

Original sponsor: Rules Committee by  
request of the Governor

Offered: 5/2/72  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 549

*am S*

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for tuition grants to students  
7 attending institutions of higher education in Alaska;  
8 and providing for an effective date."

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

10 \* Section 1. AS 14.40.751 is amended to read:

11 ARTICLE 9. SCHOLARSHIP LOANS AND TUITION GRANTS.

12 Sec. 14.40.751. LOAN AND TUITION FUNDS [FUND] CREATED. (a)

13 There is created a scholarship revolving loan fund as an account in  
14 the general fund. The fund shall be used to make scholarship loans  
15 to students selected under secs. 751 - 806 [773] of this chapter.

16 (b) There is created a tuition grant fund as an account in the  
17 general fund. The fund shall be used to make tuition grants to students  
18 selected under secs. 751 - 806 of this chapter.

19 \* Sec. 2. AS 14.40.753(a) is amended to read:

20 (a) There is created the student loan and tuition grant selection  
21 committee composed of seven members appointed by the governor. The  
22 committee is composed of the commissioner of education and at least  
23 one undergraduate student, one person employed as a high school coun-  
24 selor, one person from a minority group and one person representing the  
25 field of vocational-technical training. No member may be the president  
26 or a senior administrative officer of a college or university. Members  
27 serve at the pleasure of the governor. The committee shall elect its  
28 chairman. The commissioner of education shall act as executive secre-  
29 tary of the committee. The Department of Education is charged with

1 administering the program established by this chapter.

2 \* Sec. 3. AS 14.40.755(b) is amended to read:

3 (b) A person whose loan or grant application is not recommended  
4 or presented to the committee by the executive secretary may appeal  
5 to the selection committee through the chairman of the committee and  
6 the committee shall consider the application.

7 \* Sec. 4. AS 14.40.763(f) is amended to read:

8 (f) Interest on a loan given under secs. 751 - 806 [773] of this  
9 chapter is at the rate of five per cent.

10 \* Sec. 5. AS 14.40 is amended by adding new sections to read:

11 Sec. 14.40.776. TUITION GRANTS. (a) The executive secretary of  
12 the selection committee shall award a tuition grant to a student in  
13 an amount up to the difference between (1) the cost, in a city where  
14 there is both a four-year state university and a four-year private  
15 university or in a city where there is both a two-year state community  
16 college and a two-year private college, for the operation of the state  
17 institution on a full-time student per academic year basis, and (2)  
18 the tuition paid by the student at the state institution in those  
19 locations, but in no case may the amount exceed \$1,400. The amount is  
20 to be applied by the student toward his tuition at the private univer-  
21 sity or college in which he enrolls.

22 (b) The computation of the cost for the operation of the state  
23 institution on a full-time student per academic year basis under (a)  
24 of this section may not include construction or capital improvement  
25 costs, debt service and expenditures for research and public service  
26 functions.

27 Sec. 14.40.781. LIMITATION ON GRANTS. No grants may be made  
28 under sec. 776 of this chapter for any portion of tuition which would  
29 otherwise be paid under the terms of a federal grant program.

1           Sec. 14.40.786. CONDITIONS OF GRANTS. (a) Proceeds from grants  
2 may be used only for tuition at a college or university in Alaska  
3 accredited by the Northwest Association of Secondary and Higher Schools.  
4 In the event payment is made by issuing a state warrant in the amount  
5 of the grant, it shall be paid to the order, jointly, of the student  
6 and the private university or college in which he enrolls to ensure  
7 that the grant is used solely for tuition.

8           (b) Before any funds for tuition grants are disbursed, the  
9 commissioner of administration and the executive secretary of the  
10 selection committee shall assure themselves that at least 22.5 per  
11 cent of the annual operating budget of a private university or college  
12 in which students receiving tuition grants are enrolled is funded from  
13 nonpublic sources (private gifts and grants). Determination of the  
14 required 22.5 per cent funding from nonpublic sources shall be made by  
15 the commissioner and executive secretary as of July 1, 1973, and as of  
16 July 1, for each succeeding year.

17           (c) No private university or college in which students receiving  
18 tuition grants are enrolled may grant remission of tuition to any  
19 student unless more than 22.5 per cent of its annual operating budget  
20 is funded from nonpublic sources (private gifts and grants). The 22.5  
21 per cent funding from nonpublic sources shall apply as of July 1, 1973,  
22 and as of July 1, for each succeeding year.

23           (d) No private university or college in which students receiving  
24 tuition grants are enrolled may enter into contractual agreements  
25 under the terms of which a student covered by the contract pays less  
26 than the published tuition.

27           (e) If a student is awarded, or holds, both a scholarship loan  
28 and a tuition grant under secs. 751 - 806 of this chapter, no portion  
29 of the scholarship loan may be considered a grant under sec. 763(j)

1 of this chapter.

2 Sec. 14.40.791. ELIGIBILITY OF STUDENTS. A student may apply for  
3 a grant under sec. 776 of this chapter if

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

5 (2) he is either

6 (A) accepted for admission as a full-time or part-time  
7 student in an associate, baccalaureate, or graduate degree program;  
8 or

9 (B) enrolled as a full-time or part-time student in an  
10 associate, baccalaureate or graduate degree program.

11 Sec. 14.40.796. APPLICATION AND CERTIFICATION. Application for  
12 tuition grants must be submitted to the executive secretary. The  
13 application deadline for a school year is the first day of that school  
14 year. The executive secretary of the selection committee may award  
15 grants only after the institution of higher education has certified  
16 that the student has enrolled in a full-time or part-time course of  
17 study in an associate, baccalaureate or graduate degree program. The  
18 selection committee shall determine the appropriate formula for award-  
19 ing tuition grants to part-time students, and the committee shall be  
20 guided by the provisions of sec. 776 of this chapter in making that  
21 determination: the difference between (1) the cost of operation for  
22 the state institution per semester credit hour and (2) the fee paid  
23 by the student at the state institution per semester credit hour, but  
24 not to exceed an appropriate portion of \$1,400.

25 Sec. 14.40.801. FISCAL AND BUSINESS MANAGEMENT PRACTICES. (a)  
26 The executive secretary may decline to award tuition grants under  
27 sec. 776 of this chapter to students attending an institution if he  
28 finds that the fiscal and business management practices of the insti-  
29 tution are inadequate in comparison with the practices of similar

1 institutions. However, an institution whose fiscal and business  
2 management practices are found inadequate may appeal the determination  
3 of the executive secretary to the selection committee through the  
4 chairman of the committee.

5 (b) Private universities and colleges in which students receiving  
6 tuition grants are enrolled are subject to both pre- and post-expenditure  
7 audit by the Legislative Budget and Audit Committee or by the Depart-  
8 ment of Administration.

9 (c) Private universities and colleges in which students receiving  
10 tuition grants are enrolled and which are signatory to a consortium  
11 agreement with the University of Alaska must abide by a decision  
12 rendered by the Legislative Council when disagreements arise or exist  
13 between the parties.

14 (d) Before any funds for tuition grants are disbursed, the  
15 commissioner of administration and the executive secretary of the  
16 selection committee shall determine that no student is receiving a  
17 grant to pay for a required course or courses in his area of study  
18 that are offered under the consortium.

19 Sec. 14.40.806. DEFINITIONS. In secs. 751 - 806 of this chapter

20 (1) "career education" means a course or program in  
21 vocational-technical training or education approved by the Department  
22 of Education;

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

26 (3) "part-time student" means a student who is enrolled and  
27 is in regular attendance at classes for at least two but less than  
28 twelve semester hours of credit during the semester;

29 (4) "resident" means a person domiciled in Alaska who has

1       resided in Alaska for at least two years before an application for a  
2       grant or loan is made under secs. 751 - 806 of this chapter;

3               (5) "school year" means the period from September 1 of one  
4       year through August 31 of the following year.

5       \* Sec. 6. AS 14.40.773 is repealed.

6       \* Sec. 7. This Act takes effect July 1, 1972.