

Offered: 4/30/83

Referred: Rules

Original sponsors: Lindauer, Uehling,
Furnace and Wendte

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 56 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act relating to scholarship loans; and providing
7 for an effective date."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. AS 14.43.120(f) is amended to read:
10 (f) Interest on a loan made [GIVEN] under AS 14.43.090 - 14.43.-
11 160 is at the rate of eight [FIVE] percent a year.
12 * Sec. 2. AS 14.43.120(k)(2) is amended to read:
13 (2) serving a first enlistment period of up to four years
14 on active duty as a member of the armed forces of the United States;
15 * Sec. 3. AS 14.43.125 is repealed and reenacted to read:
16 Sec. 14.43.125. ELIGIBILITY OF STUDENTS. A person may apply for
17 and obtain a scholarship loan if the person
18 (1) is
19 (A) enrolled as a full-time student in a career educa-
20 tion, or associate, or baccalaureate, or graduate degree program;
21 or
22 (B) a graduate of a high school, or the equivalent, or
23 scheduled for graduation from a high school within six months,
24 with sufficient credits to be admitted to a career education
25 program or to an accredited college or university;
26 (2) is not delinquent or in default on a previously awarded
27 scholarship loan; and
28 (3) is a resident of the state at the time of application
29 for the loan. For purposes of this section, a person qualifies as a

1 resident of the state if at the time of application for the loan the
2 person

3 (A) has been physically present in the state for at
4 least two years;

5 (B) is dependent on a parent or guardian for care, and
6 the parent or guardian has been present in the state for at least
7 two years; or

8 (C) has been physically present in the state for at
9 least two years immediately before being absent from the state
10 and the absence is due solely to

11 (i) military service;

12 (ii) volunteer service under the Peace Corps Act;

13 (iii) volunteer service under the Domestic Volun-
14 teer Service Act of 1973;

15 (iv) attending a school as a full-time student;

16 (v) full-time employment by the state or its
17 congressional delegation; or

18 (vi) required medical care for the applicant or
19 the applicant's immediate family.

20 * Sec. 4. AS 14.43.130 is repealed and reenacted to read:

21 Sec. 14.43.130. SELECTION CRITERIA. (a) The selection commit-
22 tee shall grant loans based on total point accumulations under this
23 section with priority going to those applicants with the highest point
24 accumulations, except as provided in (b) of this section. Points
25 shall be awarded according to the following schedule:

26 (1) Alaska high school graduates and continuing undergrad-
27 uate and graduate students with existing Alaska scholarship loans
284 points

- 1 (2) continuing undergraduate and graduate students without
2 existing Alaska scholarship loans3 points
3 (3) first year undergraduate students2 points
4 (4) new graduate students without existing Alaska scholar-
5 ship loans1 point
6 (5) students attending Alaska colleges or universities ...-
71 point

8 (b) The selection committee shall award loans to applicants
9 based upon the earliest date of completed applications if the appli-
10 cant has filed a completed application not later than May 15 of the
11 year for which the loan is requested.

12 * Sec. 5. AS 14.43 is amended by adding a new section to read:

13 Sec. 14.43.132. FEDERALLY INSURED LOANS ENCOURAGED. Whenever
14 possible scholarship loans made under AS 14.43.090 - 14.43.160 shall
15 be federally insured.

16 * Sec. 6. AS 14.43.160 is amended by adding a new paragraph to read:

17 (9) "committee" means the student financial aid committee
18 of the Alaska Commission on Postsecondary Education.

19 * Sec. 7. If the two-year residency requirement for scholarship loans
20 provided by AS 14.43.125 is declared unconstitutional or otherwise invalid
21 by a court of competent jurisdiction, the Commission on Postsecondary
22 Education shall adopt regulations to impose the most stringent residency
23 requirement allowable under the Constitution of the State of Alaska and the
24 United States Constitution on scholarship loan applicants.

25 * Sec. 8. This Act takes effect July 1, 1984.