

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

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 accred-  
3 ited by the Northwest Association of Secondary and Higher Schools. In  
4 the event payment is made by issuing a state warrant in the amount of the  
5 grant, it shall be paid to the order, jointly, of the student and the  
6 private university or college in which he enrolls to ensure that the  
7 grant is used solely for tuition.

8           (b) Before any funds for tuition grants are disbursed, the commis-  
9 sioner of administration and the executive secretary of the selection  
10 committee shall assure themselves that at least 22.5 per cent of the an-  
11 nual operating budget of a private university or college in which students  
12 receiving tuition grants are enrolled is funded from nonpublic sources  
13 (private gifts and grants), provided if a private university or college  
14 has less than 300 full-time students, the percentage required shall be  
15 15% funding from nonpublic sources. Determination of the required 15 or 22.5  
16 per cent funding from nonpublic sources shall be made by the commissioner  
17 and executive secretary as of July 1, 1973, and as of July 1, for each  
18 succeeding year.

19           (c) No private university or college in which students receiving  
20 tuition grants are enrolled may grant remission of tuition to any student  
21 unless more than 22.5 per cent of its annual operating budget is funded  
22 from nonpublic sources (private gifts and grants), provided if a pri-  
23 vate university or college has less than 300 full-time students, the  
24 percentage required shall be 15% funding from nonpublic sources. The 15 or  
25 22.5 per cent funding from nonpublic sources shall apply as of July 1, 1973,  
26 and as of July 1, for each succeeding year.

27           (d) No private university or college in which students receiving  
28 tuition grants are enrolled may enter into contractual agreements under  
29 the terms of which a student covered by the contract pays less than the

1 published tuition.

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

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

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

8 (2) he is either

9 (A) accepted for admission as a full-time or part-time stu-  
10 dent in an associate, baccalaureate, or graduate degree program; or

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

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

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

1 comparison with the practices of similar institutions. However, an in-  
2 stitution whose fiscal and business management practices are found inad-  
3 equate may appeal the determination of the executive secretary to the  
4 selection committee through the 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 Department  
8 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.

7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29