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April 7, 2025

House Finance Committee  
House of Representatives  
Alaska State Capitol  
Juneau, AK 99801-1182

**Re: House Bill 28 "An Act establishing a student loan repayment pilot program; and providing for an effective date."**

**Dear Co-Chairs Foster, Josephson, Schrage and Esteemed Committee Members:**

On behalf of the Juneau Economic Development Council (JEDC), I am writing to express support for House Bill 28, which establishes a loan repayment pilot program for educators and state employees in Alaska. As an organization dedicated to fostering sustainable economic growth in Alaska, JEDC views this legislation as a strategic solution to address Alaska's teacher shortage crisis, support the vitality of all Alaskan communities, and invest in our state's future. *We applaud the well-defined funding source and carefully limited budget of this pilot effort, which aims to produce the tangible outcome of up to 125 Alaskans back home to serve our State.*

### **Addressing Teacher Shortages**

Alaska is grappling with a severe and well-documented teacher shortage. According to the Alaska Department of Education and Early Development, more than 600 certified teaching positions were vacant as of Fall 2023, and 230 remained unfilled at the beginning of the 2024 school year<sup>1</sup>. Furthermore, rural districts face annual teacher turnover rates as high as 36%, nearly double the national average of 16%<sup>2</sup>. Not only does this instability disrupt student learning, but it also places undue burdens on school administrations as well as vulnerable communities already stretched too thin for professional services and resources.

Likewise, this excessive churn is incredibly costly to the state in terms of time and money to replace (e.g., interviews, flights, relocation fees). In addition to loan forgiveness programs, nationwide policymakers have also recommended other strategies to strengthen teacher preparation (e.g., residency programs, mentor programs, 'grow your own' programs), expand and strengthen support for new teachers (e.g., induction programs, reduced teaching loads, collaborative planning time), improve working conditions (e.g., high-quality principals, teacher surveys, shared learning opportunities), and increased compensation (e.g., equalized student access to well-qualified teachers through equitable school funding strategies)<sup>3</sup>.

*HB 28 addresses this challenge directly by offering a powerful, targeted financial incentive for teachers to choose Alaska—and stay. By alleviating the burden of student debt, we can make positions in our schools more attractive for talented teachers.*

### **Enhancing the Quality of Education and Workforce Development**

A high-functioning education system is essential for workforce readiness, particularly in a state like Alaska, where specialized skills are often required for public service, healthcare, maritime, construction, disaster

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<sup>1</sup> Alaska Department of Education and Early Development (2024). *Teacher Recruitment and Retention Overview to the Alaska State Legislature*. Available at: <https://education.alaska.gov>.

<sup>2</sup> U.S. Department of Education, Office of Planning, Evaluation, and Policy Development (2024). *State Policy Reports: Alaska – Educator Workforce Data Submission (from Alaska Council of School Administrators)*. Retrieved from: <https://www.ed.gov/sites/ed/files/2024/01/Alaska-Council-of-School-Administrators.pdf>.

<sup>3</sup> The Learning Policy Institute (2024). *What's the cost of teacher turnover?* Retrieved from: <https://learningpolicyinstitute.org/product/2024-whats-cost-teacher-turnover-factsheet>

response, and technical careers. According to the Alaska Department of Labor and Workforce Development's 2025 workforce outlook, early and consistent investment in education is one of the most effective levers for developing the next generation of Alaska's workforce<sup>4</sup>. Without a stable K–12 system, our postsecondary and vocational programs would suffer from underprepared students and reduce our long-term economic competitiveness.

*Educational success is fundamentally tied to continuity and the presence of experienced educators, and a thriving education system is the bedrock of Alaska's future workforce. When districts are forced to rely on short-term, underprepared, or uncertified staff due to recruitment challenges, the consequences directly impact students and their learning experience. HB 28 incentivizes commitments to Alaska by qualified educators and increases instructional stability.*

### **Community Sustainability and Regional Development**

A reliable, experienced, and inspired teaching workforce is not just an educational issue, it's a community development issue. Because strong schools and strong economies go hand in hand, education quality directly influences decisions about where to live, work, and invest in Alaska. Thus, Alaska's declining school enrollments and outward migration in some communities<sup>5</sup> underscore the urgency to create stable, attractive public service careers across the state.

The barriers are clear: a significantly higher cost of living than the Lower 48 to include shipping, barging, and travel, extreme geographic isolation, weather considerations, a general lack of compelling incentives, and Alaska's currently austere approach to funding education has increased teacher workloads, contributed to teacher attrition, and hinders recruitment. Many in our communities have reported an inability to attract a sufficient number of qualified teachers due to the due to the relative unattractiveness of compensation. Student debt is an additional financial burden for many early-career educators.

*By reducing loan burdens, HB 28 supports retention, strengthens communities, and promotes regional equity. It also supports educational stability and economic confidence, making our communities more livable and our workforce more resilient.*

**HB 28 is a practical bill to tackle our recruitment and migration challenges—it is a well-defined and limited pilot program that will strengthen our cadre of education and government professionals in Alaska. Thank you for your service to the people of Alaska and for your consideration of HB 28.**

**Sincerely,**



**Brian Holst**  
**Executive Director**

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<sup>4</sup> Alaska Department of Labor and Workforce Development (2025). *Workforce Plan 2025: Preparing Alaskans for Emerging Opportunities*. Retrieved from: <https://labor.alaska.gov/news/2025/news25-4.htm>.

<sup>5</sup> Department of Labor and Workforce Development. Mild growth, age structure shifts. *Alaska Economic Trends* April 2025. Retrieved from: <https://live.laborstats.alaska.gov/trends-magazine/2025/April/how-rent-increases-compare-nationally>.

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**From:** Terri Fagerstrom [REDACTED]  
**Sent:** Monday, April 07, 2025 10:48 AM  
**To:** House Finance; Cherie Bowman  
**Subject:** Support of HB28

Dear Mr. chairman/Madame chair woman of the finance committee.

I am unable to be there in person to testify, so I am writing in support of House bill 28.

My name is Terri Fagerstrom and I am a lifelong Alaskan who was fortunate enough to benefit from the ACPE student loan forgiveness program offered in the 1980s. This program played a huge role in bringing myself and many of my peers back to Alaska after completing college out of state. Many returned as educators or were employed by the state of Alaska. Many of us held state jobs for the duration of our careers. These students became State chief accountants, school superintendent, UAS chancellors, teachers, directors, commissioners, and other vital career state employees. And many initially return to obtain forgiveness on their student loans. For most, your early 20s is a time of huge life changes. By the time we returned and qualified for forgiveness on our loans, we were established in our communities. We had friends, perhaps had even purchased our first homes, or started families. We sat down roots.

I am a retired, 31 year state of Alaska employee. In 1981. I left Alaska to attend the University of California San Diego. I obtained a degree in mathematics/computer science with a minor and sociology and emphasis in education. I'd plan to become a teacher, but that required an extra year of school that I couldn't afford. When I graduated from college, the state of Alaska was in an economic downfall. There was a hiring freeze on state jobs. People were leaving the state right and left, turning their mortgages over to the bank. So I got a job in California in Tech during a surge and technology jobs. And I started paying large monthly student loan payments. I loved my life in California, but I also saw opportunity to return home. Eventually, I found a job with the State Department of Education and did just that. The way I see it for a \$12,000 investment the State of Alaska obtained a highly educated, 31 year employee. That seems like a pretty good investment. And my story is one of many.

During my State career, I held several supervisor positions. I saw firsthand how difficult it was to recruit new employees. This was compounded by decreasing benefits offered as the State went to Tier 3, and Tier 4 level benefits. By the end of my career, new employees were mostly recruits from other State agencies, looking for promotion opportunity. The state desperately needs some new programs to attract our youth to return. Some employers may be fortunate enough to offer hiring bonuses, but many agencies are not. And a hiring bonus indents the recruit to that company or position. A student loan repayment program gives the student the freedom to seek the career they want where they want it. And helps provide agencies unable to offer bonuses with new hire potential. I am living proof that this system works. HB 28 is a big step in the right direction to help bring our students back and help grow and better our communities. I sincerely hope you will support HB 28.

Thank you for your consideration  
Terri Fagerstrom