

## **SPONSOR STATEMENT – HB 37**

HB 37, “An Act Relating to reimbursement of certain student loans; and providing for an effect date,” allows the state reimburse a borrower who has received an undergraduate degree from a college or university, is employed at a public elementary or secondary school within the state as a teacher, and has complied with AS 14.43.120. The amount to be reimbursed under this section is the portion of the payments made by the borrower for a loan made under AS 14.43.110 equal to the following percentages of the total loan received plus interest, up to a total of 50 percent of the total loan plus interest:

- (1) one year employment, 10 percent;
- (2) two years employment, an additional 10 percent;
- (3) three years employment, an additional 10 percent;
- (4) four years employment, an additional 10 percent;
- (5) five years employment, an additional 10 percent.

The loan amount reimbursed to the borrower may not exceed the loan amount paid by the borrower to the state.

School Districts throughout the state, primarily rural school systems, are currently experiencing great difficulties in recruiting teachers. Currently, the Teacher Scholarship Loan program is available to rural Alaska high school graduates who declare an interest in teaching in rural Alaska and are nominated by their local school districts. HB 37 would allow students of any academic discipline to receive reimbursement of their Alaska student loan upon meeting the criteria of the bill.

With the passage of this bill, students who decide to pursue a teaching career after enrolling in college will benefit from reducing their student loan burden. HB 37 will also give school districts an added resource in attracting new teachers.