
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 for 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 purpose of this Act is to establish educational
4 assistant loan and loan forgiveness programs to recruit and
5 retain qualified educational assistants to work in rural areas
6 and hard-to-fill positions in public schools throughout the
7 State.

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

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



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

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

- 17 (1) Moneys on balance in the special fund at the close of
18 each fiscal year shall remain in that fund and shall
19 not lapse to the credit of the general fund; and
20 (2) An amount from the special fund not exceeding five per
21 cent of the total amount of the special fund may be



1 set by the department to be used for administrative
2 expenses incurred in administering the special fund.

3 (c) The department shall adopt rules to implement the
4 educational assistant loan forgiveness program. The rules shall
5 be adopted pursuant to chapter 91, but shall be exempt from the
6 public notice and public hearing requirements.

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

9 (e) Upon a showing of proof that the loan recipient has
10 completed a state-approved certification training program and
11 for each year that the loan recipient teaches in the Hawaii
12 public school system at a school located in a rural area, loan
13 forgiveness shall be provided to the recipient as follows:

14 (1) Ten per cent of the total amount of the loan and
15 interest shall be waived every year for the first five
16 years of repayment; and

17 (2) Twenty-five per cent of the total amount of the loan
18 and interest shall be waived every year for the sixth
19 and seventh years of repayment.

20 (f) If an educational assistant who is a graduate of a
21 state-approved certification training program subject to this
22 section fails to teach in the Hawaii public school system at a



1 school located in a rural area for a minimum number of years, as
2 determined by the department prior to the award, from the
3 recipient's original date of employment with the department,
4 excluding temporary leaves of absence, then the recipient shall
5 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 educational assistant loan forgiveness
11 program special fund. A collection agency that enters into a
12 written contract with the department for the collection of
13 delinquent loans pursuant to this section may collect a
14 commission from the debtor in accordance with the terms of, and
15 up to the amounts authorized in, the written 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 certification training program, who agree to serve as
3 an educational assistant in the Hawaii public school system.
4 Eligibility shall be determined by the university on a
5 competitive basis. The amount to be loaned to a student shall
6 be determined by the board of regents based on need for
7 financial aid and proof of acceptance into a state-approved
8 certification training program available through the University
9 of Hawaii community college system. The maximum amount of loans
10 that a student may receive under this program shall be an
11 aggregate amount equivalent to tuition payments and costs of
12 textbooks and other instructional materials necessary to
13 complete a state-approved certification training program.

14 **§304A-B Repayment of loans; waiver; collection.** (a) All
15 loans made under this subpart shall bear interest at five per
16 cent simple interest. Repayment of principal and interest
17 charges shall commence one year after certification or three
18 months after a loan recipient ceases to be enrolled in a state-
19 approved certification training program and shall be paid in
20 periodic installments within a seven-year period. The
21 university may charge late fees and all other reasonable costs
22 for the collection of delinquent loans.



1 (b) Upon a showing of proof that the loan recipient has
2 completed a state-approved certification training program and is
3 employed as a part- or full-time certified educational assistant
4 in the Hawaii public school system, one-tenth of the total
5 amount of the loan and interest shall be waived for every year
6 of the first five years, and twenty-five per cent of the total
7 amount of the loan and interest shall be waived every year for
8 the sixth and seventh years of repayment that a loan recipient
9 works in a hard-to-fill position as determined by the
10 superintendent of education, including special education,
11 regular education shortage categories, or Title 1 schools, as a
12 part- or full-time educational assistant who has met the
13 certification requirements set forth by the department of
14 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 in a hard-to-fill position for a minimum of
21 five consecutive years from the loan recipient's original date
22 of employment with the department of education, excluding



1 temporary leaves of absence, then the loan recipient shall repay
2 any remaining loan balance at the rate of ten per cent simple
3 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 Hawaii educational assistant
9 loan program special fund established under section 304A-E for
10 the Hawaii educational assistant loan program. A collection
11 agency that enters into a written contract with the university
12 for the collection of delinquent student loans, pursuant to this
13 section, may collect a commission from the debtor in accordance
14 with the terms of, and up to the amounts authorized in, the
15 written contract.

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



1 **§304A-D Rules.** The university may adopt rules to
2 implement this subpart. The rules shall be adopted pursuant to
3 chapter 91, but shall be exempt from the public notice and
4 public hearing requirements."

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

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

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

20 (2) An amount from the special fund not exceeding five per
21 cent of the total amount of outstanding loans may be



1 set by the university to be used for administrative
2 expenses incurred in administering the special fund."

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

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

14 The sums appropriated shall be expended by the department
15 of education for the purposes of this Act.

16 SECTION 7. There is appropriated out of the general
17 revenues of the State of Hawaii the sum of \$ for
18 fiscal year 2007-2008 and the same sum for fiscal year 2008-
19 2009, for deposit into the Hawaii educational assistant loan
20 program special fund.

21 SECTION 8. There is appropriated out of the educational
22 assistant loan program special fund the sum of \$ or so



1 much thereof as may be necessary for fiscal year 2007-2008 and
2 the same sum or so much thereof as may be necessary for fiscal
3 year 2008-2009 for the purposes of the Hawaii educational
4 assistant loan program.

5 The sums appropriated shall be expended by the University
6 of Hawaii for the purposes of this Act.

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

11 SECTION 10. New statutory material is underscored.

12 SECTION 11. This Act shall take effect on July 1, 2020;
13 provided that sections 5, 6, 7, and 8 shall take effect on July
14 1, 2020.



Report Title:

Educational Assistants; Loans; Appropriation

Description:

Establishes an educational assistant loan program and special fund in the University of Hawaii; establishes an educational assistant loan forgiveness program and special fund for certain loans to educational assistants to be forgiven after employment at rural public schools for a specified number of years as determined by the department of education. (SD1)

