
A BILL FOR AN ACT

RELATING TO EDUCATION.

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

1 SECTION 1. In 2001, the Hawaii educator loan program and
2 special fund were established to recruit college students to
3 become educators and to ensure that these graduates teach in our
4 public schools. The legislature finds that although the program
5 has proven to be successful, the State is still experiencing a
6 teacher shortage. In particular, hard-to-fill positions,
7 including special education, regular education shortage
8 categories, and teacher positions in rural areas have posed a
9 significant teacher recruitment and retention challenge to our
10 public schools.

11 The legislature also finds that a similar problem exists
12 with attracting and retaining educational assistants, especially
13 certified educational assistants, to work in schools located in
14 rural areas. Community colleges and adult community schools
15 offer educational assistant certification training programs, but
16 only in limited areas, where access may be a problem for those
17 who live in rural areas. Moreover, many educational assistants



1 who are already working part- or full-time in these communities
2 cannot afford the tuition costs at a community college.

3 The purposes of this Act are to establish an educational
4 assistant loan program and to establish a loan forgiveness
5 program to recruit and retain qualified teachers and educational
6 assistants to work in rural areas throughout the State.

7 SECTION 2. Chapter 302A, Hawaii Revised Statutes, is
8 amended by adding a new section to be appropriately designated
9 and to read as follows:

10 **"§302A- Educator and educational assistant loan**
11 **forgiveness program; special fund.** (a) There is created the
12 educator and educational assistant loan forgiveness program to
13 be administered by the department of education, for the purpose
14 of providing financial support to teachers who complete a state-
15 approved teacher education program and to educational assistants
16 who complete a state-approved educational assistant
17 certification training program and agree to teach in the Hawaii
18 public school system at a school located in a rural area, as
19 determined by the department and for a period of time to be
20 determined prior to each award. Eligibility shall be determined
21 by the department on a competitive basis. The amount awarded to
22 a teacher shall be determined by the department based on need



1 for financial aid and proof of a state-approved teacher
2 education degree. The amount awarded to an educational
3 assistant shall be determined by the department based on need
4 for financial aid and proof of completion of a state-approved
5 educational assistant certification training program. The
6 maximum amount that a teacher or educational assistant may
7 receive under this program shall be an aggregate amount
8 equivalent to tuition payments and costs of textbooks and other
9 instructional materials necessary to complete a state-approved
10 teacher education program or state-approved educational
11 assistant certification training program.

12 (b) There is created in the treasury of the State the
13 educator and educational assistant loan forgiveness program
14 special fund, for the purpose of providing funds pursuant to
15 subsection (a). The following may be deposited into the special
16 fund: appropriations made by the legislature; private
17 contributions; repayment of loans, including interest and
18 payments received on account of principal; moneys received from
19 collection agencies under subsection (f); and moneys from other
20 sources; provided that:



1 (1) Moneys on balance in the special fund at the close of
2 each fiscal year shall remain in that fund and shall
3 not lapse to the credit of the general fund; and

4 (2) An amount from the special fund not exceeding five per
5 cent of the total amount of the special fund may be
6 set by the department to be used for administrative
7 expenses incurred in administering the special fund.

8 (c) The department shall adopt rules to implement the
9 educator and educational assistant loan forgiveness program.
10 The rules shall be adopted pursuant to chapter 91 but shall be
11 exempt from the public notice and public hearing requirements.

12 (d) Liability for repayment of a loan shall be canceled
13 upon the death or permanent total disability of the borrower.

14 (e) If a graduate of the teacher education program subject
15 to this section fails to teach in the Hawaii public school
16 system for a minimum number of years, as determined by the
17 department prior to the award, from the recipient's original
18 date of employment with the department of education, excluding
19 sabbatical and other forms of temporary leaves of absence, then
20 the recipient shall repay any remaining loan balance.

21 (f) If a graduate of the educational assistant
22 certification training program subject to this section fails to



1 teach in the Hawaii public school system for a minimum number of
 2 years, as determined by the department prior to the award, from
 3 the recipient's original date of employment with the department
 4 of education, excluding temporary leaves of absence, then the
 5 recipient shall repay any remaining loan balance.

6 (g) In accordance with chapter 103D, the department may
 7 enter into written contracts with collection agencies for the
 8 purpose of collecting delinquent loans. All payments collected,
 9 exclusive of a collection agency's commissions, shall revert,
 10 and be credited, to the loan fund. A collection agency that
 11 enters into a written contract with the department of education
 12 for the collection of delinquent loans pursuant to this section
 13 may collect a commission from the debtor in accordance with the
 14 terms of, and up to the amounts authorized in, the written
 15 contract."

16 SECTION 3. Chapter 304A, Hawaii Revised Statutes, is
 17 amended by adding a new subpart to part II to be appropriately
 18 designated and to read as follows:

19 " . HAWAII EDUCATIONAL ASSISTANT LOANS
 20 §304A-A Hawaii educational assistant loans; eligibility;
 21 amounts. There is created the Hawaii educational assistant loan
 22 program to be administered by the University of Hawaii, to



1 provide financial support to students who complete a state-
2 approved educational assistant certification training program,
3 who agree to serve as an educational assistant in the Hawaii
4 public school system. Eligibility shall be awarded by the
5 university to students on a competitive basis. The amount to be
6 loaned to a student shall be determined by the board of regents
7 based on need for financial aid and proof of acceptance into a
8 state-approved educational assistant certification training
9 program available through the university community college
10 system. The maximum amount of loans that a student may receive
11 under this program shall be an aggregate amount equivalent to
12 tuition payments and costs of textbooks and other instructional
13 materials necessary to complete a state-approved educational
14 assistant certification training program.

15 **§304A-B Repayment of loans; waiver; collection.** (a) All
16 loans made under this subpart shall bear interest at five per
17 cent simple interest. Repayment of principal and interest
18 charges shall commence one year after certification or three
19 months after a loan recipient ceases to be enrolled in a state-
20 approved educational assistant certification training program
21 and shall be paid in periodic installments within a six-year



1 period. The university may charge late fees and all other
2 reasonable costs for the collection of delinquent loans.

3 (b) Upon a showing of proof that the loan recipient has
4 completed an approved educational assistant certification
5 training program and is employed as a part- or full-time
6 certified educational assistant in the Hawaii public school
7 system, one-tenth of the total amount of the loan and interest
8 shall be waived for every year of the first five years, and the
9 remaining balance shall be waived after the sixth year that a
10 loan recipient works in a hard-to-fill position as determined by
11 the superintendent of education, including special education,
12 regular education shortage categories, or Title 1 schools, as a
13 part-or full-time educational assistant who has met the
14 certification requirements set forth by the department of
15 education.

16 (c) Liability for repayment of a loan shall be canceled
17 upon the death or permanent total disability of the loan
18 recipient.

19 (d) If a loan recipient who is a certified educational
20 assistant subject to this section fails to serve in the Hawaii
21 public school system for a minimum of five consecutive years
22 from the loan recipient's original date of employment with the



1 department of education, excluding temporary leaves of absence,
2 then the loan recipient shall repay any remaining loan balance
3 at the rate of ten per cent simple interest.

4 (e) In accordance with chapter 103D, the university may
5 enter into written contracts with collection agencies for the
6 purpose of collecting delinquent student loans. All payments
7 collected, exclusive of a collection agency's commissions, shall
8 revert, and be credited, to the special fund established under
9 section 304A-E for the Hawaii educational assistant loan
10 program. A collection agency that enters into a written
11 contract with the university for the collection of delinquent
12 student loans, pursuant to this section, may collect a
13 commission from the debtor in accordance with the terms of, and
14 up to the amounts authorized in, the written contract.

15 **§304A-C Capacity of minors.** Any student otherwise
16 qualifying for a loan under this subpart shall not be
17 disqualified because the student is under the age of eighteen
18 years, and for the purpose of applying for, receiving, and
19 repaying the loan, any such person shall be deemed to have full
20 legal capacity to act and shall have all rights, powers,
21 privileges, and obligations of an adult with respect thereto.

22 **§304A-D Rules.** The university may adopt rules to



1 implement this subpart. The rules shall be adopted pursuant to
2 chapter 91 but shall be exempt from the public notice and public
3 hearing requirements."

4 SECTION 4. Chapter 304A, Hawaii Revised Statutes, is
5 amended by adding a new section to part V to be appropriately
6 designated and to read as follows:

7 **"§304A-E Hawaii educational assistant loan program special**
8 **fund.** There is established the Hawaii educational assistant
9 loan program special fund, for the purpose of providing loans
10 pursuant to section 304A-A. The following may be deposited into
11 the special fund: appropriations made by the legislature,
12 private contributions, repayment of loans, including interest
13 and payments received on account of principal, and moneys from
14 other sources; provided that:

15 (1) Moneys on balance in the special fund at the close of
16 each fiscal year shall remain in that fund and shall
17 not lapse to the credit of the general fund; and

18 (2) An amount from the special fund not exceeding five per
19 cent of the total amount of outstanding loans may be
20 set by the university to be used for administrative
21 expenses incurred in administering the special fund."



1 SECTION 5. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$, for fiscal
3 year 2007-2008, and the same sum for fiscal year 2008-2009, for
4 deposit into the educator and educational assistant loan
5 forgiveness program special fund.

6 SECTION 6. There is appropriated out of the educator and
7 educational assistant loan forgiveness program special fund the
8 sum of \$, for fiscal year 2007-2008, or so much thereof
9 as may be necessary and the same sum, or so much thereof as may
10 be necessary for fiscal year 2008-2009, for the purposes of the
11 State educator loan program and the State educational assistant
12 loan program.

13 SECTION 7. There is appropriated out of the general
14 revenues of the State of Hawaii the sum of \$, for fiscal
15 year 2007-2008, and the same sum for fiscal year 2008-2009, for
16 deposit into the Hawaii educational assistant loan program
17 special fund.

18 SECTION 8. There is appropriated out of the educational
19 assistant loan program special fund the sum of \$, for
20 fiscal year 2007-2008, and the same sum, or so much thereof as
21 may be necessary for fiscal year 2008-2009, for the purposes of
22 the Hawaii educational assistant loan program.



1 SECTION 9. The sums appropriated in sections 6 and 8 shall
2 be expended by the University of Hawaii for the purposes of this
3 Act.

4 SECTION 10. In codifying the new sections added by this
5 Act, the revisor of statutes shall substitute appropriate
6 section numbers for the letters used in designating the new
7 sections in this Act.

8 SECTION 11. New statutory material is underscored.

9 SECTION 12. This Act shall take effect upon its approval;
10 provided that section 5 and 7 shall take effect on July 1, 2007.

11

INTRODUCED BY:

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Kal Bush
J. M. Kuroki
Maui B. Lee
Manabao

J. H.
B. Brown

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Report Title:

Teacher Education; Educational Assistants; Loans; Appropriation

Description:

Creates an educational assistant loan program and special fund in the University of Hawaii. Creates another special fund for certain loans to teachers and educational assistants to be forgiven after employment at rural public schools for a specified number of years as determined by the department of education.

