

HOUSE BILL NO. 28

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES STORY, Fields

Introduced: 1/22/25

Referred: Education, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing a student loan repayment pilot program; and providing for an**
2 **effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** The uncoded law of the State of Alaska is amended by adding a new section
5 to read:

6 STUDENT LOAN REPAYMENT PILOT PROGRAM. (a) The Alaska Commission
7 on Postsecondary Education shall develop and administer a student loan repayment pilot
8 program. A person applying for a grant must submit the application to the commission not
9 later than October 31, 2025, on a form provided by the commission. Subject to appropriation,
10 the commission may award a grant to a person who is employed as a full-time certificated
11 teacher in a public school or as a full-time employee of the state and

12 (1) has completed a postsecondary degree or certificate program located
13 outside the state, was a resident of the state for at least 12 months before attending the out-of-
14 state institution, and has an outstanding student loan as described in 26 U.S.C. 108(f)(2)

1 incurred by the person for the degree or certificate program located outside the state; or

2 (2) has completed a postsecondary degree or certificate program from the
3 University of Alaska, has resided outside the state for at least 12 months before beginning
4 full-time employment as a certificated teacher in a public school or as a full-time employee of
5 the state, and has an outstanding student loan as described in 26 U.S.C. 108(f)(2) incurred by
6 the person for the degree or certificate program from the University of Alaska.

7 (b) The commission shall

8 (1) establish an application process for participation in the program;

9 (2) implement policies to determine the efficacy of the program toward
10 improving the recruitment and retention rates of teachers and state employees who receive a
11 grant under this section; and

12 (3) evaluate the effects of the program on employee recruitment and retention
13 for the purpose of preparing the report required under sec. 2 of this Act.

14 (c) The commission may require a person to refinance the outstanding student loan
15 described in (a) of this section with the commission in order to participate in the program.

16 (d) Grants awarded under this section are payable

17 (1) for a person employed as a full-time certificated teacher in a public school,
18 upon completion of the person's contract term; or

19 (2) for a person employed as a full-time employee of the state, upon the
20 person's merit anniversary date.

21 (e) A person may receive a grant under the program each year for a maximum of three
22 years. A person with outstanding student loans used to pay for a degree or certificate program
23 located outside the state or at the University of Alaska

24 (1) totaling \$24,000 or more is eligible to receive a grant of \$8,000 in each
25 year of participation in the program; or

26 (2) totaling less than \$24,000 is eligible to receive a grant of one-third of the
27 balance of the outstanding student loans in each year of participation in the program.

28 (f) Up to 125 grants may be awarded under this section each fiscal year. The total
29 dollar amount of grants awarded under this section may not exceed \$1,000,000 in a fiscal
30 year. If the amount appropriated in a fiscal year is insufficient to meet the amounts awarded
31 under (a) of this section, the commission shall reduce pro rata the amounts awarded by the

1 necessary percentage as determined by the commission.

2 (g) The commission may adopt regulations necessary to implement this section.

3 (h) In this section, "commission" means the Alaska Commission on Postsecondary
4 Education.

5 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 PILOT PROGRAM: REPORT. On or before December 31, 2025, December 31, 2026,
8 and December 31, 2027, the Alaska Commission on Postsecondary Education shall submit a
9 report to the senate secretary and chief clerk of the house of representatives and notify the
10 legislature that the report is available. The reports must include the effects of the student loan
11 repayment pilot program under sec. 1 of this Act on teacher and state employee recruitment
12 and retention. The report submitted by December 31, 2027, must include an analysis of the
13 overall success rate and effectiveness of the student loan repayment pilot program.

14 * **Sec. 3.** Sections 1 and 2 of this Act are repealed January 1, 2028.

15 * **Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).