

**HB**

**54**

# Alaska State Legislature

*Legislative Committees:*  
House Finance Committee

*Legislative Budget Subcommittees:*  
University of Alaska  
Department of Natural Resources  
Department of Environmental Conservation



119 N. Cushman Street Suite 207  
Fairbanks, Alaska 99701  
(907) 456-8172  
FAX (907) 451-9293

*While in Session*  
State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-4457  
FAX (907) 465-3519

Representative John Davies  
District 29

## Sponsor Statement CSHB 54

This legislation is designed to encourage Alaskans to live and work in Alaska after graduating from a post-secondary school or university. Our student loan program has the unintended effect of encouraging the brain-drain from Alaska by helping to finance our students who attend out-of-state schools. Since students are likely to gain employment near the school from which they graduate, by helping them study outside, we help them stay outside.

This bill provides a financial incentive for students to stay in or return to Alaska by offering a reduced interest rate on their student loan if they choose employment in Alaska after graduation. As long as a person remains in Alaska the lower rate would be in effect; so the longer the residence, the greater the benefit. It is expected that the present level of capitalization of the student loan program could finance this lower interest rate. While it may reduce or eliminate the dividend that the program pays to the general fund, it would not require any other general fund subsidy.

This incentive will encourage our students to seek employment in Alaska. After investing in 12 or more years of education for our children, we should encourage them to utilize their skills and talent close to home. This will provide a more stable work force and help to keep families closer together.



# FISCAL NOTE

STATE OF ALASKA  
2001 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: CSHB54(EDU)  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): 2/14/01/4:00PM Education  
Title: An Act relating to the rate of interest applicable BRU: ACPE  
to student loans; and providing for an effective date. Component: Student Loan Operation  
Sponsor: Rep. Davies  
Requester: (H) HESS Component Number: 213

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous	0.0	177.6	360.8	549.5	743.5	942.3
<b>TCTAL OPERATING</b>	<b>0.0</b>	<b>177.6</b>	<b>360.8</b>	<b>549.5</b>	<b>743.5</b>	<b>942.3</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

FUND SOURCE	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	177.6	360.8	549.5	743.5	942.3
1005 Gr/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>0.0</b>	<b>1,77.6</b>	<b>360.8</b>	<b>549.5</b>	<b>743.5</b>	<b>942.3</b>

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This legislation prospectively changes the terms and conditions of loans issued under the Alaska Student Program to allow for an interest rate reduction for any borrower who has completed a career education program or received an undergraduate degree and is employed within the state.

HB54 recognizes that Alaska Student Loans are made available through the sale of bonds issued and subject to the terms of a Trust Indenture. Bond covenants would prevent use of corporation cash to fund the reimbursement proposed.

Operationally, a data management process would need to be developed and staff designated to track the employment status of borrowers remaining in or returning to Alaska.

To estimate the cost of this legislation, loan originations are assumed to be \$50,000,000 each year beginning with the 2001-2002 academic year. Based on 35% eligibility, two scenarios are provided to show funding requirements for a 50 basis point and 100 basis point reduction as provided in this legislation. Costs shown above are the more conservative estimates of 100 basis points.

Prepared by: Sheila King, Finance Officer Phone 465-6757  
Division: Finance Date/Time 2/14/01 4:00 PM  
Approved by: Diane Barrans, Executive Director Date 2/14/2001  
Agency: Alaska Commission on Postsecondary Education

For distribution information, call the Governor's Legislative Office

ANALYSIS: (continued)

\*Estimate of funds required to fund the interest rate reduction on loans originated on or after July 1, 2001, assuming \$50 million in new loans issued each year :

Assumes 35% eligibility:

	2002	2003	2004	2005	2006	2007
50 basis point reduction	0.0	89.0	181.3	276.9	375.6	477.5
100 basis point reduction	0.0	177.6	360.8	549.5	743.5	942.3

Based on these assumptions, the costs would peak at year 15 (2017) at \$1.6 million (50 basis points)/ \$2.9 million (100 basis points).

# Alaska State Legislature

*Legislative Committees:*  
House Finance Committee

*Legislative Budget Subcommittees:*  
University of Alaska  
Department of Natural Resources  
Department of Environmental Conservation

119 N. Cushman Street Suite 207  
Fairbanks, Alaska 99701  
(907) 456-8172  
FAX (907) 451-9293

*While in Session*  
State Capitol  
Juneau, Alaska 99801-1102  
(907) 465-4457  
FAX (907) 465-3519

Representative John Davies  
District 29

## MEMORANDUM

To: Representative Fred Dyson

From: Representative John Davies *J.N.D.*

Date: February 19, 2001

RE: CSHB 54 – Hearing Request

---

I would like to request a hearing before the House Health, Education, and Social Services Committee for my bill CSHB 54:

**“An Act relating to the rate of interest applicable to student loans; and providing for an effective date.”**

Please let me know if you have any questions. Thank you.



# Alaska State Legislature

*Legislative Committees:*  
House Finance Committee

*Legislative Budget Subcommittees:*  
University of Alaska  
Department of Natural Resources  
Department of Environmental Conservation

119 N. Cushman Street Suite 207  
Fairbanks, Alaska 99701  
(907) 456-8172  
FAX (907) 451-9293

*While in Session*  
State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-3457  
FAX (907) 465-3519

## Representative John Davies District 29

### Sponsor Statement CSHB 54

This legislation is designed to encourage Alaskans to live and work in Alaska after graduating from a post-secondary school or university. Our student loan program has the unintended effect of encouraging the brain-drain from Alaska by helping to finance our students who attend out-of-state schools. Since students are likely to gain employment near the school from which they graduate, by helping them study outside, we help them stay outside.

This bill provides a financial incentive for students to stay in or return to Alaska by offering a reduced interest rate on their student loan if they choose employment in Alaska after graduation. As long as a person remains in Alaska the lower rate would be in effect; so the longer the residence, the greater the benefit. It is expected that the present level of capitalization of the student loan program could finance this lower interest rate. While it may reduce or eliminate the dividend that the program pays to the general fund, it would not require any other general fund subsidy.

This incentive will encourage our students to seek employment in Alaska. After investing in 12 or more years of education for our children, we should encourage them to utilize their skills and talent close to home. This will provide a more stable work force and help to keep families closer together.



# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101


State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

January 30, 2001

**SUBJECT:** Sectional Summary of HB 54 - student loans.

**TO:** Representative John Davies  
Attn: Amy

**FROM:** Michael F. Ford   
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

### Section 1. Technical amendment.

Section 2. Provides for a reduced interest rate for individuals who receive a student loan and who return to work in Alaska. Requires the Commissioner on Postsecondary Education to determine the exact interest rate. Provides that a reduced rate of interest may not be granted if the reduction affects administration of the student loan program.

Section 3. Provides that the Act applies to loans and to employment occurring after July 1, 2001.

### Section 4. Effective date.

MFF:glc  
01-076.glc

# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: CSHB54(EDU)  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): 2/14/01/4:00PM Education  
 Title: An Act relating to the rate of interest applicable to student loans; and providing for an effective date. BRU: ACPE  
 Component: Student Loan Operation  
 Sponsor: Rep. Davies  
 Requester: (H) HESS Component Number: 213

**Expenditures/Revenues (Thousands of Dollars)**

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous	0.0	177.6	360.8	549.5	743.5	942.3
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>177.6</b>	<b>360.8</b>	<b>549.5</b>	<b>743.5</b>	<b>942.3</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	177.6	360.8	549.5	743.5	942.3
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>0.0</b>	<b>177.6</b>	<b>360.8</b>	<b>549.5</b>	<b>743.5</b>	<b>942.3</b>

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This legislation prospectively changes the terms and conditions of loans issued under the Alaska Student Program to allow for an interest rate reduction for any borrower who has completed a career education program or received an undergraduate degree and is employed within the state.

HB54 recognizes that Alaska Student Loans are made available through the sale of bonds issued and subject to the terms of a Trust Indenture. Bond covenants would prevent use of corporation cash to fund the reimbursement proposed.

Operationally, a data management process would need to be developed and staff designated to track the employment status of borrowers remaining in or returning to Alaska.

To estimate the cost of this legislation, loan originations are assumed to be \$50,000,000 each year beginning with the 2001-2002 academic year. Based on 35% eligibility, two scenarios are provided to show funding requirements for a 50 basis point and 100 basis point reduction as provided in this legislation. Costs shown above are the more conservative estimates of 100 basis points.

Prepared by: Sheila King, Finance Officer Phone 465-6757  
 Division: Finance Date/Time 2/14/01 4:00 PM  
 Approved by: Diane Barrans, Executive Director Date 2/14/2001  
 Agency: Alaska Commission on Postsecondary Education

For distribution information, call the Governor's Legislative Office

ANALYSIS: (continued)

\*Estimate of funds required to fund the interest rate reduction on loans originated on or after July 1, 2001, assuming \$50 million in new loans issued each year :

Assumes 35% eligibility:

	2001	2003	2004	2005	2006	2007
50 basis point reduction	0.0	89.0	181.3	276.9	375.6	477.5
100 basis point reduction	0.0	177.6	360.8	549.5	743.5	942.3

Based on these assumptions, the costs would peak at year 15 (2017) at \$1.6 million (50 basis points)/ \$2.9 million (100 basis points).

**Alaska Association of School Administrators  
Resolution #3  
Teacher Loan Forgiveness**

WHEREAS, nothing is more effective at raising student achievement than quality teachers; and

WHEREAS, Alaska and the United States are experiencing a teacher shortage; and

WHEREAS, teacher turnover is at best disruptive and at worst disabling to education reform, and is an especially an acute problem in : al Alaska; and

WHEREAS, the need for committed, quality teachers has never been greater; and

WHEREAS, Alaska Student Loans serve a valuable public purpose by enabling thousands of Alaska students to attend colleges and universities each year; and

WHEREAS, Alaska Student Loan program terms have been higher than those available through private lenders and have only recently been reduced and remain more expensive than those offered by federal loan programs; and

WHEREAS, the current Teacher Scholarship Loan program serves only a limited number of students each year, and those are limited to rural districts; and

WHEREAS, the Alaska student loan forgiveness program that ended in the 1980's enticed many educated Alaskans to return to our state where, by the time the forgiveness cycle had run its course, those young people had established homes and families; and

WHEREAS, Alaska benefits when Alaskans return to make their homes in our state; and

WHEREAS, the federal Department of Education now forgives the first \$5000 of federal student loans for teachers who work five years in needy schools; and

WHEREAS, demographic trends make it unlikely that Alaska educational institutions will even under the best of circumstances, be able to produce more than one third of the teachers our schools need each year; and

WHEREAS, the investment needed to fund a teacher loan forgiveness program would pay great dividends to Alaska in the form of better schools, teachers, and more capable students;

**THEREFORE IT IS RESOLVED** the Alaska Association of School Administrators calls upon the Alaska Commission of Post-secondary Education, the Governor, and the Legislature to reinstate a loan forgiveness program for teachers and administrators working under contract in Alaska schools.

ADOPTED: Petersburg, October 7, 2000



# Let's Attract the Brightest and Best into Educa- tion Careers

## THE APPLICANT POOL IS THINNING

By Darroll Hargraves  
Executive Director, ACSA

When does a crisis become a catastrophe? It's a question we'd better start asking now. Why? Because, for communities across Alaska and our nation, the pipeline is drying up as school systems try to attract the qualified teachers and administrators they need to provide leadership for children's education in Alaska.

The sense of urgency couldn't be greater, according to "The Shrinking Applicant Pool," a commentary in the November 8, 2000, issue of *Education Week*. The author, University of Memphis professor Thomas Glass, knows his stuff. In fact, he has conducted studies of the American school superintendency for the 1990s and for the first decade of the 21<sup>st</sup> century. He did not look specifically at Alaska, but what he learned reflects the story in Alaska.

Alaska has been blessed with magnificently talented and dedicated people who have served as superintendents and principals. However, a recent study indicates that our nation's nearly 14,000 school districts will be faced with hiring 8,000 new superintendents during the first eight years of the 21<sup>st</sup> century, primarily because of retirements and people simply leaving the field. Another study revealed that 55 percent of rural, 45 percent of suburban, and 47 percent of urban school districts are currently facing a shortage of qualified candidates for the principalship. And we may see 33% of the superintendents vacate their position each year. Where does that leave us? It sets us up for a leadership gap in some of the most important public positions in our democracy.

Glass points out reasons for "thin applicant pools" which may apply to Alaska:

- strains in board-superintendent relations;
- salary that is inadequate to cover the responsibility and risk;
- spouses who find it difficult to move because they hold professional positions in their communities;
- a search process that is often so public and intrusive that it can put administrators at risk in their present positions;
- a growing tendency for superintendents and most of the rest of us to be increasingly concerned about quality of life, no matter what the salary;
- media that are poised for attack at the drop of an application;
- family concerns, ranging from the ability to afford quality housing to moving children at sensitive ages;
- retirement systems that are not portable from state-to-state;
- vacancy notices that seem to exclude new candidates, and school boards that change after a few years and want to hire "their own superintendent."

What's at stake? The education of our children and the future of our state and nation are on the block! While it is hard to break old habits, perhaps the time has come to face some of the problems Glass has pointed out.

What question should we be asking? I suggest we rev up discussion. How can we continue to attract the brightest and best in our society into careers in education—in this case, the superintendency?"

I'd like to enhance Glass' suggestions with key questions that should guide us in our discussions. Here are a few:

- School systems are often the largest institution in the community, with a larger staff and budget, more extensive physical plant, and responsibility for delivering a vitally important service to hundreds or thousands of people. Are we willing to consider

what the leaders of these organizations would make if they were CEOs or top managers of similar sized businesses?

- Are we willing to offer extended contracts that will attract outstanding education leaders who would like a bit more job security?
- Is it possible for us to realize that superintendents are overburdened by never-ending demands, that they are always on call, and that they need help to get the job done? Too often, administrators are forced to shift focus from what makes a difference in the classroom to dealing with the whim of a single-issue person with friends in high places that drives some people right out of education.
- Can we accept the fact that anyone who is a leader of learning must also continue to learn? Too often, when educators attend a conference, someone yells, "Junket." Most people in professional life understand that travel and conferences, coupled with ongoing concern about making sure everything is moving ahead on the home front, is very hard work.
- Can outstanding school board members convince some of their colleagues that micro-management and treating educators with only a marginal level of respect will jeopardize education for children?
- Is it possible for administrators, teachers, school boards, and communities to work as a team on behalf of even better education for students?

These are issues each and every community must face if we hope to prepare our children for life in a new century and new millennium. When you come down to it, ensuring the best possible education for Alaska's children will ultimately be the most important thing we ever do.

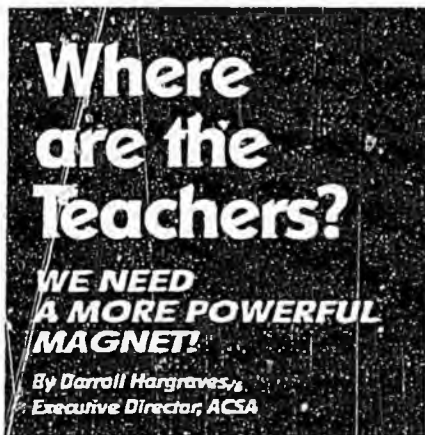


Alaska Association of Elementary School Principals  
 Alaska Association of Secondary School Principals  
 Alaska Association of School Administrators  
 Sponsor of the Alaska Staff Development Network

326 Fourth St. Suite 404 • Juneau, Alaska 99801-1101  
 Phone: (907) 586-9702 (800) 478-9702 Fax: (907) 586-5879  
 E-mail: [acsa@ptlalaska.net](mailto:acsa@ptlalaska.net) • HOME PAGE: [www.ptlalaska.net/~acsa](http://www.ptlalaska.net/~acsa)

## Alaska Council of School Administrators

Excerpt from the *ACSA Education Bulletin* January 2000 Issue



### What's the problem?

### What's getting the attention?

Interesting isn't it? During the past few years, public attention has been focused on funding, construction, standards, and testing. Each of these issues is important. However, whenever superintendents get together to talk about immediate and future concerns, another issue tops the agenda—the need to recruit, hire, and keep certified and qualified teachers and administrators.

**The recent announcement by the University of Alaska that a five-year program will be required for certification will further reduce the number of Alaskans to fill positions in our schools.**

Alaska is not alone. In fact, teacher shortages are entering a critical stage across the nation. U.S. Secretary of Education Richard Riley consistently expresses a concern about the ability of our schools to attract the very brightest and best into education careers. As student enrollments continue to climb nationally, demand is outstripping supply at a time when the hurdles are being lifted even higher. For example, the shortage is becoming even more acute because many states are increasing their standards

for teachers and some are requiring them to have majors in the subjects they teach or to pass qualifying tests. The recent announcement by the University of Alaska that a five-year program will be required for certification will further reduce the number of Alaskans to fill positions in our schools.

Salaries have not kept pace with what talented people can make outside the classroom. A recent Quality Counts 2000, 50-state survey, conducted by *Education Week*, found that one in five college graduates who began teaching in 1993-94 left within three years. The brightest novice teachers, as measured by their college-entrance exams, were the most likely to leave, the study revealed.

**There was a time, not so long ago, when Alaska was a magnet for educators.**

What's at stake here? The immediate concern for many educators is having excellent teachers in the classroom—preparing students to pass exit exams that are looming in their future. Even more importantly, they are concerned about preparing students for life in the 21st century.

There was a time, not so long ago, when Alaska was a magnet for educators. Our salaries were the highest in the nation. Our recruiters could promise adventure, good hunting and fishing, and a lifestyle that attracted exceptional talent. Let's face it. What worked in the past is not getting us the number and level of certified, qualified educators we need today and will need in the future.

While average teacher salaries in Alaska are still above the national average, we are now caught in what the *New York Times* calls a bidding war. That war has spread from coast to coast, and we are not winning. In fact, we are being out-manuevered as never before. Take, for example, the incentives being offered in several states. California is offering \$10,000

interest-free loans for buying a home, \$30,000 bonuses for attaining advanced certification, and \$11,000 to repay college loans. In Texas, \$2,000 signing bonuses are becoming commonplace. Southern states such as Florida, Georgia and Mississippi have districts paying bonuses of up to \$6,000 to retain quality teachers.

As crises show signs of becoming catastrophes, some state legislatures and state departments of education have gotten the ball rolling on bringing retired teachers and administrators back into the system. Those early retirement incentives that were sold, in some case, as a way to remove the "dead wood" are now looking more like they've caused a "brain drain."

Salaries are a major problem, both for teachers and administrators. Alaska's largest districts provide an example of how noncompetitive our salaries are. These districts have budgets, enrollments, numbers of employees, physical plants, and demands comparable to large districts outside the state that are paying their superintendents nearly double. In fact, an Alaska board member recently admitted to the media that their superintendent is underpaid and speculated that if the present superintendent left and had to be replaced, it would require an additional \$50,000. Even that level of an increase would be low compared to salaries paid in comparable districts outside.

Granted, we need to pay attention to standards, facilities, and a number of other critical issues. At the same time, let's not forget that our ability to attract and keep outstanding teachers and administrators is basic to everything we hope to accomplish. Alaska needs a constant flow of quality, certifiable educators. While the problem may not be completely solved during this session of the Legislature, we simply must make sure that it receives the attention it deserves. The future of our kids depends on it.

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101


State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

January 30, 2001

**SUBJECT:** Sectional Summary of HB 54 - student loans.

**TO:** Representative John Davies  
Attn: Amy

**FROM:** Michael F. Ferd   
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

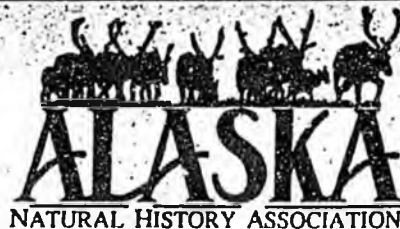
**Section 1.** Technical amendment.

**Section 2.** Provides for a reduced interest rate for individuals who receive a student loan and who return to work in Alaska. Requires the Commission on Postsecondary Education to determine the exact interest rate. Provides that a reduced rate of interest may not be granted if the reduction affects administration of the student loan program.

**Section 3.** Provides that the Act applies to loans and to employment occurring after July 1, 2001.

**Section 4.** Effective date.

MFF:glc  
01-076.glc



Alaska Public Lands Information Center  
250 Cushman Street, Suite 1A, Fairbanks, AK 99701  
(907) 456-0530

Jennifer Bell  
Branch Manager  
January 24, 2001

Fairbanks Representative John Davies  
1998 Kittiwake Dr.  
Fairbanks, AK 99709

Dear Mr. Davies;

My name is Jennifer Bell and I am a 21-year-old Business Administration major at UAF with an emphasis on Management and Organizations. I am writing this letter in support of your House Bill 54, which deals with rewarding Alaska students who graduate and remain in Alaska to work. I was very excited to read of your proposal in last Thursday's Daily News-Miner (January 18) as I think it is an excellent idea. I will be graduating in May of this year and have had no intention whatsoever of remaining here to work. I have already had several excellent job leads in places such as Phoenix and Dallas, and fully intended to accept a position once I graduated. Once I read the article, though, I really began to think about my job opportunities here in the state. I immediately got on the Internet and searched for jobs in Alaska and found several potential positions. Your bill would definitely encourage me to remain here and use my skills and education to better Alaska, rather than taking them to the Lower 48. I firmly believe that the incentive would be great for many other students also, and that the cost would be far outweighed by the advantage that it would bring to Alaska. I hope that the House Special Committee on Education takes your proposal seriously and that House Bill 54 will pass. If I can be of any help on the matter please let me know. Thank you for your time.

Sincerely,

Jennifer Kathleen Bell

**Subject: Alaska Student Loan partial forgiveness bill**

**Date: Sat, 27 Jan 2001 12:07:45 EST**

**From: Astridrider@aol.com**

**To: Representative\_John\_Davies@legis.state.ak.us**

Rep. Davies,

I support your efforts to offer incentives to people in all professions regarding the forgiveness clause in keeping qualified people in the State of Alaska. In our case, our son will graduate from college this coming May and is applying to Medical Schools. He has expressed a desire to stay in Alaska upon graduation. I do not know how your bill applies to graduate students, but I do think what you are trying to accomplish is indeed a worthwhile effort.

Sincerely,  
Mrs. Patrick Rider

**Subject:** Alaska Student Loans

**Date:** Sat, 3 Feb 2001 13:59:00 -0900

**From:** "Action Rehab" <rehab@alaska.net>

**To:** <Representative\_John\_Davies@legis.state.ak.us>

**CC:** "Stephanie Yates" <syates10@hotmail.com>

Dear Mr. Davies,

Currently I am not in Fairbanks (I'm in Juneau working), however I am a registered voter of Fairbanks. My parents have informed me that you have headed up a bill this legislative session that addresses student loans.

I attended UAF for my undergrad degree. Afterwards I had to attend an out-of-state college to receive my Master's in Physical Therapy, since this program is not offered in our state. To attend that program, I paid out-of-state tuition and acquired a large student loan debt, for which AK Student Loan holds \$25,000 of that debt. I began paying on this loan as of 1-00 with one of my loans charging a 9% interest rate. My question is if a bill is passed to decrease the interest rate charged on student loans, would it only encompass student loans that are taken out after 7-01-01 or would it also change current loans?

My concern in this matter is that if this bill does not address current loans that we are not adequately serving our recently higher educated population. While I was in high school, the complete forgiveness of student loans was overturned and if we now enact legislation for future loans, we are not addressing the concerns of students educated over the past ten years. In addition, the bill seems to only address undergrad programs. I feel that our state's university system lacks professional programs for medical professions (including physical therapy) therefore our students must go out of state to receive this education, which is typically beyond an undergrad degree. We need to create incentives for our professionals to come back to our State because we need these students/professionals. In essence, I feel a bill of this nature should reduce the interest for all students currently paying or who will be paying on AK student loans in the future. In addition, the bill should allow this rate to be effective for loans taken out for undergrad and graduate programs. Thank you for your time.

Sincerely,

Stephanie Yates

1150 Ivy Drive

Fairbanks, AK 99709

907-479-8031