

**ALASKA STATE LEGISLATURE  
HOUSE EDUCATION STANDING COMMITTEE**

February 17, 2025  
8:02 a.m.

**MEMBERS PRESENT**

Representative Rebecca Himschoot, Co-Chair  
Representative Andi Story, Co-Chair  
Representative Ted Eischeid  
Representative Rebecca Schwanke  
Representative Bill Elam  
Representative Jubilee Underwood

**MEMBERS ABSENT**

Representative Maxine Dibert

**COMMITTEE CALENDAR**

HOUSE BILL NO. 28

"An Act establishing a student loan repayment pilot program; and providing for an effective date."

- HEARD & HELD

HOUSE JOINT RESOLUTION NO. 5

Urging the United States Congress and the President of the United States to reinstate the Secure Rural Schools and Community Self-Determination Act of 2000 and make the funding mechanism in the Act permanent.

- MOVED HJR 5 OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: HB 28

SHORT TITLE: TEACHER/STATE EMPLOYEE STUDENT LOAN PRGRM

SPONSOR(S): REPRESENTATIVE(S) STORY

01/22/25	(H)	PREFILE RELEASED 1/10/25
01/22/25	(H)	READ THE FIRST TIME - REFERRALS
01/22/25	(H)	EDC, FIN
02/12/25	(H)	EDC AT 8:00 AM DAVIS 106
02/12/25	(H)	<Bill Hearing Canceled>
02/17/25	(H)	EDC AT 8:00 AM DAVIS 106

BILL: HJR 5

SHORT TITLE: SECURE RURAL SCHOOLS PROGRAM

SPONSOR(S): REPRESENTATIVE(S) BYNUM

01/22/25	(H)	READ THE FIRST TIME - REFERRALS
01/22/25	(H)	EDC
02/05/25	(H)	EDC AT 8:00 AM DAVIS 106
02/05/25	(H)	Heard & Held
02/05/25	(H)	MINUTE(EDC)
02/12/25	(H)	EDC AT 8:00 AM DAVIS 106
02/12/25	(H)	Heard & Held
02/12/25	(H)	MINUTE(EDC)
02/17/25	(H)	EDC AT 8:00 AM DAVIS 106

**WITNESS REGISTER**

REPRESENTATIVE ANDI STORY  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, presented HB 28 to the committee.

SHERRI BOWMAN, Staff  
Representative Andi Story  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** On behalf of Representative Andi Story, prime sponsor, presented HB 28 to the committee.

KERRY THOMAS, Interim Director  
Alaska Commission on Postsecondary Education  
Juneau, Alaska

**POSITION STATEMENT:** Gave invited testimony on HB 28.

TERRY FAGERSTROM, Former Recipient of Alaska Loan Forgiveness  
Juneau, Alaska

**POSITION STATEMENT:** Gave invited testimony on HB 28.

LON GARRISON, Executive Director  
Association of Alaska School Boards  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 28.

DR. LISA PARODY, Executive Director  
Alaska Council of School Administrators  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 28.

REPRESENTATIVE JEREMY BYNUM  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, presented HJR 5 to the committee.

**ACTION NARRATIVE**

[8:04:04 AM](#)

CO-CHAIR HIMSCHOOT called the House Education Standing Committee meeting to order at 8:04 a.m. Representatives Story, Himschoot, Eischeid, Elam, and Underwood were present at the call to order.

**HB 28-TEACHER/STATE EMPLOYEE STUDENT LOAN PRGRM**

CO-CHAIR HIMSCHOOT announced that the only order of business would be HOUSE BILL NO. 28, "An Act establishing a student loan repayment pilot program; and providing for an effective date."

[8:06:02 AM](#)

REPRESENTATIVE ANDI STORY, Alaska State Legislature, as prime sponsor, presented HB 28 to the committee. She read from the sponsor statement for HB 28 [included in the committee packet] which read as follows [original punctuation provided]:

Alaska continues to experience an out-migration of its young, working-age adults. Among the 34% of high school graduates who enroll in postsecondary education following high school graduation, 16% attend college out of state, with only 18% enrolling at in-state institutions. Statistics show that of those who go out of state, only 35% return to Alaska with their earned skills. Additionally, analysis of student loan information from a national student loan lender report shows Alaskans have an average balance of \$35,821 of federal and private student loan debt upon graduation.

Teacher and state employee positions are at an all-time high vacancy rate. Multiple efforts on different fronts will be needed to attract Alaskans back home to participate in our economy.

House Bill 28 creates a student loan repayment program for Alaska residents who travel south for their higher education degree or technical certificate or who complete their degree or certification through the University of Alaska system and have been out of the state for a year or more. This three-year program would encourage them to return to Alaska to work as teachers or state employees by reimbursing their student loan lender up to \$8,000 per year. This grant would be administered by the Alaska Commission on Postsecondary Education and funded through the Higher Education Investment Fund (HEIF).

This program is one solution to increase in-migration. It provides these students an incentive to return to Alaska to after completing their postsecondary education. By investing three years to work as a public employee or teacher, they can be reimbursed for up to \$24,000 on their student loans while also contributing to the state's economy. Many of these students have family and community roots here in Alaska and are familiar with its unique environment, meaning they are more likely to remain in these positions than new arrivals from out of state.

Please join me in supporting House Bill 28 to bring these skilled individuals back to Alaska and reduce the vacancies in our schools and state services.

[8:10:37 AM](#)

SHERRI BOWMAN, Staff, Representative Andi Story, Alaska State Legislature, on behalf of Representative Andi Story, prime sponsor, presented HB 28 to the committee. She read from HB 28's sectional analysis [included in the committee packet] which read as follows [original punctuation provided]:

Section 1: Adds a new section to the uncodified law creating a student loan repayment pilot program:

a) The program will be developed and administered by the Alaska Commission on Postsecondary Education. Subject to appropriation, the commission may award a grant to a person who:

- 1) applies not later than October 31, 2025;
- 2) is a full-time state employee or public school teacher;

- 3) has a degree or certificate from a higher education institution from outside Alaska;
- 4) was an Alaska resident for at least a year before attending the out-of-state institution;
- 5) or has completed a degree or certificate through the University of Alaska system and has resided outside of the state for 12 months or more prior to returning to Alaska to work as a full-time state employee or public school teacher;
- 6) owes payment on a student loan taken to obtain their degree or certificate.

b) The Commission will establish an application process, along with policies to determine the efficiency and success of the program in recruiting and retaining grant recipient employees with the state and school districts. The commission will report to the legislature yearly.

c) To participate, applicants may be required to refinance their existing student loans through the commission.

d) Grants awarded are only for full-time teachers or state employees, and payable only at the completion of a year of work.

e) Participants may receive a grant each year for a maximum of three years in an amount not to exceed \$8,000 per year. If the balance of the participant's outstanding loan is less than \$24,000, the grant will be equal to one-third of the balance in each year of participation in the program.

f) Up to 125 grants will be awarded each fiscal year. The total dollar amount awarded may not exceed \$1,000,000 in a fiscal year. If the amount appropriated in a fiscal year is insufficient to meet the amounts awarded, the commission will reduce the amounts awarded.

Section 2: Adds a new section to the uncodified law requiring the commission to submit a report on December 21 of 2025, 2026, and 2027 that describes the effects of the pilot program on recruitment and retention of teachers and state employees. The last report will include an analysis of the overall success rate and effectiveness of the program.

Section 3: This bill sunsets on December 31, 2027.  
Section 4: This Act takes effect immediately.

[8:14:06 AM](#)

MS. BOWMAN presented the fiscal note to the committee. She clarified that the proposed legislation would be funded by the higher education investment fund.

[8:15:27 AM](#)

REPRESENTATIVE EISCHEID asked if there was any reason why the limit of 125 grants was chosen. He asked if school nurses or other employees who are not clearly public servants or teachers would qualify for HB 28's proposed benefits.

REPRESENTATIVE STORY answered that her office chose the number of 125 grants as a means to equally distribute 125 \$24,000 grants from a \$1 million dollar funding pool. She said that nurses and other public servant positions would not be covered by the proposed legislation.

[8:17:35 AM](#)

REPRESENTATIVE ELAM asked if there was "anything preventing our school districts from doing this already" and asked if giving teachers pay bonuses might function in the same way that HB 28's grant funding could.

REPRESENTATIVE STORY answered that she would follow up with more information regarding his first question and said that a teacher most certainly could apply a pay bonus towards their own student loans.

[8:19:43 AM](#)

KERRY THOMAS, Interim Director, Alaska Commission on Postsecondary Education, Gave invited testimony on HB 28. She explained that student loan repayments are an employer-sponsored benefit that is agreed upon through terms defined in a written agreement between the employer and employee. She emphasized the difference between loan forgiveness and loan repayment and said that loan repayment programs often benefit both employers and employees by both reducing the employee's financial burden and keeping employers competitive in a "tight labor market." She said that many states have opted to switch to loan repayment

programs in lieu of loan forgiveness programs due to the aforementioned benefits.

[8:25:49 AM](#)

REPRESENTATIVE ELAM asked if the Alaska Commission on Postsecondary Education (ACPE) would administer the program proposed by HB 28 and asked how HB 28 would impact the workload of ACPE staff.

MS. THOMAS said that she expected to see HB 28 take up the work of up to a third of a full-time position within the ACPE.

[8:27:51 AM](#)

CO-CHAIR HIMSCHOOT asked if Alaska has done a program similar to HB 28 in it's past.

MS. THOMAS answered that Alaska once had a program called the "Sharp" funding program that forgave the loans of medical students.

[8:28:55 AM](#)

REPRESENTATIVE ELAM asked how long the proposed benefits of HB 28 might entice someone to stay in Alaska.

MS. THOMAS answered that she would follow up with more information later.

[8:29:44 AM](#)

REPRESENTATIVE SCHWANKE asked how the program proposed by HB 28 would affect the current funding levels of the ACPE. She asked if HB 28 would disenfranchise Alaskans who chose to study in Alaska.

MS. THOMAS answered that the Department of Revenue would be a more appropriate entity to answer her question and clarified that the current ACPE funding amount is set in Alaska Statute and would not be affected by HB 28.

REPRESENTATIVE STORY added that she, as prime sponsor, has nicknamed HB 28 the "come back home bill", as its primary goal is to address the problem of outmigration in Alaska.

[8:34:17 AM](#)

TERRY FAGERSTROM, Former Recipient, Alaska Loan Forgiveness Program, gave invited testimony on HB 28. She said that the student loan forgiveness offered by the State of Alaska allowed her to afford to study out of state and emphasized how the historic loan forgiveness program allowed her to live and work in Alaska. She said "the way I look at it, for \$11,000 the State of Alaska got a 31-year very productive, highly educated employee, I think that's a pretty good return on investment."

[8:39:44 AM](#)

REPRESENTATIVE ELAM asked how differing amounts in investments might entice people differently.

MS. FAGERSTROM said that "money is going to talk" and emphasized the positive impact of student loan forgiveness and repayment.

[8:42:17 AM](#)

CO-CHAIR HIMSCHOOT offered her understanding that the fund sourcing for HB 28 would come from Designated General Funds (DGF).

[8:42:48 AM](#)

REPRESENTATIVE EISCHEID asked Ms. Fagerstrom if she would have returned to Alaska if the loan forgiveness program didn't exist in the 1970s or 1980s.

MS. FAGERSTROM replied that the loan forgiveness program played an important role in her returning to Alaska.

[Co-Chair Himschoot opened public testimony on HB 28].

[8:46:03 AM](#)

LON GARRISON, Executive Director, Association of Alaska School Boards, Testified in support of HB 28. He said that HB 28 could play a vital role in the recruitment and retention of born-and-raised Alaskans. He explained a series of resolutions that the Alaska Council of School Administrators (ACSA) passed in support of the creation of a loan forgiveness or repayment program in Alaska and emphasized that the proposed legislation would invest in Alaskans, support its schools and students, and strengthen its communities.

[8:48:55 AM](#)

DR. LISA PARODY, Executive Director, Alaska Council of School Administrators, Testified in support of HB 28. She shared her admiration for the ACPE and their work in finding ways to address the issues the face Alaska and its education system. She said that HB 28 "aligns closely" with the ACSA's resolutions in support of the creation of a loan forgiveness or repayment program in Alaska. She said that the proposed student loan repayment program under HB 28 would provide a "targeted and practical solution to one of the most significant barriers facing educators and public employees, student loan debt." She explained that the proposed policies of HB 28 would directly incentivize people to both pursue a higher education and live and work in Alaska.

[8:53:17 AM](#)

REPRESENTATIVE EISHEID asked what a school district in Alaska might lose when they invest in a new employee who eventually decides to leave.

DR. PARODY explained the outsized impact that poor teacher retention is having on schools in Alaska and drew a parallel between poor teacher retention and a dysfunctional business practice that might always lead to a poor return on investment. She said that HB 28 would "get to the root" of the issue of teacher retention in Alaska's schools.

[8:57:39 AM](#)

CO-CHAIR HIMSCHOOT asked if the governor's playbook on teacher retention mentioned educators who were born in Alaska and want to stay in Alaska. She asked how the loan repayment program proposed by HB 28 was mentioned in the playbook.

DR. PARODY replied that she would need to review the document that Co-Chair Himschoot mentioned and follow up with an answer later.

[9:01:25 AM](#)

CO-CHAIR HIMSCHOOT, after ascertaining that there was no one else who wished to testify, closed public testimony on HB 28.

[9:01:36 AM](#)

CO-CHAIR HIMSCHOOT announced that HB 28 would be held over.

**HJR 5-SECURE RURAL SCHOOLS PROGRAM**

[9:01:45 AM](#)

CO-CHAIR HIMSCHOOT announced that the final order of business would be HOUSE JOINT RESOLUTION NO. 5, "Urging the United States Congress and the President of the United States to reinstate the Secure Rural Schools and Community Self-Determination Act of 2000 and make the funding mechanism in the Act permanent."

[9:02:09 AM](#)

REPRESENTATIVE JEREMY BYNUM, Alaska State Legislature, As prime sponsor, presented HJR 5 to the committee. He reiterated the importance of Secure Rural Schools (SRS) funding to rural communities located within federal lands in Alaska. He said that the shortfall of SRS funding would create a "tremendous hardship" on rural and urban communities alike.

[9:03:26 AM](#)

CO-CHAIR STORY commented that communities in her district are very supportive of making the Secure Rural Schools Program permanent.

[9:04:19 AM](#)

CO-CHAIR STORY moved to report HJR 5 out of committee with individual recommendations and the accompanying fiscal note. There being no objection, HJR 5 was reported from the House Education Standing Committee.

[9:04:54 AM](#)

The committee took an at-ease from 9:04 a.m. to 9:07 a.m.

[9:07:29 AM](#)

CO-CHAIR HIMSCHOOT thanked the invited testifiers and delivered committee announcements.

[9:07:54 AM](#)

**ADJOURNMENT**

There being no further business before the committee, the House Education Standing Committee meeting was adjourned at 9:07 a.m.