

Introduced: 3/12/74  
Referred: Health, Education &  
Social Services and Finance

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

CS  
2 HOUSE BILL NO. 773

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 the creation and administration of  
7 memorial scholarship revolving loan funds; and pro-  
8 viding for an 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 10. MEMORIAL SCHOLARSHIP REVOLVING LOAN FUND.

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

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

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

26 (2) the Carroll L. "Butch" Swartz memorial scholarship per-  
27 petuates the memory of Carroll L. "Butch" Swartz, of Juneau, who was  
28 a student intern with the Criminal Justice Planning Agency and the  
29 Governor's Commission on the Administration of Justice during the

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.

10 Sec. 14.40.815. FUND CREATED. (a) There is created a memorial  
11 scholarship revolving loan fund. The fund shall be used to provide  
12 educational scholarship loans to students selected under secs. 810 - 845  
13 of this chapter. All repayments of principal shall be paid into the  
14 memorial scholarship revolving loan fund and shall be used to make new  
15 scholarship loans.

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

19 Sec. 14.40.820. LIMITS ON, CONDITIONS OF LOANS. (a) A scholar-  
20 ship loan to a recipient under secs. 810 - 845 of this chapter may not  
21 exceed \$2,500 a school year for an undergraduate student or \$5,000 a  
22 school year for a graduate student. Loans may not be made to a student  
23 for more than six years.

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

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

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

6 (3) a Harvey Golub memorial scholarship loan may be used only  
7 to pursue a degree program in an accredited college or university in  
8 civil, mechanical, electrical, electronic, petroleum, mining, traffic  
9 and transportation, sanitary, chemical or other recognized field of  
10 engineering.

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

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

16 (2) a graduate of a high school, or scheduled for graduation  
17 from a high school within six months, with sufficient academic credits to  
18 be admitted to a college or university intending to pursue a course of  
19 study leading to a degree in one of the fields listed in (b) of this  
20 section that is appropriate to the memorial scholarship loan received;  
21 or

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

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

29 (e) In any year in which the memorial scholarship revolving loan

1 fund created under sec. 815 of this chapter has inadequate receipts to  
2 fund a loan in one of the scholarship categories listed in sec. 810(b)  
3 of this chapter, no loan in that scholarship category may be offered  
4 and the receipts shall be added to the amount available for that cate-  
5 gory in the succeeding year.

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

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

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

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

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

24 (e) A recipient of a memorial scholarship loan under secs. 810 -  
25 845 of this chapter who graduates from a degree program shall receive  
26 forgiveness of one-fifth of loan indebtedness for each one-year period  
27 he is employed full time in Alaska in

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

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

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

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

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

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

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

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

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

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

28 (1) the applicant's career goals and aspirations;

29 (2) the applicant's prior academic record;

1 (3) the financial need of the applicant; and  
2 (4) other items that may be considered relevant by the  
3 administering authority to determine whether an applicant will receive  
4 a loan.

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

9 (1) three Alaska state troopers, each one to be selected from  
10 and to represent a state trooper region of the state by the regional  
11 commander to serve for three years, for the Michael Murphy memorial  
12 scholarship;

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

17 (3) three members of the state Board of Registration for  
18 Architects, Engineers and Land Surveyors selected annually by the board  
19 from among its engineer members, for the Harvey Golub memorial scholar-  
20 ship.

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

25 Sec. 14.40.840. ADMINISTERING AUTHORITY. (a) The memorial  
26 scholarship loans provided for under secs. 810 - 845 of this chapter  
27 shall be administered by the executive secretary of the student financial  
28 aid committee under secs. 753 and 757 of this chapter, subject to  
29 review by the committee and those regulations the committee may prescribe

1 to carry out the purposes of secs. 810 - 845 of this chapter.

2 (b) To the extent that they are not in conflict with the provi-  
3 sions of secs. 810 - 845 of this chapter, the provisions of secs. 751 -  
4 806 of this chapter relating to scholarship loans are applicable to  
5 loans made under secs. 810 - 845 of this chapter.

6 Sec. 14.40.845. FUNDING. (a) The memorial scholarship revolving  
7 loan fund created under sec. 815 of this chapter shall be funded by  
8 voluntary contributions by state employees who may contribute the value  
9 of one or more days of annual leave a year to the memorial scholarship  
10 revolving loan fund to be credited to any one or more of the scholar-  
11 ship accounts listed in sec. 810(b) of this chapter at the discretion of  
12 the donor.

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

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

26 \* Sec. 2. AS 14.40.850 - 14.40.890 are repealed.

27 \* Sec. 3. On the effective date of this Act, the balance in the Michael  
28 Murphy scholarship loan and grant fund created under AS 14.40.855 is trans-  
29 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 1 of this Act.

3 \* Sec. 4. This Act takes effect on the day after its passage and approval  
4 or on the day it becomes law without approval.

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