

JAN 15 2025

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# A BILL FOR AN ACT

RELATED TO TEACHER LOANS.

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

1           SECTION 1. The legislature finds that providing a high-  
2 quality education to Hawaii's students allows future generations  
3 to succeed. However, the high cost of living in the State is a  
4 significant concern that contributes to the State's chronic  
5 teacher shortage. Teachers often incur higher expenses to  
6 purchase essential and additional classroom supplies, often with  
7 personal funds, to support their students. Additionally, as  
8 Hawaii's teachers are among the lowest paid in the United States  
9 when considering the cost of living, the department of education  
10 experiences persistent difficulties with teacher recruitment and  
11 retention.

12           The legislature further finds that recruiting teachers to  
13 fill vital positions in Hawaii's schools is extremely difficult.  
14 Due to the high cost of living in the State, acquiring housing  
15 can be a significant obstacle to accepting a position as a  
16 teacher. Additionally, the payroll lag that new state employees  
17 experience exasperates the difficulty in finding teachers to



1 fill these essential positions. A program that incentivizes  
2 teachers to move to areas having hard-to-fill positions will  
3 give the students at Hawaii's public schools a better  
4 educational experience.

5 Accordingly, the purpose of this Act is to provide loans  
6 for teachers who relocate to Hawaii, or to an area in Hawaii  
7 having hard-to-fill teaching positions, and to forgive these  
8 loans if the teacher becomes a licensed teacher in Hawaii or if  
9 the teacher commits to teach for seven years at a Hawaii public  
10 school or public charter school.

11 SECTION 2. Chapter 302A, Hawaii Revised Statutes, is  
12 amended by adding two new sections to be appropriately  
13 designated and to read as follows:

14 **"§302A-A Teacher loans; forgiveness. (a) There is**  
15 **established the teacher loan program to be administered by the**  
16 **department, in partnership with a financial institution whose**  
17 **operations are principally conducted in Hawaii, to provide**  
18 **financial support to teachers who become a licensed teacher in**  
19 **Hawaii or to teachers who commit to teach as a full-time teacher**  
20 **for seven years in:**



- 1        (1) The Hawaii public school system in a hard-to-fill  
2        position including special education, regular  
3        education shortage categories, or Title 1 schools, and  
4        in one of the following capacities:
- 5        (A) As an elementary school teacher teaching in the  
6        field of elementary education who has met  
7        standards as set forth by the Hawaii teacher  
8        standards board; or
- 9        (B) As a secondary school teacher who has met  
10       standards as set forth by the Hawaii teacher  
11       standards board; or
- 12       (2) At a school located in a rural area in the State, as  
13       determined by the superintendent.
- 14       (b) Eligibility shall be determined by the department with  
15 priority for teachers who:
- 16       (1) Relocate to Hawaii to teach; or  
17       (2) Accept a position at a school in a different complex  
18       area in Hawaii.
- 19       (c) Amounts to be loaned to each borrower shall be  
20 determined by the board and shall not exceed \$5,000 per  
21 borrower.



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

3        (e) Upon a showing of proof that the borrower became a  
4 licensed teacher in Hawaii or has committed to teach in the  
5 Hawaii public school system pursuant to subsection (a) for seven  
6 years, the loan shall be forgiven.

7        (f) If a borrower fails to become a licensed teacher in  
8 Hawaii or teach in the Hawaii public school system for seven  
9 years, then the borrower shall repay the loan at terms  
10 determined by the board; provided that the terms shall be  
11 disclosed before the loan is made, the interest rate shall not  
12 exceed \_\_\_\_\_ per cent, and the repayment terms shall not  
13 exceed \_\_\_\_\_ years.

14        (g) In accordance with chapter 103D, the department may  
15 enter into written contracts with collection agencies for the  
16 purpose of collecting delinquent loans. All payments collected,  
17 exclusive of a collection agency's commissions, shall revert,  
18 and be credited, to the teacher loan program revolving fund. A  
19 collection agency that enters into a written contract with the  
20 department for the collection of delinquent loans pursuant to  
21 this section may collect a commission from the debtor in



1 accordance with the terms of, and up to the amounts authorized  
2 in, the written contract.

3 **§302A-B Teacher loan program revolving fund.** There is  
4 established the teacher loan program revolving fund, for the  
5 purpose of providing loans pursuant to section 302A-A.  
6 Appropriations made by the legislature, private contributions,  
7 repayment of loans, including interest and payments received on  
8 account of principal, and moneys from other sources shall be  
9 deposited into the revolving fund and shall be expended by the  
10 department. An amount from the revolving fund not exceeding  
11 five per cent of the total amount of outstanding loans may be  
12 used by the department for administrative expenses incurred in  
13 administering the revolving fund."

14 SECTION 3. There is appropriated out of the general  
15 revenues of the State of Hawaii the sum of \$                    or so  
16 much thereof as may be necessary for fiscal year 2025-2026 and  
17 the same sum or so much thereof as may be necessary for fiscal  
18 year 2026-2027 to be deposited into the teacher loan program  
19 revolving fund.

20 SECTION 4. There is appropriated out of the teacher loan  
21 program revolving fund the sum of \$                    or so much thereof



1 as may be necessary for fiscal year 2025-2026 and the same sum  
2 or so much thereof as may be necessary for fiscal year 2026-2027  
3 for the teacher loan program.

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

6 SECTION 5. New statutory material is underscored.

7 SECTION 6. In codifying the new sections added by section  
8 2 of this Act, the revisor of statutes shall substitute  
9 appropriate section numbers for the letters used in designating  
10 the new sections in this Act.

11 SECTION 7. This Act shall take effect on July 1, 2025.

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INTRODUCED BY: \_\_\_\_\_

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# S.B. NO. 388

**Report Title:**

DOE; Teacher Loans; Loan Forgiveness; Teacher Incentives;  
Teacher Loan Program Revolving Fund; Appropriations

**Description:**

Establishes a teacher loan program revolving fund to encourage individuals to become teachers in hard-to-fill positions of Department of Education schools. Allows a loan to be forgiven for teachers who become a licensed teacher in Hawaii or for teachers who will commit to teach for seven years at a Hawaii public school or public charter school. Appropriates funds.

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

