

HOUSE BILL NO. 374

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE STORY

Introduced: 2/20/24

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. Subject to appropriation, the commission may award a grant to a person who

9 (1) applies not later than October 31, 2024, on a form provided by the
10 commission;

11 (2) is employed as a full-time certificated teacher in a public school or as a
12 full-time employee of the state;

13 (3) has completed a postsecondary degree or certificate program located
14 outside the state;

1 (4) was a resident of the state for at least 12 months before attending the out-
2 of-state institution;

3 (5) has an outstanding student loan as described in 26 U.S.C. 108(f)(2)
4 incurred by the person for the degree or certificate program located outside the state.

5 (b) The commission shall

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

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

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

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

14 (d) Grants awarded under this section are payable

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

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

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

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

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

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

31 (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, 2024, December 31, 2025,
6 and December 31, 2026, 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, 2026, 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, 2027.

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