

Introduced: 1/23/68
Referred: Health, Welfare
and Education and Finance

1 IN THE HOUSE

BY SASSARA

2 HOUSE BILL NO. 389

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - SECOND 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. 14.40.740. COMMISSION ESTABLISHED. There is established
12 the State Scholarship Commission consisting of seven members appointed
13 by the governor. The members serve at the pleasure of the governor.
14 The 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 and

21 (5) three citizens of the state chosen for their knowledge
22 of, and interest in, higher education.

23 Sec. 14.40.750. CHAIRMAN. The commission shall select one of
24 its members chairman of the commission.

25 Sec. 14.40.760. COMPENSATION. Members of the commission receive
26 no salary, but are entitled to per diem and travel expenses authorized
27 by law for other commissions.

28 Sec. 14.40.770. TERM OF OFFICE. The term of office for a member
29 is six years, except that members of the first board are appointed to

1 terms as follows:

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

5 Sec. 14.40.780. DUTIES OF THE COMMISSION. The commission shall

6 (1) determine which students are eligible for a loan under
7 secs. 740 - 860 of this chapter;

8 (2) select the students who will be granted loans;

9 (3) establish and administer loan application procedures;

10 and

11 (4) disseminate information regarding the scholarship pro-
12 gram to the public.

13 Sec. 14.40.790. POWERS OF THE COMMISSION. The commission may
14 promulgate regulations in the manner provided by the Administrative
15 Procedure Act (AS 44.62) for carrying out secs. 740 - 860 of this
16 chapter.

17 Sec. 14.40.800. FUND CREATED. The Scholarship Revolving Fund
18 is created in the state treasury. The fund shall be used to make
19 educational loans to students selected by the commission. Principal
20 and interest received on the loans shall be paid into the fund.

21 Sec. 14.40.810. LIMITS ON LOANS. Not more than \$100,000 in
22 loans may be awarded in any school year, however, it is not required
23 that this amount be loaned each school year.

24 Sec. 14.40.820. CONDITIONS OF LOAN. (a) A loan made to a
25 student under secs. 740 - 860 of this chapter may be in any amount not
26 to exceed \$1,500 per year. The interest on a loan shall be at a rate
27 of six percent per annum and begins on the date the student graduates
28 or ceases to be in regular attendance or in good standing with the
29 college or university which he is attending.

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

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

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

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

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

12 Sec. 14.40.840. SELECTION OF STUDENTS. (a) The commission has
13 the final discretion in selecting from among eligible students those
14 who will be granted loans under secs. 740 - 860 of this chapter.
15 The grant of a loan does not become final until the student is
16 enrolled in a recognized college or university.

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

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

24 Sec. 14.40.850. DISCRIMINATION PROHIBITED. The commission shall
25 carry out the scholarship program without regard to the race, creed,
26 sex, color, ancestry, national origin, or membership in fraternal or
27 political organizations of the student applying for the loan.

28 Sec. 14.40.860. DEFINITIONS. (a) For purposes of secs. 740 -
29 850 of this chapter, a student is in "regular attendance" from the

1 (b) Repayment of principal with interest shall be made in
2 monthly installments equal in amount, shall commence one year after
3 the student graduates, or at the time he ceases to be in regular
4 attendance or in good standing at the college or university which
5 he is attending, and shall be completed within 10 years after the
6 student graduates or ceases to be in regular attendance or in good
7 standing at the college or university which he is attending. The
8 obligation to make repayments is suspended during any time, not to
9 exceed three years, in which the student is in regular attendance
10 in a graduate or undergraduate program of a recognized college or
11 university. The time during which the student is in regular atten-
12 dance at a recognized college or university shall not be counted in
13 determining the minimum number of years within which the student must
14 complete repayment.

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

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

21 Sec. 14.40.830. ELIGIBILITY OF STUDENTS. (a) To be eligible
22 for selection by the commission, a student shall

23 (1) be a resident of the state;

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

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

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

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

5 (6) have the capacity to benefit from continued education;
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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) "Recognized college or university" means an institution with a curriculum substantially equivalent to that required for accreditation by the Northwest Association of Secondary and Higher Schools.