

# ALASKA STATE LEGISLATURE



## REPRESENTATIVE JOHN DAVIES House 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.