

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SCS FOR CS FOR HOUSE BILL NO 599

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for higher education scholarship
7 loans and grants; and providing 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 higher education in
11 an Alaskan institution of their choice, and to help retain qualified students
12 in Alaska.

13 * Sec. 2. AS 14.40.750 is amended to read:

14 Sec. 14.40.750. FUND CREATED. There is created a scholarship
15 grant and loan fund as an account in the general fund [OF THE TREASURY
16 OF THE STATE]. The fund shall be used to make scholarship grants or
17 loans to students selected under secs. 750 - 849 [830] of this chapter.

18 * Sec. 3. AS 14.40.760 is amended to read:

19 Sec. 14.40.760. LIMITS ON GRANTS AND LOANS. (a) Each scholar-
20 ship grant or loan made to a student may not exceed \$750 [\$500] in
21 any school year [FOR ONE STUDENT].

22 (b) Scholarship grants or loans [LOANS] may not be made to a
23 student for more than four academic years.

24 * Sec. 4. AS 14.40.770 is amended to read:

25 Sec. 14.40.770. RENEWAL PREFERENCE. A student who has been
26 granted a scholarship grant or loan under secs. 750 - 849 [830] of this
27 chapter and is in good standing with the college or university he is
28 attending shall have the right to renew his scholarship grant or loan
29 the following academic year before any new commitment [LOAN] is made to

1 a student who did not have a grant or loan the prior academic year. The
2 administering authority shall set a date each year when all applications
3 for renewals must be made in order to have renewal preferences under
4 this section.

5 * Sec. 5. AS 14.40 is amended by adding a new section to read:

6 Sec. 14.40.775. CONDITIONS OF GRANTS. (a) Grants shall be given
7 without obligation for repayment to students who are eligible and who
8 are selected by the administering authority.

9 (b) Proceeds from scholarship grants may only be used for books,
10 tuition, room and board, and required fees.

11 (c) Grants may only be used to attend a college or university in
12 Alaska accredited by the Northwest Association of Secondary and Higher
13 Schools.

14 (d) The student must continue to be enrolled as a full-time
15 student in good standing at a college or university designated under (c)
16 of this section in order to continue to receive aid under secs. 750 -
17 849 of this chapter.

18 (e) The amount of an authorized grant not expended from the
19 treasury for the purposes authorized by this section shall lapse at the
20 close of the academic year.

21 * Sec. 6. AS 14.40.780(a) is amended to read:

22 (a) Proceeds from scholarship loans under sec. 750 - 849 [830] of
23 this chapter may only be used for books, tuition and required fees,
24 and for [EXCLUDING] room and board [AND OPTIONAL FEES].

25 * Sec. 7. AS 14.40.780(i) is amended to read:

26 (i) A student who receives a scholarship loan under secs. 750 -
27 849 [830] of this chapter and who stays in Alaska or who leaves the
28 state for attendance at a graduate school or for service in the
29 military and immediately returns to Alaska following termination of his

1 graduate studies or military service shall receive forgiveness of \$750
2 [\$500] of loan indebtedness for each full year [SIX-MONTH PERIOD] the
3 student remains thereafter in Alaska. Time spent in Alaska under this
4 subsection shall be credited against the loans in the same order that
5 the loans were made.

6 * Sec. 8. AS 14.40.780(j) is amended to read:

7 (j) A student who does not qualify for forgiveness of all or a
8 part of a loan made to him under secs. 750 - 849 [830] of this chapter
9 shall commence repayment of the unforgiven portion within one year
10 [SIX MONTHS] after leaving the state or within one year [SIX MONTHS]
11 after terminating his military service or graduate studies. The un-
12 forgiven portion shall be repaid in an amount of not less than \$50 per
13 month.

14 * Sec. 9. AS 14.40.790 is amended to read:

15 Sec. 14.40.790. ELIGIBILITY OF STUDENTS. [(A)] A student may
16 apply for a scholarship grant or loan under secs. 750 - 849 [830] of
17 this chapter if

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

19 (2) he is either: (A) enrolled as a full-time student in
20 an associate or baccalaureate degree program; or (B) a graduate of a
21 high school, or scheduled for graduation from a high school within six
22 months, with sufficient credits to be admitted to Alaskan colleges
23 and universities defined under sec. 780(b) of this chapter.

24 * Sec. 10. AS 14.40.800 is amended to read:

25 Sec. 14.40.800. SELECTION CRITERIA. In selecting from among the
26 eligible students those students who will be awarded grants or [GRANTED]
27 loans under secs. 750 - 790 of this chapter, the administering authority
28 shall take into consideration the following items:

29 (1) priority shall be given to entering freshmen who are

1 graduates of Alaska high schools;

2 (2) the student's standardized test scores;

3 (3) the student's prior academic record;

4 (4) personal recommendation from the student's school;

5 (5) the financial need statement of the student;

6 (6) other items as may be determined by the administering
7 authority;

8 (7) the administering authority shall consider comparative
9 items of academic ability and financial need in determining the advis-
10 ability of awarding a scholarship grant rather than a scholarship loan.

11 * Sec. 11. AS 14.40.810 is amended to read:

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

17 * Sec. 12. AS 14.40.820 is amended to read:

18 Sec. 14.40.820. ADMINISTERING AUTHORITY. The scholarship grants
19 and loans provided for under secs. 750 - 849 [830] of this chapter shall
20 be administered through the Department of Education by the Alaska
21 Higher Educational Facilities Commission, [WHICH HAS BEEN] authorized
22 [AND FORMED] under AS 14.50.010 and 14.50.080 to comply with Title 1
23 of the Higher Education Facilities Act of 1963, Public Law 88-204.
24 The commission may adopt regulations for carrying out the intent and
25 purposes of secs. 750 - 849 [830] of this chapter.

26 * Sec. 13. AS 14.40.830 is repealed.

27 * Sec. 14. AS 14.40.840 is amended to read:

28 Sec. 14.40.840. ENFORCEABILITY OF CERTAIN CONTRACTS WITH MINORS.
29 A written obligation entered into by a minor at least 16 years of age,

1 evidencing a grant, loan or other assistance received by him from any
2 person for the purpose of furthering his education at an institution of
3 higher learning, is enforceable against the minor with the same effect
4 as if he were, at the time of its execution, 19 years of age if the
5 person making the loan has in his records before making the loan a
6 certification from the institution of higher learning that the minor
7 is enrolled in the institution or has been accepted for enrollment.

8 * Sec. 15. AS 14.40 is amended by adding a new section to read:

9 Sec. 14.40.849. DEFINITIONS. In secs. 750 - 840 of this chapter

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

13 (2) "resident" means a person who has resided in Alaska for
14 at least one year before an application for a grant or loan is made
15 under secs. 750 - 840 of this chapter;

16 (3) "academic year" means the period from September 1 of one
17 year through August 31 of the following year.

18 * Sec. 16. This Act takes effect on the day after its passage and approval
19 or on the day it becomes law without approval.