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Under provision 44(b) of the Uniform Rules engrossment was waived on
SCS FOR CS FOR HOUSE BILL NO. 181 amended Senate. Please incorporate
the attached into your SCS FOR CS FOR HOUSE BILL NO. 181. The first
page has been retyped to show the correct title and the first part of
the amendment has been added.

Original sponsor: Rules Committee
by request of the Legislative Council

Offered: 4/9/74
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 181

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to student financial aid; and
7 providing for an effective date."

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

9 * Section 1. AS 14.40.751(a) is amended to read:

10 (a) There is created a scholarship revolving loan fund [AS AN
11 ACCOUNT IN THE GENERAL FUND]. The fund shall be used to make scholar-
12 ship loans to students selected under secs. 751 - 806 of this chapter.
13 All repayments of principal and interest on scholarship loans shall be
14 paid into the scholarship revolving loan fund and shall be used to
15 make new scholarship loans. If estimated funds available from scholar-
16 ship loan repayments are inadequate to fully fund estimated scholarship
17 loans for any fiscal year, additional funding from the general fund
18 may be requested and appropriated for that year.

19 * Sec. 2. AS 14.40.751 is amended by adding a new subsection to read:

20 (c) On March 1 of each fiscal year, if there is a balance of
21 appropriated but unexpended funds in the tuition grant fund created
22 under (b) of this section, that sum shall be automatically trans-
23 ferred to the scholarship revolving loan fund created under (a) of
24 this section to make additional scholarship loans during that fiscal
25 year.

26 * Sec. 3. AS 14.40.753 is amended to read:

27 Sec. 14.40.753. FINANCIAL AID [SELECTION] COMMITTEE. (a) There
28 is created the student financial aid [LOAN AND TUITION GRANT SELECTION]
29 committee composed of seven members appointed by the governor. The

A M E N D M E N T

TO: SCS CSHB 181

On page 1, between lines 18 and 19, insert:

1 ** Sec. 2. AS 14.40.751 is amended by adding a new subsection to read:

2 (c) On March 1 of each fiscal year, if there is a balance of
3 appropriated but unexpended funds in the tuition grant fund created
4 under (b) of this section, that sum shall be automatically transferred
5 to the scholarship revolving loan fund created under (a) of this sec-
6 tion to make additional scholarship loans during that fiscal year."

7 On page 9, between lines 6 and 7, insert:

8 ** Sec. 21. AS 14.40 is amended by adding new sections to read:

9 ARTICLE 10. MEMORIAL SCHOLARSHIP REVOLVING LOAN FUND.

10 Sec. 14.40.810. DECLARATION OF PURPOSE. (a) The legislature may
11 pay tribute to the memory of Alaskans who, by the example of their lives,
12 or by their distinguished contribution and service to this state, their
13 community or their profession, exemplified the best that is the challenge
14 of "The Great Land" by the creation of memorial scholarships as a part
15 of a general memorial scholarship revolving loan fund, setting out the
16 purpose for which each is created, and the conditions applicable to each
17 scholarship.

18 (b) The purposes of the several memorial scholarship accounts in
19 the memorial scholarship revolving loan fund are as follows:

20 (1) the Michael Murphy memorial scholarship perpetuates the
21 memory of Michael Murphy, a member of the Alaska State Troopers, who,
22 while on leave from that division, gave his life for his adopted country
23 in Vietnam on May 22, 1968;

24 (2) the Carroll L. "Butch" Swartz memorial scholarship per-
25 petuates the memory of Carroll L. "Butch" Swartz, of Juneau, who was
26 a student intern with the Criminal Justice Planning Agency and the
27 Governor's Commission on the Administration of Justice during the
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1 summer months of 1972 and 1973 and whose accidental and untimely death
2 in November 1973, occurred while he was completing his undergraduate
3 education at Yale University, thus never realizing his educational goals
4 or career objective;

5 (3) the Harvey Golub memorial scholarship perpetuates the
6 memory of Harvey Golub, of Juneau, who was chief engineer of the bridge
7 design section of the Department of Highways of the State of Alaska and
8 whose accidental and untimely death September 13, 1971, cut short a
9 widely-respected career in civil engineering; and

10 (4) the Robert L. Thomas memorial scholarship perpetuates the
11 memory of Robert L. Thomas, of Juneau, who as Deputy Commissioner of
12 Education, and for 13 years as a member of the professional staff of
13 that department contributed significantly to the creation, operation and
14 administration of a sound system of public education in Alaska and
15 whose tragic and untimely death March 12, 1974, terminated a distin-
16 guished career in education and public administration that long will be
17 exemplary for those who aspire to service in that profession.

18 Sec. 14.40.815. FUND CREATED. (a) There is created a memorial
19 scholarship revolving loan fund. The fund shall be used to provide
20 educational scholarship loans to students selected under secs. 810 - 845
21 of this chapter. All repayments of principal shall be paid into the
22 memorial scholarship revolving loan fund and shall be used to make new
23 scholarship loans.

24 (b) Each memorial scholarship, the purpose of which is set out in
25 sec. 810(b) of this chapter, is a separate account in the memorial
26 scholarship revolving loan fund created under (a) of this section.

27 Sec. 14.40.820. LIMITS ON, CONDITIONS OF LOANS. (a) A scholar-
28 ship loan to a recipient under secs. 810 - 845 of this chapter may not
29 exceed \$2,500 a school year for an undergraduate student or \$5,000 a

1 school year for a graduate student. Loans may not be made to a student
2 for more than six years.

3 (b) A loan made under secs. 810 - 845 of this chapter may be used
4 only as follows:

5 (1) a Michael Murphy memorial scholarship loan may be used
6 only to pursue a degree program in an accredited college or university
7 in law enforcement, law, probation and parole, or penology, or closely
8 related fields;

9 (2) a Carroll L. "Butch" Swartz memorial scholarship loan
10 may be used only to pursue a degree program in an accredited college or
11 university in criminal law, criminology, corrections, police science and
12 administration, juvenile justice, or other fields closely related to
13 criminal justice;

14 (3) a Harvey Golub memorial scholarship loan may be used only
15 to pursue a degree program in an accredited college or university in
16 civil, mechanical, electrical, electronic, petroleum, mining, traffic
17 and transportation, sanitary, chemical or other recognized field of
18 engineering; and

19 (4) a Robert L. Thomas memorial scholarship loan may be used
20 only to pursue a degree program in an accredited college or university
21 that will lead to a career in education or public administration, or
22 other closely related field.

23 (c) The recipient shall be a resident of Alaska and either

24 (1) enrolled as a full-time undergraduate or graduate student
25 leading to an Associate, Baccalaureate or Graduate degree program in a
26 field listed in (b) of this section that is appropriate to the memorial
27 scholarship loan received;

28 (2) a graduate of a high school, or scheduled for graduation
29 from a high school within six months, with sufficient academic credits to

1 be admitted to a college or university intending to pursue a course of
2 study leading to a degree in one of the fields listed in (b) of this
3 section that is appropriate to the memorial scholarship loan received;
4 or

5 (3) an officer or employee of a department, agency or muni-
6 cipality in the state who intends to pursue a course of study in his
7 professional field leading to a degree in one of the fields listed in (b)
8 of this section appropriate to the memorial scholarship loan received.

9 (d) The recipient must at all times continue to be enrolled as
10 a full-time student in good standing at an accredited college or univer-
11 sity.

12 (e) In any year in which the memorial scholarship revolving loan
13 fund created under sec. 815 of this chapter has inadequate receipts to
14 fund a loan in one of the scholarship categories listed in sec. 810(b)
15 of this chapter, no loan in that scholarship category may be offered
16 and the receipts shall be added to the amount available for that cate-
17 gory in the succeeding year.

18 (f) The administering authority may provide conditions in the
19 note signed by the recipient or in a separate document or communication
20 that will help it carry out the provisions of secs. 810 - 845 of this
21 chapter.

22 Sec. 14.40.825. REPAYMENT OF LOANS. (a) Memorial scholarship
23 loans shall be noninterest-bearing and security for the loan may not be
24 required. However, the note signed by the recipient shall provide for
25 the payment of attorney fees, costs of court and skip-tracing fees if any
26 are incurred in collection of the unpaid amount owed on the loan.

27 (b) No part of a loan made under secs. 810 - 845 of this chapter
28 need be repaid during an academic year in which the student is
29 attending an accredited college or university as a full-time student.

1 (c) Loans may be repaid at an accelerated rate at the option of
2 the recipient.

3 (d) If a loan is in default, the administering authority shall
4 notify the recipient that repayment of the remaining balance is acceler-
5 ated and due by sending the recipient a notice of registered or certified
6 mail.

7 (e) A recipient of a memorial scholarship loan under secs. 810 -
8 845 of this chapter who graduates from a degree program shall receive
9 forgiveness of one-fifth of loan indebtedness for each one-year period
10 he is employed full time in Alaska in

11 (1) law enforcement or related fields, if he is a recipient
12 of a Michael Murphy memorial scholarship loan;

13 (2) criminal law, criminal justice or other closely related
14 fields, if he is a recipient of a Carroll L. "Butch" Swartz memorial
15 scholarship loan;

16 (3) a recognized branch of the engineering profession or
17 other closely related fields, if he is a recipient of a Harvey Golub
18 memorial scholarship loan; or

19 (4) education or public administration, or other closely
20 related field, if he is a recipient of a Robert L. Thomas memorial
21 scholarship loan.

22 (f) That portion of the loan that is forgiven under (e) of this
23 section shall be considered a grant to the recipient.

24 (g) A recipient who does not qualify for forgiveness of all or a
25 part of the loan made to him under secs. 810 - 845 of this chapter
26 shall begin repayment of the unforgiven portion within six months after
27 leaving employment, or terminating his studies, in

28 (1) law enforcement or related fields, if he is a recipient
29 of a Michael Murphy memorial scholarship loan;

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2 (2) criminal law, criminal justice or other closely related
3 fields, if he is a recipient of a Carroll L. "Butch" Swartz memorial
4 scholarship loan;

5 (3) a recognized branch of the engineering profession or
6 other closely related fields, if he is a recipient of a Harvey Golub
7 memorial scholarship loan; or

8 (4) education or public administration, or other closely
9 related field, if he is a recipient of a Robert L. Thomas memorial
10 scholarship loan.

11 (h) The unforgiven portion of a loan under (g) of this section
12 shall be repaid in an amount, and at a monthly rate, to be determined
13 by the administering authority after consultation with the recipient, but
14 in any event not less than \$50 a month.

15 Sec. 14.40.830. SELECTION. (a) In selecting from among eligible
16 applicants a person who will be granted a loan under secs. 810 - 845 of
17 this chapter, the administering authority shall consider the following:

18 (1) the applicant's career goals and aspirations;
19 (2) the applicant's prior academic record;
20 (3) the financial need of the applicant; and
21 (4) other items that may be considered relevant by the
22 administering authority to determine whether an applicant will receive
23 a loan.

24 (b) To assist the administering authority in selecting eligible
25 applicants for award of each of the memorial scholarship loans under
26 secs. 810 - 845 of this chapter and in reviewing the memorial scholar-
27 ship loan program, the following advisory committees are established:

28 (1) three Alaska state troopers, each one to be selected from
29 and to represent a state trooper region of the state by the regional
commander to serve for three years, for the Michael Murphy memorial

1 scholarship;

2 (2) three members of the Governor's Commission on the
3 Administration of Justice selected annually by the commission from among
4 its membership, for the Carroll L. "Butch" Swartz memorial scholarship;

5 (3) three members of the state Board of Registration for
6 Architects, Engineers and Land Surveyors selected annually by the board
7 from among its engineer members, for the Harvey Golub memorial scholar-
8 ship; and

9 (4) three members of the state Board of Education, or of
10 the staff of the Department of Education, or any combination of these,
11 selected annually by the board, for the Robert L. Thomas memorial
12 scholarship.

13 Sec. 14.40.835. DISCRIMINATION PROHIBITED. The memorial scholar-
14 ship loan program shall be carried out without regard to the race,
15 creed, sex, color, ancestry, national origin, or membership in fraternal
16 or political organizations of the applicant.

17 Sec. 14.40.840. ADMINISTERING AUTHORITY. (a) The memorial
18 scholarship loans provided for under secs. 810 - 845 of this chapter
19 shall be administered by the executive secretary of the student financial
20 aid committee under secs. 753 and 757 of this chapter, subject to
21 review by the committee and those regulations the committee may prescribe
22 to carry out the purposes of secs. 810 - 845 of this chapter.

23 (b) To the extent that they are not in conflict with the provi-
24 sions of secs. 810 - 845 of this chapter, the provisions of secs. 751 -
25 806 of this chapter relating to scholarship loans are applicable to
26 loans made under secs. 810 - 845 of this chapter.

27 Sec. 14.40.845. FUNDING. (a) The memorial scholarship revolving
28 loan fund created under sec. 815 of this chapter shall be funded by
29 voluntary contributions by state employees who may contribute the value

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2 of one or more days of annual leave a year to the memorial scholarship
3 revolving loan fund to be credited to any one or more of the scholar-
4 ship accounts listed in sec. 810(b) of this chapter at the discretion of
5 the donor.

6 (b) The Department of Administration shall pay to the account of
7 the memorial scholarship revolving loan fund established under sec. 815
8 of this chapter an amount equal to the value of the total number of days
9 of annual leave contributed by state employees under (a) of this section.

10 (c) The administering authority may accept contributions from
11 private sources for the memorial scholarship revolving loan fund created
12 under sec. 815 of this chapter. These contributions shall be deposited
13 in the memorial scholarship revolving loan fund created under sec. 815
14 of this chapter to be credited to any one or more of the scholarship
15 accounts listed in sec. 810(b) of this chapter at the discretion of the
16 donor. For the purpose of this subsection, "private sources" means
17 private individuals, corporations, foundations or other philanthropic
18 or charitable organizations.

19 * Sec.22. AS 14.40.850 - 14.40.890 are repealed.

20 * Sec.23. AS 39.20.245 is repealed and re-enacted to read:

21 Sec. 39.20.245. DONATION OF ANNUAL LEAVE. A state employee may
22 donate one or more days of annual leave a year to the memorial scho-
23 larship revolving loan fund, or to a scholarship account in the fund,
24 under AS 14.40.810 - 14.40.845. The commissioner of administration
25 shall pay to the account of the memorial scholarship revolving loan
26 fund, or to a scholarship account in the fund, an amount equal to the
27 value of the day or days of annual leave contributed by the employee.

28 * Sec. 24. On the effective date of this Act, the balance in the Michael
29 Murphy scholarship loan and grant fund created under AS 14.40.855 is trans-
ferred to the Michael Murphy memorial scholarship account in the memorial

1 scholarship revolving loan fund created under AS 14.40.815 as added by sec.
2 21 of this Act.

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4 * Sec. 25. The balance of appropriated but unexpended funds in the
5 tuition grant fund for Fiscal Year 1974 (sec. 7(a), ch. 91, SLA 1973) that
6 was appropriated for the tuition grant program is transferred to the
7 scholarship revolving loan fund for the scholarship loan program for the
8 fiscal year ending June 30, 1974."

9
10 Renumber bill sections accordingly.
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