



Chairperson and Members of the Committee,

Thank you for the opportunity to testify on HB 28, which proposes the establishment of a student loan repayment pilot program aimed at improving workforce retention for certificated public school teachers and state employees. While I commend the bill's intent to alleviate student debt burdens and strengthen public service retention in Alaska, I urge the Legislature to consider key legal, constitutional, and equity-based concerns to ensure the program is both effective and inclusive.

1. Addressing Equal Protection Concerns

As currently written, HB 28 limits eligibility to certificated public school teachers and full-time state employees. This excludes other critical public sector workers such as healthcare professionals, social workers, and law enforcement officers—many of whom face similar recruitment and retention challenges, particularly in rural areas.

Recommendation:

Expand eligibility to include other high-need public sector roles, such as healthcare and social services, to ensure fair and equitable access to loan repayment benefits.

2. Adjusting Residency Requirements to Avoid Constitutional Issues

The bill restricts eligibility based on a person's prior residency status, requiring applicants to have either:

Lived in Alaska for 12 months before attending an out-of-state institution (Section 1(a)(1)), or

Lived outside Alaska for 12 months before returning to work (Section 1(a)(2)).

This could disproportionately impact individuals who pursued their education outside Alaska without having met these specific timing criteria, raising potential concerns under the Privileges and Immunities Clause of the U.S. Constitution.

Recommendation:

Replace these residency restrictions with a more flexible requirement that prioritizes current Alaska residents, rather than limiting eligibility based on past movement patterns.

3. Ensuring Borrower Protections by Removing Mandatory Refinancing

Section 1(c) of the bill suggests that participants may be required to refinance their loans through the Alaska Commission on Postsecondary Education. This could inadvertently harm borrowers who have federal loans by disqualifying them from key federal protections, such as:

Public Service Loan Forgiveness (PSLF)

Income-driven repayment plans

Deferment and forbearance options

Recommendation:

Change this provision to allow, but not require, refinancing through the state loan commission, ensuring that participants do not lose valuable federal benefits.

4. Expanding Equity Provisions for Rural & Indigenous Communities

The bill does not explicitly prioritize teachers or employees working in rural and high-need districts, despite the well-documented workforce shortages in these areas. Given Alaska's significant Indigenous population and the historical disenfranchisement of rural communities, this omission could unintentionally perpetuate disparities.

Recommendation:

Include explicit prioritization for applicants serving in rural, Indigenous-serving, and workforce shortage areas to ensure equitable distribution of funds.

5. Enhancing Program Funding & Long-Term Sustainability

The bill currently caps the program at \$1,000,000 per year, with a maximum of 125 participants annually. Given the high cost of living and student debt burdens in Alaska, this may not be sufficient to achieve meaningful workforce retention.

Recommendation:

Increase the funding cap to \$2,000,000 per year and expand the number of recipients, while implementing a tiered priority system that balances funding across high-need regions and professions.

6. Strengthening Program Accountability & Evaluation

While HB 28 includes a reporting requirement, it lacks clear performance metrics to assess the long-term impact of the program. Without defined measures, it will be difficult to determine whether the program effectively improves recruitment and retention outcomes.

Recommendation:

Ensure that evaluation reports track key indicators, such as:

- Employee retention rates
- Distribution of funds across rural and urban areas
- Debt reduction impact

- Long-term financial stability of recipients

Conclusion

HB 28 is a promising step toward addressing workforce shortages and student debt burdens, but it requires targeted improvements to ensure it is legally sound, equitable, and effective. I urge the committee to adopt these common-sense revisions to make the program more inclusive, constitutionally compliant, and impactful for Alaskans.

Thank you for your time, and I welcome any questions from the committee.

Respectfully submitted,
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