

Introduced: 2/28/68  
Referred: Finance

1 IN THE SENATE

BY THE RULES COMMITTEE  
BY REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 378

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 providing  
7 for an effective date."

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

9 \* Section 1. The purpose of this Act is to assist qualified Alaskan  
10 students selected by the designated authority to secure a higher education  
11 and to assist in retaining able students within Alaska for higher education  
12 and future leadership.

13 \* Sec. 2. AS 14.40 is amended by adding new sections to read:

14 ARTICLE 9. SCHOLARSHIP LOANS

15 Sec. 14.40.750. FUND CREATED. There is created a scholarship  
16 loan fund as an account in the general fund of the treasury of the  
17 state. The fund shall be used to make scholarship loans to students  
18 selected under this article.

19 Sec. 14.40.760. LIMITS ON LOANS. (a) Each scholarship loan  
20 made to a student shall not exceed \$500 in any school year for one  
21 student.

22 (b) Loans may not be made to a student for more than four  
23 academic years.

24 Sec. 14.40.770. RENEWAL PREFERENCE. A student who has been  
25 granted a scholarship loan under this article and is in good standing  
26 with the college or university he is attending shall have the right  
27 to renew his scholarship loan the following academic year before any  
28 new loan is made to a student who did not have a loan the prior  
29 academic year. The administering authority shall set a date each year

1 when all applications for renewals must be made in order to have any  
2 renewal preferences under this section.

3 Sac. 14.40.780. CONDITIONS OF LOANS. (a) Proceeds from scholar-  
4 ship loans under this article may only be used for books, tuition and  
5 required fees, excluding room and board and optional fees.

6 (b) The loans may only be used to attend any college or university  
7 in Alaska accredited by the Northwest Association of Secondary and  
8 Higher Schools.

9 (c) Any amount of an authorized loan not expended from the  
10 treasury for the purposes authorized by this section shall lapse at  
11 the close of the academic year and shall be credited against the  
12 original amount of the loan.

13 (d) Scholarship loans shall be non-interest bearing and shall  
14 not require security; however, they shall provide for the payment of  
15 attorneys fees and costs of court if either or both are incurred in  
16 collection of the unpaid amount owed on the loan.

17 (e) No part of a loan made under this article shall be required  
18 to be repaid during an academic year in which the student is attending  
19 a college or university anywhere as a full-time graduate student.

20 (f) Loans may be repaid at an accelerated rate at the option  
21 of the student.

22 (g) If a loan is in default the administering authority may  
23 notify the student that repayment of the remaining balance is  
24 accelerated and due by sending the student a notice by registered or  
25 certified mail.

26 (h) The student must at all times continue to be enrolled as  
27 a full-time student in good standing at a college or university  
28 designated under (b) of this section in order to continue to receive  
29 any aid under this article.

1 (i) A student who receives any scholarship loans under this  
2 article and who stays in Alaska or who leaves the state for atten-  
3 dance at a graduate school or for service in the military and  
4 immediately returns to Alaska following termination of his graduate  
5 studies or military service shall receive forgiveness of \$500 of  
6 loan indebtedness for each six month period the student remains  
7 thereafter in Alaska. Time spent in Alaska under this subsection  
8 shall be credited against the loans in the same order that the loans  
9 were made.

10 (j) A student who does not qualify for forgiveness of all or  
11 any part of a loan made to him under this article shall commence  
12 repayment of the unforgiven portion within six months after leav-  
13 ing the state or within six months after terminating his military  
14 service or graduate studies. The unforgiven portion shall be re-  
15 paid in an amount of not less than \$50 per month.

16 (k) The administering authority may provide conditions in  
17 the note signed by the student or in a separate document or com-  
18 munication which will help it to carry out the provisions of this  
19 article.

20 Sec. 14.40.790. ELIGIBILITY OF STUDENTS. (a) A student may  
21 apply for a scholarship loan under this act if

22 (1) he is a resident of Alaska, and

23 (2) he is either (A) enrolled as a full-time student in  
24 associate or baccalaureate degree programs or (B) a graduate of a high  
25 school or be scheduled for graduation from a high school within six  
26 months with sufficient credits to be admitted to Alaskan colleges and  
27 universities defined under sec. 780(b) of this chapter.

28 Sec. 14.40.800. SELECTION CRITERIA. In selecting from among  
29 the eligible students those students who will be granted loans under

1 secs. 750 - 790 of this chapter, the administering authority shall  
2 take into consideration the following items:

3 (1) Priority shall be given to entering freshmen who are  
4 graduates of Alaska high schools.

5 (2) The student's standardized test scores.

6 (3) The student's prior academic record.

7 (4) Personal recommendation from school(s).

8 (5) The financial need statement of the student.

9 (6) Other items as may be determined by the administering  
10 authority.

11 Sec. 14.40.810. DISCRIMINATION PROHIBITED. The scholarship  
12 loan program shall be carried out without regard to the race, creed,  
13 sex, color, ancestry, national origin, or membership in fraternal or  
14 political organizations of the student applying for the loan.

15 Sec. 14.40.820. ADMINISTERING AUTHORITY. The scholarship loans  
16 provided for under this article shall be administered through the  
17 department of education by the Alaska Higher Educational Facilities  
18 Commission which has been authorized and formed under AS 14.50.010  
19 and 14.50.080 to comply with Title 1 of the Higher Education Facilities  
20 Act of 1963, Public Law 88-204. The commission may adopt regulations  
21 for carrying out the intent and purposes of this article.

22 Sec. 14.40.830. DEFINITIONS. In sections 750 - 820 of this  
23 chapter

24 (1) "full-time student" means a student who is enrolled and is in  
25 regular attendance at classes for at least 12 semester hours of credit  
26 during the semester.

27 (2) "resident" means a person who has resided in Alaska for at  
28 least one year prior to the time an application for a loan is made  
29 under secs. 750 - 820 of this chapter.

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(3) "academic year" means from September 1st of one year through June 15th of the following year.

\* Sec. 3. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.