

Original sponsors: Sturgulewski, Kerttula,  
Stimson and Dankworth

Offered: 3/16/81  
Referred: Finance

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2 CS FOR SENATE BILL NO. 120 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act amending the undergraduate and graduate schol-  
7 arship loan program; and providing for an effective  
8 date."

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

10 \* Section 1. AS 14.40.759 is amended to read:

11 Sec. 14.40.759. UNDERGRADUATE LOANS. The committee may make a  
12 loan, not to exceed \$5,000 [\$3,000] in any one school year, to an  
13 undergraduate student eligible under AS 14.40.765.

14 \* Sec. 2. AS 14.40.761 is amended to read:

15 Sec. 14.40.761. GRADUATE LOANS. The committee may make a loan,  
16 not to exceed \$7,000 [\$5,000] in any one school year, to a graduate  
17 student who is eligible under AS 14.40.765 and is pursuing an advanced  
18 degree.

19 \* Sec. 3. AS 14.40.763(d) is amended to read:

20 (d) Scholarship loans may not be made to a student for more than  
21 eight [SIX] years.

22 \* Sec. 4. AS 14.40.763(j) is repealed and reenacted to read:

23 (j) A portion of a loan shall be paid on behalf of the borrower  
24 by the state if, upon completion of the course of study for which the  
25 loan was granted, the borrower is employed for at least two years in  
26 the state. The portion of the loan which shall be paid by the state  
27 shall be the following percentages of the total loan received plus  
28 interest for up to a total of 50 percent of the total loan:

29 (1) two - three years residence in the state, 10 percent;

1 (2) three - four years residence in the state, an additional  
2 10 percent;

3 (3) four - five years residence in the state, an additional  
4 10 percent;

5 (4) five - six years residence in the state, an additional  
6 10 percent;

7 (5) over six years residence in the state, an additional 10  
8 percent.

9 \* Sec. 5. AS 14.40.765 is repealed and reenacted to read:

10 Sec. 14.40.765. ELIGIBILITY OF STUDENTS. (a) A person may apply  
11 for and obtain a scholarship loan if the person

12 (1) is a resident of the state at the time he applies for a  
13 scholarship loan;

14 (2) meets the requirements of (b) of this section; and

15 (3) is

16 (A) enrolled as a full-time student in a career educa-  
17 tion or associate or baccalaureate or graduate degree program; or

18 (B) a graduate of a high school, or scheduled for  
19 graduation from a high school within six months, with sufficient  
20 credits to be admitted to a career education program or to an  
21 accredited college or university.

22 (b) In addition to the requirements of (a) of this section, to  
23 obtain a scholarship loan a person must have been a resident of the  
24 state for at least two years at the time he applies for the loan. For  
25 purposes of this subsection, a person qualifies as a resident of the  
26 state if at the time he applies for the loan

27 (1) he has been present in the state for at least two years  
28 unless his absence from the state during any part of the two years was  
29 due to military service; or

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(2) he is a person who is dependent on a parent or guardian for his care, and the parent or guardian has been present in the state for at least two years.

Sec. 6. The reenactment of AS 14.40.763(j) in sec. 4 of this Act applies to any student who has obtained a scholarship loan under AS 14.40.751 - 14.40.806 since July 1, 1971.

\* Sec. 7. This Act takes effect July 1, 1981.