

CS FOR HOUSE BILL NO. 28(FIN) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Amended: 5/18/25

Offered: 5/16/25

Sponsor(s): REPRESENTATIVES STORY, Fields, Hall, Himschoot, Galvin, Dibert, Josephson

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 by a
9 deadline established by the commission, on a form provided by the commission. Subject to
10 appropriation, the commission may award a grant to a person who is employed as a full-time
11 certificated teacher in a public school or as a full-time employee of the state, has completed a
12 postsecondary degree or certificate program, and has an outstanding student loan as described
13 in 26 U.S.C. 108(f)(2) incurred by the person for the degree or certificate program.

14 (b) The commission shall

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

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

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

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

(d) Grants awarded under this section are payable

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

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

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

(1) totaling \$24,000 or more is eligible to receive a grant of \$4,000 in the first year of participation in the program, \$8,000 in the second year of participation in the program, and \$12,000 in the third year of participation in the program; or

(2) totaling less than \$24,000 is eligible to receive a grant of one-sixth of the balance of the outstanding student loans on the date the participant entered the program in the first year of participation in the program, one-third of the balance of the outstanding student loans on the date the participant entered the program in the second year of participation in the program, and one-half of the balance of the outstanding student loans on the date the participant entered the program in the third year of participation in the program.

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

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

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

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

5 PILOT PROGRAM: REPORT. On or before December 31, 2026, December 31, 2027,
6 and December 31, 2028, the Alaska Commission on Postsecondary Education shall submit a
7 report to the senate secretary and chief clerk of the house of representatives and notify the
8 legislature that the report is available. The reports must include the effects of the student loan
9 repayment pilot program under sec. 1 of this Act on teacher and state employee recruitment
10 and retention. The report submitted by December 31, 2029, must include an analysis of the
11 overall success rate and effectiveness of the student loan repayment pilot program.

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

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