



March 2, 2021

The Honorable Roger Holland
Alaska State Senate
Alaska State Capitol, Room 115
Juneau, AK 99801

Dear Chair Holland,

I am writing in support of SB 94, *An Act relating to the education loan program and Alaska supplemental education loan program; and providing for an effective date*. In light of rising costs to attend postsecondary education, nationally and in Alaska, and with the growing need to establish a well-trained Alaskan workforce to fuel the state's economy, it is now more crucial than ever for Alaska's students to have access to low-cost education funding resources that meet their full financial needs in order to achieve career training and/or college credentials to reach their individual aspirations.

Current Alaska Statutes limit the loan amounts the Alaska Student Loan Corporation (ASLC) may finance in a given academic year to eligible borrowers: \$14,000 for undergraduate students, \$15,000 for graduate students, and \$10,000 for career education students. Additionally, statutes limit lifetime maximums for eligible borrowers to a total of \$56,000 for undergraduate study, \$60,000 for graduate study, and a combined total of \$87,000 for both graduate and undergraduate study. Dependent on the degree program, tuition costs for Charter College programs range from \$27,345.01 to \$32,245.01 for an academic year and approximately \$35,157.87 to \$105,947.89 for degree completion.

In serving on the Alaska Commission on Postsecondary Education, I am acutely aware that current loan limits are becoming a barrier to Alaska students who may not be able to obtain funding from private lenders due to strict underwriting criteria. Moreover, students and families who can obtain funding from private lenders are on average subject to higher interest rates than those that ASLC can offer. SB 94 would remove loan limits from statute and provide ASLC the authority to set loan limits to meet the evolving financial needs of Alaska's students.

Furthermore, the other changes in the bill would expand eligibility for ASLC's Refinance Loans and allow Alaska's student loan borrowers the option to apply for a loan program with immediate repayment. These proposed changes would provide additional loan financing options with reduced interest rates and overall lower costs.

Pre-pandemic, our state set the goal to have at least 65 percent of working-age Alaskans hold a high-quality postsecondary credential such as apprenticeship completion, technical certificates, or collegiate degrees by 2025¹. This goal remains crucial to achieving fiscal stability in Alaska. This legislation would benefit Alaska's students and families while helping us achieve our goal shared statewide.

Thank you for your continued support of higher education and career training attainment in Alaska.

Sincerely,

Joshua Bicchinella
Campus President-AK/MT
Charter College
Direct: 907-352-1021

¹ More information on the state's 65 by 2025 goal can be found on the Alaska CAN! Network website at <http://65by2025.org/>