
A BILL FOR AN ACT

RELATING TO A LOAN FORGIVENESS PROGRAM.

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

1 SECTION 1. The Hawaii Revised Statutes is amended by
2 adding a new chapter to be appropriately designated and to read
3 as follows:

4 "CHAPTER

5 HAWAII GIVE BACK FOR PAYBACK LOAN FORGIVENESS PROGRAM

6 § -1 Hawaii give back for payback loan forgiveness
7 program; purpose. The Hawaii give back for payback loan
8 forgiveness program is established to encourage newly graduated
9 professionals to pursue public service in a not-for-profit
10 organization designated as tax-exempt by the Internal Revenue
11 Service under section 501(c)(3) of the Internal Revenue Code, as
12 amended.

13 § -2 Definitions. As used in this chapter, unless the
14 context clearly indicates otherwise:

15 "Department" means the department of budget and finance.

16 "Director" means the director of budget and finance.



1 "Loan repayment" means the payment, per year, of up to
2 per cent of a program participant's professional training costs,
3 for a maximum of 10 years.

4 "Program" means the Hawaii give back for payback loan
5 forgiveness program.

6 § -3 Hawaii give back for payback loan forgiveness
7 program; established. (a) There is established the Hawaii give
8 back for payback loan forgiveness program to be administered by
9 the department. The program shall provide student loan
10 repayments to professionals employed by a not-for-profit
11 organization designated as tax-exempt by the Internal Revenue
12 Service under section 501(c)(3) of the Internal Revenue Code, as
13 amended, and who make the public service commitments required by
14 this chapter. The department shall prioritize student loan
15 repayments in accordance with the greatest need for public
16 service work.

17 (b) The program shall provide student loan repayments on
18 behalf of a professional who agrees to serve for at least
19 consecutive years, as determined by the department.

20 (c) In administering the program, the director shall:



- 1 (1) Establish criteria and a certification process for
2 what constitutes eligible public service work;
- 3 (2) Establish criteria for the selection of college
4 graduates employed by a not-for-profit organization
5 designated as tax-exempt by the Internal Revenue
6 Service under section 501(c)(3) of the Internal
7 Revenue Code, as amended;
- 8 (3) Collect and manage reimbursements from program
9 participants who do not meet their service commitments
10 under the program; and
- 11 (4) Solicit and accept grants and donations from public
12 and private sources for the program, including
13 maximizing the use of federal matching funds.
- 14 (d) Eligible participants in the program shall be
15 determined by the department on a competitive basis.
- 16 (e) If a program participant fails to satisfy the
17 participant's service commitment under subsection (b), the
18 program participant shall be liable for the repayment of the
19 outstanding balance of the loan to the appropriate lending
20 financial institution.



1 § -4 Rules. The department shall adopt rules to
2 administer this chapter.

3 § -5 Hawaii give back for payback loan forgiveness
4 program revolving fund. (a) There is established in the
5 treasury of the State a Hawaii give back for payback loan
6 forgiveness program revolving fund, which shall be administered
7 by the department and into which shall be deposited:

- 8 (1) Appropriations made by the legislature to the fund;
- 9 (2) Gifts, donations, and grants from government agencies
10 and private individuals;
- 11 (3) Moneys received as reimbursements of loan repayments
12 under the program;
- 13 (4) Interest earned or accrued on moneys deposited into
14 the fund; and
- 15 (5) Any other moneys made available to the program from
16 other sources.

17 (b) The department may expend moneys from the fund for the
18 purposes of this chapter, including operational expenses
19 required to administer the program.

20 § -6 Report. Beginning with the regular session of
21 2017, the director shall report to the legislature on the status



1 of the program no later than twenty days prior to the convening
2 of each regular session."

3 SECTION 2. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$ or so much
5 thereof as may be necessary for fiscal year 2015-2016 for
6 deposit into the Hawaii give back for payback loan forgiveness
7 program revolving fund.

8 SECTION 3. There is appropriated out of the Hawaii give
9 back for payback loan forgiveness program revolving fund the sum
10 of \$ or so much thereof as may be necessary for fiscal
11 year 2015-2016 to establish and administer the Hawaii give back
12 for payback loan forgiveness program.

13 The sum appropriated shall be expended by the department of
14 budget and finance for the purposes of this Act.

15 SECTION 4. The department of budget and finance shall
16 implement the Hawaii give back for payback loan forgiveness
17 program required by section 1 of this Act no later than June 30,
18 2016.



1 SECTION 5. This Act shall take effect on July 1, 2015.

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H.B. NO. 488

Report Title:

Public Service; Loan Forgiveness Program; Appropriation

Description:

Establishes the Hawaii Give Back for Payback Loan Forgiveness Program to assist professionals employed by a not-for-profit organization designated as tax-exempt by the Internal Revenue Service under section 501(c)(3) of the Internal Revenue Code, as amended, with student loan repayment in exchange for a - year commitment to public service in the State of Hawaii.

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