Hawaii State Constitution and sections 37-91 and 37-93,  
21 Hawaii Revised Statutes, the legislature has determined that the



1 appropriations contained in H.B. No. , will cause the state  
2 general fund expenditure ceiling for fiscal year 2024-2025 to be  
3 exceeded by \$ or per cent. In addition, the  
4 appropriation contained in this Act will cause the general fund  
5 expenditure ceiling for fiscal year 2024-2025 to be further  
6 exceeded by \$ or per cent. The combined total  
7 amount of general fund appropriations contained in only these  
8 two Acts will cause the state general fund expenditure ceiling  
9 for fiscal year 2024-2025 to be exceeded by  
10 \$ or per cent. The reasons for exceeding the  
11 general fund expenditure ceiling are that:

12 (1) The appropriation made in this Act is necessary to  
13 serve the public interest; and

14 (2) The appropriation made in this Act meets the needs  
15 addressed by this Act.

16 SECTION 6. This Act shall take effect on July 1, 3000.



**Report Title:**

Hawaii Educator Loan Program; Public Charter Schools; Hawaii Educator Loan Program Revolving Fund; Appropriation; Expenditure Ceiling

**Description:**

Opens eligibility under the Hawaii Educator Loan Program for students and teachers who agree to teach as a full-time teacher in a public charter school. Decreases the service requirement for total loan forgiveness to five years and increases the percent of the total loan award to be waived annually under the Hawaii Educator Loan Program. Appropriates funds into and out of the Hawaii educator loan program revolving fund to provide financial assistance for students participating under the Hawaii educator loan program. Effective 7/1/3000. (HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

