

---

---

# 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 in partnership  
14 with a financial institution whose operations are principally  
15 conducted in Hawaii, for the purpose of providing financial  
16 support to teachers who complete a state-approved teacher  
17 education program and to educational assistants who complete a  
18 state-approved certification training program and agree to teach  
19 in the Hawaii public school system at a school located in a  
20 rural area, as determined by the department and for a period of  
21 time to be determined prior to each award. Eligibility shall be  
22 determined by the department on a competitive basis. The amount



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



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

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

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

20 " . **HAWAII EDUCATIONAL ASSISTANT LOANS**

21 **§304A-A Hawaii educational assistant loans; eligibility;**  
 22 **amounts.** There is created the Hawaii educational assistant loan



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



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

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

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

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



1 then the loan recipient shall repay any remaining loan balance  
2 at the rate of ten per cent simple interest.

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

14 **§304A-C Capacity of minors.** Any student otherwise  
15 qualifying for a loan under this subpart shall not be  
16 disqualified because the student is under the age of eighteen  
17 years, and for the purpose of applying for, receiving, and  
18 repaying the loan, any such person shall be deemed to have full  
19 legal capacity to act and shall have all rights, powers,  
20 privileges, and obligations of an adult with respect thereto.

21 **§304A-D Rules.** The university may adopt rules to  
22 implement this subpart. The rules shall be adopted pursuant to



1 chapter 91, but shall be exempt from the public notice and  
2 public hearing requirements."

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

6 **"§304A-E Hawaii educational assistant loan program special**

7 **fund.** There is established the Hawaii educational assistant  
8 loan program special fund, to be administered by the University

9 of Hawaii for the purpose of providing loans pursuant to section  
10 304A-A. The following may be deposited into the special fund:

11 appropriations made by the legislature, private contributions,  
12 repayment of loans, including interest and payments received on

13 account of principal, and moneys from other sources; provided  
14 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 \$ or so much thereof as may be necessary for  
 9 fiscal year 2007-2008 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 and educational assistant loan forgiveness  
 12 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 \$ or so  
 20 much thereof as may be necessary for fiscal year 2007-2008 and  
 21 the same sum or so much thereof as may be necessary for fiscal

1 year 2008-2009 for the purposes of the Hawaii educational  
2 assistant loan program.

3 SECTION 9. The sums appropriated in sections 6 and 8 shall  
4 be expended by the department of education and the University of  
5 Hawaii, respectively, for the purposes of this Act.

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

10 SECTION 11. New statutory material is underscored.

11 SECTION 12. This Act shall take effect on July 1, 2020;  
12 provided that sections 5, 6, 7, and 8 shall take effect on July  
13 1, 2020.



**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. (HB1530 HD1)

