

1 IN THE HOUSE

BY BRADNER

2

HOUSE BILL NO. 1

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act creating the Alaska higher education aid program."

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

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\* Section 1. AS 14 is amended by adding a new chapter to read:

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CHAPTER 42. ALASKA HIGHER EDUCATION AID PROGRAM.

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Sec. 14.42.010. ESTABLISHMENT OF PROGRAM. There is created in the Department of Education and under its administration the Alaska higher education aid program to provide grants and loans to Alaskans pursuing advanced degrees.

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Sec. 14.42.020. SELECTION COMMITTEE. (a) The program created in sec. 10 of this chapter shall be under the direction of a six-member selection committee composed of the chairman of the State Board of Education, the chairman of the State-operated School Board, the commissioner of education, and one member each appointed by the Board of Regents of the University of Alaska, the trustees of Sheldon Jackson College, and the trustees of Alaska Methodist University. Appointed members serve at the pleasure of their appointers. The chairman of the State Board of Education shall serve as chairman of the selection committee.

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(b) Members of the selection committee serve without compensation but are entitled to per diem and travel expenses authorized by law for boards and commissions.

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(c) The selection committee shall make an annual report to the governor reviewing the work of the committee.

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1 (d) The selection committee shall meet at least once a year. The  
2 meetings shall be held at the call of the chairman or upon petition of  
3 two members.

4 Sec. 14.42.030. APPLICATIONS. (a) Applicants shall be recom-  
5 mended by the appropriate body within each Alaska institution charged  
6 with the supervision of students seeking advanced degrees, and the  
7 application shall be submitted to the selection committee through the  
8 institution's representative on the committee. Applicants who are  
9 Alaska residents attending institutions outside the state and applicants  
10 who are not attending institutions shall apply directly to the  
11 commissioner of education.

12 (b) No grant or loan may be awarded to a person who is not a  
13 resident of the state and who has not resided in the state for the  
14 three years before application, but the time spent in military service  
15 or in attendance at institutions of higher learning outside the state  
16 counts as time in the state. Preference shall be given to graduates  
17 of Alaska high schools or colleges.

18 (c) Loans and grants may be approved for applicants to attend  
19 institutions outside of the state when the selection committee deter-  
20 mines that the specialty sought is not readily available in the state.

21 (d) A person whose application is not recommended to the committee  
22 by the body described in (a) of this section may appeal to the selection  
23 committee through the commissioner of education, and the committee shall  
24 consider the application.

25 Sec. 14.42.040. GRANTS AND LOANS. (a) Aid shall be given in the  
26 form of loans.

27 (b) A portion of the loan shall be considered a grant if, within  
28 a reasonable period after the advanced degree is received, the grantee  
29 spends at least two years employed in the state. The portion of the

1 loan which shall be regarded as a grant shall be the following  
2 percentages of the total loan received:

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|---|----------------------------|-----|
| 3 | (1) 2 - 3 years residency  | 10% |
| 4 | (2) 3 - 4 years residency  | 20% |
| 5 | (3) 4 - 5 years residency  | 30% |
| 6 | (4) over 5 years residency | 40% |

7 (c) A combined grant and loan to an applicant may not be more  
8 than \$6,000 in any one year, or ever total more than \$20,000 except  
9 that if an applicant specifically applies for an exclusion based on  
10 the unavailability of a degree being obtainable in the state, and the  
11 selection committee determines that the obtaining of the degree is in  
12 the public interest, the allowable amounts are \$10,000 in any one year  
13 and \$30,000 total.

14 (d) Interest on a loan given under this chapter shall be at the  
15 rate of four per cent while the person receiving the loan is a resident  
16 of the state, and at the rate of eight per cent while he is no longer  
17 a resident of the state. Time spent in military service and attendance  
18 at institutions of higher learning outside the state are considered  
19 Alaska residency for the purpose of interest payments.

20 Sec. 14.42.050. REPAYMENT OF LOANS. The selection committee  
21 is authorized to establish repayment terms on an individual basis. The  
22 board shall consider the present and prospective income of the  
23 recipient, his military status, and any other matters which may bear  
24 upon the recipient's financial ability to repay the loan.

25 Sec. 14.42.060. FUND CREATED. There is created a higher education  
26 aid fund as an account in the general fund to be used to make loans  
27 and grants under this chapter.

28 Sec. 14.42.070. LIMITATION ON LOANS. No person who receives  
29 proceeds under a loan of the provisions of this chapter is eligible

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to receive concurrently a loan under any other educational loan program established by the state and no person who receives proceeds of a loan under any other educational loan program of the state is eligible for a concurrent loan under this chapter.

Sec. 14.42.080. REGULATIONS. The selection committee shall promulgate, under the Administrative Procedure Act (AS 44.62), the regulations necessary to carry out the purposes of this chapter.