



Alaska State Legislature

Senator Anna Fairclough — Senate District M

Senate Bill 195-Sponsor Statement

Senate Bill 195 makes both substantive and housekeeping changes to statutes regarding the Alaska Commission on Postsecondary Education and the Alaska Student Loan Corporation. These changes include allowing the commission to set favorable terms for borrowers, increase the total loan limit a student may borrow, and define “on-time” status for a student to reach completion.

With increasing amounts of debt in the state of Alaska, borrowers need to make the best and most informed decisions when they borrow for their education, as well as when they are preparing to enter repayment. By allowing the corporation to set favorable terms, Alaska’s students will receive their education for the best deal.

The cost of tuition is going up at postsecondary institutions around the country; however, state education loan maximums have not been modified in almost twenty years. Increased loan limits will allow students easier access to enough financial aid from one loan servicer, thereby easing the processes of both borrowing and repayment.

National trends show students are taking longer to complete their postsecondary education. In the past, an undergraduate degree took, on average, four years to complete. Now it is more common to see students take longer to complete their degree. By staying in school longer, students are accruing more debt and delaying entry into the workforce. Defining “on-time” status as 15 credits per semester encourages students to complete their postsecondary education in a timely manner. This, in turn, will keep their debt lower, more manageable, and allow them to enter the workforce sooner.

The changes proposed in Senate Bill 195 will allow the commission to better assist Alaskans accessing higher education. It will create incentives for students to enroll in sufficient credits to expedite completion of their degree as well as begin their career as part of Alaska’s workforce.

I appreciate your consideration of this legislation.