

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 5
 Bill Version: _____
 (S) Publish Date: 2/19/04

Revision Date/Time (Note if correction): _____ Dept. Affected: Education
 Title An Act relating to ACPE; relating to ASLC; relating RDU ACPE
to bonds of the corporation; relating to loan and grant programs... Component Program Administration & Operations
 Sponsor Rules Committee
 Requester (S) FIN Component No. 2738

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	120.0	120.0	120.0	120.0	120.0	120.0
Miscellaneous						
TOTAL OPERATING	120.0	120.0	120.0	120.0	120.0	120.0
CAPITAL EXPENDITURES	85.0					
CHANGE IN REVENUES (bond proceeds)	75,000.0	*	*			

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	120.0	120.0	120.0	120.0	120.0	120.0
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	120.0	120.0	120.0	120.0	120.0	120.0

Estimate of any current year (FY2004) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would allow the Alaska Student Loan Corporation (ASLC) to issue bonds and use the proceeds for purposes other than the sole funding of financial aid programs currently authorized in law. This creates a mechanism for the ASLC to return money, not otherwise required to fund core agency programs, to the state through financing of state capital projects. As of this date, the ASLC anticipates utilizing this mechanism to return approximately \$260.0 million to the state over a three-year period beginning in FY2005. *Amounts for FY06 and FY07 will be determined next year.

This bill also would create an administrative collection order to be used for establishing a lien on property belonging to a borrower who has defaulted on an education loan.

This bill also amends the state's needs-based grant program so that grants may only be awarded to

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 Approved by: Diane Barrans, Executive Director *Diane Barrans* Date 2/12/2004
 Agency Alaska Commission on Postsecondary Education

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BILL NO. CSSB 277(HES)

ANALYSIS CONTINUATION

students attending qualified education programs in Alaska and authorizes the Alaska Commission on Postsecondary Education to give preference to students enrolled in programs of study required for entry into Alaska's labor shortage areas. This bill authorizes the ASLC to fund this financial aid program from corporate receipts, as they may be available, and to use those corporation funds to leverage an additional \$120,000 in federal matching dollars. The ASLC currently anticipates funding up to approximately \$600,000 in grants per year beginning in FY2005.

The \$85,000 capital budget request is to procure a web-based, grant management software tool to insure the grant application, eligibility certification, and awarding process is highly automated and requires minimal staffing resources on the part of the Commission and participating Alaska postsecondary institutions. The capital request is for the expenditure of corporation receipts, fund source 1106.