

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: SB 338
 (S) Publish Date: 4/2/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Education
 Title: An Act making certain individuals convicted of BRU: ACPE
crimes ineligible for permanent fund dividends and... Component: Student Loan Operation
 Sponsor: Rep. Con Bunde
 Requester: Labor and Commerce Component No.: 213

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	0.0	0.0	(*****)	(*****)	(*****)	(*****)
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The Alaska Commission on Postsecondary Education is charged with administering Alaska's various education loan programs. It does so as an enterprise agency of the state, the operational costs for which are paid through recycled funds of the Alaska Student Loan Corporation.

A very few years after the inception of the Alaska Permanent Fund Dividend program, the Commission was authorized by statute to administratively garnish the dividends of defaulted borrowers who remained at least six months in arrears on their education loans. In 2001 alone the Commission asserted its claim to approximately 8,600 dividends and ultimately collected approximately \$10.5 million on defaulted loans. Since the first year of garnishment activity, the Commission has collected well over \$100 million and considers this tool to be one of its most efficient and effective collection levers.

Prepared by: Diane Barrans, Executive Director Phone 465-6740
 Division: Executive Office Date/Time 2/28/02 11:36 AM
 Approved by: Diane Barrans, Executive Director *Diane Barrans* Date 2/28/2002
 Agency: Alaska Commission on Postsecondary Education

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Analysis: (continued)

Because program managers have no way of estimating what percentage of the population potentially is effected by Senate Bill 338 that would also be in this agency's defaulted borrower population, this fiscal note is provided as an indeterminate one. However, because there will likely be some impact of diminished access to the dividend collection, it seemed prudent to bring this issue to the legislature's attention.