

Original sponsor: Fink and Sackett

1 IN THE HOUSE BY THE FREE CONFERENCE COMMITTEE

2 FREE CONFERENCE CS FOR SENATE CS 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 state contractual agreements with  
8 accredited, privately sponsored institutions of higher  
9 education; and providing for an effective date."

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

11 \* Section 1. The purpose of this Act is to assist qualified Alaskan  
12 students selected by the designated authority to secure higher education in  
13 an institution of their choice, and to help retain qualified students in  
14 Alaska.

15 \* Sec. 2. AS 14.40.750 is amended to read:

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

20 \* Sec. 3. AS 14.40.760 is amended to read:

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

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

26 \* Sec. 4. AS 14.40.770 is amended to read:

27 Sec. 14.40.770. RENEWAL PREFERENCE. A student who has been  
28 granted a scholarship grant or loan under secs. 750 - 849 [830] of this  
29 chapter and is in good standing with the college or university he is

1 attending shall have the right to renew his scholarship grant or loan  
2 the following academic year before any new commitment [LOAN] is made to  
3 a student who did not have a grant or loan the prior academic year.

4 [The administering authority shall set a date each year when all applica-  
5 tions for renewals must be made in order to have renewal preferences  
6 under this section.

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

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

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

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

16 (d) The student must continue to be enrolled as a full-time  
17 student in good standing at a college or university designated under (c)  
18 of this section in order to continue to receive aid under secs. 750 -  
19 849 of this chapter.

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

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

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

27 \* Sec. 7. AS 14.40.780(b) is amended to read:

28 (b) The loans may only be used to attend a college or university  
29 [IN ALASKA] accredited by the accreditation association for the region

1 in which the college or university is located [NORTHWEST ASSOCIATION OF  
2 SECONDARY AND HIGHER SCHOOLS].

3 \* Sec. 8. AS 14.40.780(i) is amended to read:

4 (i) A student who receives a scholarship loan under secs. 750 -  
5 849 [830] of this chapter and who stays in Alaska or who leaves the  
6 state for attendance at a graduate school or for service in the  
7 military and immediately returns to Alaska following termination of his  
8 graduate studies or military service shall receive forgiveness of \$750  
9 [\$500] of loan indebtedness for each full year [SIX-MONTH PERIOD] the  
10 student remains thereafter in Alaska. Time spent in Alaska under this  
11 subsection shall be credited against the loans in the same order that  
12 the loans were made.

13 \* Sec. 9. AS 14.40.780(j) is amended to read:

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

21 \* Sec. 10. AS 14.40.790 is amended to read:

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

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

26 (2) he is either: (A) enrolled as a full-time student in  
27 an associate or baccalaureate degree program; or (B) a graduate of a  
28 high school, or scheduled for graduation from a high school within six  
29 months, with sufficient credits to be admitted to Alaskan colleges

1 and universities defined under sec. 780(b) of this chapter.

2 \* Sec. 11. AS 14.40.800 is amended to read:

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

7 (1) priority shall be given to entering freshmen who are  
8 graduates of Alaska high schools or who are graduates of a high school  
9 outside the state if their Alaskan residency has been continuous;

(2) the student's standardized test scores;

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

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

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

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

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

19 \* Sec. 12. AS 14.40.810 is amended to read:

20 Sec. 14.40.810. DISCRIMINATION PROHIBITED. The scholarship grant  
21 and loan program shall be carried out without regard to the race,  
22 creed, sex, color, ancestry, national origin, or membership in frater-  
23 nal or political organizations of the student applying for the grant or  
24 loan.

25 \* Sec. 13. AS 14.40.820 is amended to read:

26 Sec. 14.40.820. ADMINISTERING AUTHORITY. The scholarship grants  
27 and loans provided for under secs. 750 - 849 [830] of this chapter shall  
28 be administered through the Department of Education by the Alaska  
29 Higher Educational Facilities Commission, [WHICH HAS BEEN] authorized

1 [AND FORMED] under AS 14.50.010 and 14.50.080 to comply with Title 1  
2 of the Higher Education Facilities Act of 1963, Public Law 88-204.  
3 The commission may adopt regulations for carrying out the intent and  
4 purposes of secs. 750 - 849 [830] of this chapter.

5 \* Sec. 14. AS 14.40.830 is repealed.

6 \* Sec. 15. AS 14.40.840 is amended to read:

7 Sec. 14.40.840. ENFORCEABILITY OF CERTAIN CONTRACTS WITH MINORS.  
8 A written obligation entered into by a minor at least 16 years of age,  
9 evidencing a grant, loan or other assistance received by him from any  
10 person for the purpose of furthering his education at an institution of  
11 higher learning, is enforceable against the minor with the same effect  
12 as if he were, at the time of its execution, 19 years of age if the  
13 person making the loan has in his records before making the loan a  
14 certification from the institution of higher learning that the minor  
15 is enrolled in the institution or has been accepted for enrollment.

16 \* Sec. 16. AS 14.40 is amended by adding new sections to read:

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

18 <sup>2</sup>  
19 (1) "full-time student" means a student who is enrolled and  
20 is in regular attendance at classes for at least 12 semester hours of  
21 credit during the semester;

22 <sup>3</sup>  
23 (2) "resident" means a person who has resided in Alaska for  
24 at least one year before an application for a grant or loan is made  
25 under secs. 750 - 840 of this chapter;

26 <sup>1</sup>  
27 (3) "academic year" means the period from September 1 of one  
28 year through August 31 of the following year.

29 ARTICLE 11. CONTRACTUAL AGREEMENTS

WITH PRIVATE INSTITUTIONS OF HIGHER EDUCATION.

Sec. 14.40.900. CONTRACTUAL AGREEMENTS. The state shall, through  
the Alaska Higher Education Facilities Act Commission which has been

1 authorized and created under AS 14.50.010 and 14.50.080, enter into  
2 contractual agreements with accredited, privately sponsored institutions  
3 of higher education in Alaska for the provision of educational services  
4 to Alaska residents. Payments under the contractual agreements shall  
5 include

6 (1) full tuition and required fees charged by the institu-  
7 tion for each student less charges made for the same items at the  
8 University of Alaska or the appropriate community college; and

9 (2) an amount of \$250 a semester for each full-time student  
and a pro rata amount for each part-time student.

11 Sec. 14.40.910. EXCEPTIONS. No payment may be made for any  
12 course in sectarian religion or partisan politics under a contract made  
13 under sec. 900 of this chapter.

14 \* Sec. 17. This Act takes effect on the day after its passage and approv-  
15 al or on the day it becomes law without approval.

16 Passed by the House June 6, 1970

18 ATTEST:

19 Constance H. Paschall  
20 Chief Clerk of the House

21 J. M. Cottrell  
22 Speaker of the House

23 Passed by the Senate June 6, 1970

24 ATTEST:

25 Betty Hamjan  
26 Secretary of the Senate

27 Frank Phillips  
28 President of the Senate

CLERK