

1 IN THE HOUSE

BY HUBER AND BANFIELD

2 HOUSE BILL NO. 435

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the Carroll L. "Butch" Swartz
7 Memorial Scholarship Loan Fund; and providing for an
8 effective date."

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

10 *Section 1. AS 14.40 is amended by adding new sections to read:

11 ARTICLE 11. CARROLL L. "BUTCH" SWARTZ MEMORIAL
12 SCHOLARSHIP LOAN FUND.

13 Sec. 14.40.891. DECLARATION OF PURPOSE. The purpose of the Carroll
14 L. "Butch" Swartz Memorial Scholarship Loan Fund is to perpetuate the
15 memory of Carroll L. "Butch" Swartz, of Juneau, who was a student intern
16 with the Criminal Justice Planning Agency and the Governor's Commission
17 on the Administration of Justice during the summer months of 1972 and
18 1973 and whose accidental and untimely death in November, 1973,
19 occurred while he was completing his undergraduate education at Yale
20 University, thus never realizing his educational goals or career
21 objective.

22 Sec. 14.40.893. FUND CREATED. There is created a scholarship
23 revolving loan fund. The fund shall be used to provide educational
24 scholarship loans to students selected under secs. 891 - 907 of this
25 chapter. All repayments of principal shall be paid into the scholarship
26 revolving loan fund and shall be used to make new scholarship loans.

27 Sec. 14.40.895. LIMITS ON LOANS. A scholarship loan to a
28 recipient may not exceed \$2,500 a school year for an undergraduate
29 student or \$5,000 a school year for a graduate student. Loans may not

1 be made to a student for more than six years.

2 Sec. 14.40.897. CONDITIONS OF LOANS. (a) A loan may be used
3 only to pursue a degree program in an accredited college or university
4 in criminal law, criminology, corrections, police science and administra-
5 tion, juvenile justice, or other fields closely related to criminal
6 justice.

7 (b) The recipient shall be a resident of Alaska and either

8 (1) enrolled as a full-time undergraduate or graduate
9 student leading to an Associate Baccalaureate or Graduate degree
10 program in a field of study listed in (a) of this section;

11 (2) a graduate of a high school, or scheduled for graduation
12 from a high school within six months, with sufficient academic credits
13 to be admitted to a college or university intending to pursue a course
14 of study leading to a degree in one of the fields listed in (a) of this
15 section; or

16 (3) a serving member of a criminal justice agency in the state
17 who intends to pursue a course of study in his professional field lead-
18 ing to a degree in one of the fields listed in (a) of this section.

19 (c) The recipient must at all times continue to be enrolled as a
20 full-time student in good standing at a college or university.

21 (d) In any year in which the scholarship revolving loan fund
22 created under sec. 893 of this chapter has inadequate receipts to fund a
23 loan, no loan may be offered and the receipts will be added to the
24 amount available in the succeeding year.

25 (e) The administering authority may provide conditions in the note
26 signed by the recipient or in a separate document or communication that
27 will help it carry out the provisions of secs. 891 - 907 of this chapter.

28 Sec. 14.40.899. REPAYMENT OF LOANS. (a) Scholarship loans shall
29 be noninterest bearing and security for the loan may not be required.

1 However, the note signed by the recipient shall provide for the payment
2 of attorney fees, costs of court and skip-tracing fees if any are
3 incurred in collection of the unpaid amount owed on the loan.

4 (b) No part of a loan made under secs. 891 - 907 of this chapter
5 need be repaid during an academic year in which the student is attending
6 a college or university as a full-time student.

7 (c) Loans may be repaid at an accelerated rate at the option of
8 the student.

9 (d) If a loan is in default, the administering authority shall
10 notify the student that repayment of the remaining balance is acceler-
11 ated and due by sending the student a notice by registered or certified
12 mail.

13 (e) A recipient of a scholarship loan under secs. 891 - 907 of
14 this chapter who graduates from a degree program shall receive foregive-
15 ness of one-fifth of loan indebtedness for each one-year period he is
16 employed full-time in Alaska in criminal law, criminal justice or other
17 closely related fields. That portion of the loan that is forgiven shall
18 be considered a grant to the recipient.

19 (f) A student who does not qualify for forgiveness of all or a
20 part of the loan made to him under secs. 891 - 907 of this chapter shall
21 begin repayment of the unforgiven portion within six months after
22 leaving employment in criminal law, criminal justice or other closely
23 related fields in the state or within six months after terminating
24 his studies. The unforgiven portion shall be repaid in an amount, and
25 at a monthly rate, to be determined by the administering authority after
26 consultation with the student, but in any event not less than \$50 a
27 month.

28 Sec. 14.40.901. SELECTION. (a) In selecting from among eligible
29 applicants a person who will be granted a loan under secs. 891 - 907 of

1 this chapter, the administering authority shall consider the following:

- 2 (1) the applicant's career goals and aspirations;
- 3 (2) the applicant's prior academic record;
- 4 (3) the financial need of the applicant; and
- 5 (4) other items that may be considered relevant by the

6 administering authority to determine whether an applicant will receive
7 a loan.

8 (b) To assist the administering authority in selecting eligible
9 applicants for award of scholarship loans under secs. 891 - 907 of this
10 chapter, and the student loan and tuition grant selection committee
11 in reviewing this loan program, the committee may be augmented by two
12 members of the Governor's Commission on the Administration of Justice
13 selected annually by the commission from among its membership.

14 Sec. 14.40.903. DISCRIMINATION PROHIBITED. The scholarship loan
15 program shall be carried out without regard to the race, creed, sex,
16 color, ancestry, national origin, or membership in fraternal or politi-
17 cal organizations of the applicant.

18 Sec. 14.40.905. ADMINISTERING AUTHORITY. (a) The scholarship
19 loans provided for under secs. 891-907 of this chapter shall be ad-
20 ministered by the executive secretary of the student loan and tuition
21 grant selection committee under secs. 753 and 757 of this chapter, sub-
22 ject to review by the committee and those regulations the committee may
23 prescribe to carry out the purposes of secs. 891 - 907 of this chapter.

24 (b) To the extent that they are not in conflict with the pro-
25 visions of secs. 891 - 907 of this chapter, the provisions of secs.
26 751 - 806 of this chapter relating to scholarship loans are applicable
27 to loans made under secs. 891 - 907 of this chapter.

28 Sec. 14.40.907. FUNDING. (a) The scholarship revolving loan fund
29 provided for under sec. 893 of this chapter shall be funded by voluntary

1 contributions by state employees who may contribute the value of one
2 or more days of annual leave a year to the scholarship revolving
3 loan fund.

4 (b) The Department of Administration shall pay to the account of
5 the scholarship revolving loan fund established under sec. 893 of this
6 chapter an amount equal to the value of the total number of days of
7 annual leave contributed by state employees under (a) of this section.

8 (c) The administering authority may accept contributions from
9 private sources for the scholarship revolving loan fund created under
10 sec. 893 of this chapter, and these contributions shall be deposited in
11 the scholarship revolving loan fund created under sec. 893 of this
12 chapter.

13 * Sec. 2. This Act takes effect on the day after its passage and approval
14 or on the day it becomes law without approval.
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