

Introduced: 3/3/67
Referred: Health, Welfare
and Education and Finance

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GETMAN, GUESS, HENSLEY,
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SMITH AND WRIGHT

1 IN THE HOUSE

2 HOUSE BILL NO. 259

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

9 * Section 1. AS 14.40 is amended by adding new sections to read:

10 ARTICLE 9. STATE SCHOLARSHIP COMMISSION.

11 Sec. 14.40.750. COMMISSION ESTABLISHED. There is established the
12 State Scholarship Commission consisting of seven members appointed by
13 the governor. The members serve at the pleasure of the governor. The
14 membership of the commission shall be composed of:

- 15 (1) one representative of the University of Alaska;
16 (2) one representative of a private institution of higher
17 learning within the state;
18 (3) one representative of public schools within the state;
19 (4) one representative of private schools within the state;
20 (5) three citizens of the state chosen for their knowledge
21 of and interest in higher education.

22 Sec. 14.40.760. CHAIRMAN. The commission shall select one of its
23 members chairman of the commission.

24 Sec. 14.40.770. COMPENSATION. Members of the commission receive
25 no salary, but are entitled to per diem and travel expenses authorized
26 by law for other commissions.

27 Sec. 14.40.780. TERM OF OFFICE. The term of office for a member
28 is six years, except that members of the first board are appointed to
29 terms as follows:

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

Sec. 14.40.790. DUTIES OF THE COMMISSION. The commission shall:

- (1) determine which students are eligible for a loan under secs. 750 - 870 of this chapter;
- (2) select the students who will be granted loans;
- (3) establish and administer loan application procedures;
- (4) disseminate information regarding the scholarship program to the public.

Sec. 14.40.800. POWERS OF THE COMMISSION. The commission may promulgate regulations in the manner provided by the Administrative Procedure Act (AS 44.62) for carrying out secs. 750 - 870 of this chapter.

Sec. 14.40.810. FUND CREATED. The scholarship revolving fund is created in the state treasury. The fund shall be used to make educational loans to students selected by the commission. Principal and interest received on the loans shall be paid into the fund.

Sec. 14.40.820. LIMITS ON LOANS. Not more than \$100,000 in loans may be awarded in any school year; however, it is not required that this amount be loaned each school year.

Sec. 14.40.830. CONDITIONS OF LOAN. (a) A loan made to a student under secs. 750 - 870 of this chapter may be in any amount not to exceed \$1,500 per year. The interest on a loan shall be at a rate of six per cent a year and begins on the date the student graduates or ceases to be in regular attendance or in good standing with the college or university which he is attending.

(b) Repayment of principal with interest shall be made in monthly installments equal in amount, shall commence one year after the student

1 graduates, or at the time he ceases to be in regular attendance or in
2 good standing at the college or university which he is attending, and
3 shall be completed within 10 years after the student graduates or
4 ceases to be in regular attendance or in good standing at the college
5 or university which he is attending. The obligation to make repay-
6 ments is suspended during any time, not to exceed three years, in which
7 the student is in regular attendance in a graduate or undergraduate
8 program of a recognized college or university. The time during which
9 the student is in regular attendance at a recognized college or uni-
10 versity shall not be counted in determining the minimum number of years
11 within which the student must complete repayment.

12 (c) A loan shall be made without security or endorsement, except
13 that security or endorsement may be required if the student is a minor
14 and cannot legally create a binding obligation.

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

18 Sec. 14.40.840. ELIGIBILITY OF STUDENTS. (a) To be eligible for
19 selection by the commission, a student shall:

20 (1) be a resident of the state;

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

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

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

29 (5) have such financial need that without the loan he would

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be severely hindered in pursuing the field of his choice;

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

and

(7) meet other requirements which 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. 14.40.850. SELECTION OF STUDENTS. (a) The commission has the final discretion in selecting from among eligible students those who will be granted loans under secs. 750 - 870 of this chapter. The grant of a loan does not become final until the student is enrolled in a recognised college or university.

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

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

Sec. 14.40.860. DISCRIMINATION PROHIBITED. The commission shall carry out the scholarship program without regard to the race, creed, sex, color, ancestry, national origin, or membership in fraternal or political organizations of the student applying for the loan.

Sec. 14.40.870. DEFINITIONS. (a) For purposes of secs. 750 - 860 of this chapter, a student is in "regular attendance" from the time he enrolls in a college or university until the last day of a school year during which he has failed to carry at least 24 semester hours of credit courses.

(b) "Recognised college or university" means an institution with



a curriculum substantially equivalent to that required for accreditation
by the Northwest Association of Secondary and High Schools.

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