

Introduced: 2/23/65  
Referred: Health, Wel-  
fare and Education and  
Finance

BY MESSRS. SASSARA, CARR,  
CHRISTIANSEN, DITMAN, GUESS,  
HILLSTRAND, JOSEPHSON, METCALF,  
MOSELEY, POLAND, RADER, RAY  
AND GRAVEL

1 IN THE HOUSE

2 HOUSE BILL NO. 169

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for scholarship loans and  
7 establishing a commission to administer the  
8 loans."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. AS 14.40 is amended by adding new sections to  
11 read:

12 ARTICLE 8.

13 Sec. 14.40.700. COMMISSION ESTABLISHED. There is  
14 established the State Scholarship Commission consisting of  
15 seven members appointed by the governor. The members serve  
16 at the pleasure of the governor. The membership of the  
17 commission shall be composed of:

- 18 (1) one representative of the University of  
19 Alaska;  
20 (2) one representative of a private institution  
21 of higher learning within the state;  
22 (3) one representative of public schools within  
23 the state;  
24 (4) one representative of private schools within  
25 the state; and  
26 (5) three citizens of the state chosen for their  
27 knowledge of, and interest in, higher education.

28 Sec. 14.40.710. CHAIRMAN. The commission shall select  
29 one of its members chairman of the commission.

1           Sec. 14.40.720. COMPENSATION. Members of the commis-  
2 sion receive no salary, but are entitled to per diem and  
3 travel expenses authorized by law for other commissions.

4           Sec. 14.40.730. TERM OF OFFICE. The term of office  
5 for a member is six years, except that members of the first  
6 board are appointed to terms as follows:

- 7           (1) two members serve for two years;  
8           (2) two members serve for four years; and  
9           (3) three members serve for six years.

10          Sec. 14.40.740. DUTIES OF THE COMMISSION. The com-  
11 mission shall:

- 12           (1) determine which students are eligible for a  
13 loan under secs. 700 - 820 of this chapter;  
14           (2) select the students who will be granted loans;  
15           (3) establish and administer loan application  
16 procedures; and  
17           (4) disseminate information regarding the schol-  
18 arship program to the public.

19          Sec. 14.40.750. POWERS OF THE COMMISSION. The com-  
20 mission may promulgate regulations in the manner provided  
21 by the Administrative Procedure Act (AS 44.62) for carrying  
22 out secs. 700 - 820 of this chapter.

23          Sec. 14.40.760. FUND CREATED. The Scholarship  
24 Revolving Fund is created in the state treasury. The fund  
25 shall be used to make educational loans to students selected  
26 by the commission. Principal and interest received on the  
27 loans shall be paid into the fund.

28          Sec. 14.40.770. LIMITS ON LOANS. Not more than  
29 \$100,000 in loans may be awarded in any school year; however,

1 it is not required that this amount be loaned each school  
2 year.

3 Sec. 14.40.780. CONDITIONS OF LOAN. (a) A loan made  
4 to a student under secs. 700 - 820 of this chapter may be  
5 in any amount not to exceed \$1,500 per year. The interest  
6 on a loan shall be at a rate of six percent per annum and  
7 begins on the date the student graduates or ceases to be  
8 in regular attendance or in good standing with the college  
9 or university which he is attending.

10 (b) Repayment of principal with interest shall be  
11 made in monthly installments equal in amount, shall com-  
12 mence one year after the student graduates, or at the time  
13 he ceases to be in regular attendance or in good standing  
14 at the college or university which he is attending, and  
15 shall be completed within 10 years after the student gradu-  
16 ates or ceases to be in regular attendance or in good  
17 standing at the college or university which he is attending.  
18 The obligation to make repayments is suspended during any  
19 time, not to exceed three years, in which the student is in  
20 regular attendance in a graduate or undergraduate program  
21 of a recognized college or university. The time during  
22 which the student is in regular attendance at a recognized  
23 college or university shall not be counted in determining  
24 the minimum number of years within which the student must  
25 complete repayment.

26 (c) A loan shall be made without security or endorse-  
27 ment, except that security or endorsement may be required  
28 if the student is a minor and cannot legally create a  
29 binding obligation.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

(d) Nothing in this section shall be construed to prevent the accelerated repayment of a loan at the option of the student, or in the event of a default by the student, at the option of the commission.

Sec. 14.40.790. ELIGIBILITY OF STUDENTS. (a) To be eligible for selection by the commission, a student shall:

(1) be a resident of the state;  
(2) be a graduate of a high school or be scheduled for graduation from a high school within six months if the loan is for undergraduate study;

(3) be a graduate of a recognized college or university or be scheduled for graduation from a recognized college or university within six months if the loan is for graduate study;

(4) have educational qualifications sufficient to enable him to successfully pursue his field of study;

(5) have such financial need that without the loan he would be severely hindered in pursuing the field of his choice;

(6) have the capacity to benefit from continued education; and

(7) meet such other requirements as the commission may prescribe by regulation.

(b) A student is no longer eligible for a loan if he ceases to be in good standing with the college or university which he is attending.

Sec. 14.40.800. SELECTION OF STUDENTS. (a) The commission has the final discretion in selecting from among eligible students those who will be granted loans under

L

1           secs. 700 - 820 of this chapter. The grant of a loan does  
2           not become final until the student is enrolled in a recog-  
3           nized college or university.

4           (b) An eligible student may be selected for periods  
5           which may or may not be consecutive but not to exceed a  
6           total time of four full years for undergraduate study plus  
7           not to exceed three full years for graduate study.

8           (c) In making the selection the commission shall give  
9           preference to students progressing toward a degree over  
10          those who have not begun studying towards a degree.

11          Sec. 14.40.810. DISCRIMINATION PROHIBITED. The com-  
12          mission shall carry out the scholarship program without  
13          regard to the race, creed, sex, color, ancestry, national  
14          origin, or membership in fraternal or political organiza-  
15          tions of the student applying for the loan.

16          Sec. 14.40.820. DEFINITIONS. (a) For purposes of  
17          secs. 700 - 810 of this chapter, a student is in "regular  
18          attendance" from the time he enrolls in a college or uni-  
19          versity until the last day of a school year during which he  
20          has failed to carry at least 24 semester hours of credit  
21          courses.

22          (b) "Recognized college or university" means an insti-  
23          tution with a curriculum substantially equivalent to that  
24          required for accreditation by the Northwest Association of  
25          Secondary and Higher Schools.