

Introduced: 2/17/86  
Referred: House Special Committee on  
State Loans, Health, Education &  
Social Services and Finance

1 IN THE HOUSE

BY HERRMANN

2

HOUSE BILL NO. 619

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the scholarship loan program; and  
7 providing for an effective date."

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

9 \* Section 1. AS 14.43.095(a) is amended to read:

10 (a) The student financial aid committee is composed of the  
11 members of the Alaska Commission on Postsecondary Education. The  
12 commission may delegate its functions under AS 14.43.090 - 14.43.160  
13 to a committee of its members, with augmented membership as the com-  
14 mission considers appropriate to ensure adequate rural representation.  
15 The executive officer of the commission is the executive secretary of  
16 the committee. The Alaska Commission on Postsecondary Education shall  
17 administer the program established by AS 14.43.090 - 14.43.160.

18 \* Sec. 2. AS 14.43 is amended by adding a new section to read:

19 Sec. 14.43.117. PRIORITY IN AWARDING LOANS TO PART-TIME STU-  
20 DENTS. In awarding scholarship loans to part-time students the com-  
21 mittee shall give a priority to a part-time student who the committee  
22 determines is unable to attend classes as a full-time student because  
23 of a need to spend a significant amount of time for employment, care  
24 of a dependent, or subsistence activities.

25 \* Sec. 3. AS 14.43.120(c) is amended to read:

26 (c) To maintain a loan awarded to a full-time student the stu-  
27 dent must continue to be enrolled as a full-time student in good  
28 standing in a career education program, college, or university that  
29 meets the requirements [DESIGNATED] under (b) of this section. To

1 maintain a loan awarded to a part-time student the student must con-  
2 tinue to be enrolled as a part-time or full-time student in good  
3 standing in a career education program, college, or university that  
4 meets the requirements under (b) of this section. The commission  
5 shall adopt regulations defining "good standing" for purposes of this  
6 subsection.

7 \* Sec. 4. AS 14.43.120(k) is amended to read:

8 (k) Periodic installments of principal shall be deferred, but  
9 interest shall accrue and be paid unless the borrower [STUDENT] is  
10 eligible for interest payment benefits under (1) of this section,  
11 during any of the following periods:

12 (1) return to full-time or part-time student status in good  
13 standing in a career education program, college, or university that  
14 meets the requirements under (b) of this section [AS PROVIDED IN (c)  
15 OF THIS SECTION];

16 (2) serving an initial period of up to six years on active  
17 duty as a member of the armed forces of the United States;

18 (3) serving, for up to three years, as a full-time volun-  
19 teer under the Peace Corps Act;

20 (4) serving, for up to three years, as a full-time volun-  
21 teer under the Domestic Volunteer Service Act of 1973;

22 (5) for a one-time period up to 12 months in which the  
23 borrower is seeking and unable to find employment in the United  
24 States; or

25 (6) during the period of disability if the borrower becomes  
26 50 percent or more disabled as certified by competent medical author-  
27 ity.

28 \* Sec. 5. AS 14.43.125(a) is amended to read:

29 (a) A person may apply for and obtain a scholarship loan if the

1 person

2 (1) is

3 (A) enrolled as a full-time student or part-time  
4 student in a career education, associate, baccalaureate, or  
5 graduate degree program; or

6 (B) a graduate of a high school or the equivalent, or  
7 scheduled for graduation from a high school within six months,  
8 with sufficient credits to be admitted to a career education  
9 program or to an accredited college or university;

10 (2) is not delinquent or in default on a previously awarded  
11 scholarship loan; and

12 (3) is a resident of the state at the time of application  
13 for the loan; for purposes of this section, a person qualifies as a  
14 resident of the state if at the time of application for the loan the  
15 person

16 (A) has been physically present in the state for at  
17 least two years immediately before the time of application for  
18 the loan;

19 (B) is dependent on a parent or guardian for care, the  
20 parent or guardian has been present in the state for at least two  
21 years immediately before the time of application for the loan and  
22 the person has been present in the state for at least one year of  
23 the immediately preceding five years except that the commission  
24 may by a two-thirds vote, acting upon a written appeal by the  
25 person, grant an exemption to the requirement that the person has  
26 been present in the state for one year of the immediately preced-  
27 ing five years;

28 (C) has been physically present in the state, or is a  
29 dependent of a parent or guardian who has been physically present

1 in the state, for at least two years immediately before the  
2 applicant was absent from the state and the absence is due solely  
3 to

4 (i) serving an initial period of up to six years  
5 on active duty as a member of the armed forces of the United  
6 States;

7 (ii) serving, for up to three years, as a full-  
8 time volunteer under the Peace Corps Act;

9 (iii) serving, for up to three years, as a full-  
10 time volunteer under the Domestic Volunteer Service Act of  
11 1973;

12 (iv) required medical care for the applicant or  
13 the applicant's immediate family;

14 (v) being a person who otherwise qualifies as a  
15 resident and is accompanying a spouse who qualifies as a  
16 resident under (i) - (iv) of this paragraph; or

17 (D) has been physically present in the state, or is a  
18 dependent of a parent or guardian who has been physically present  
19 in the state, for at least two years immediately before the  
20 applicant or the parent or guardian was absent from the state and  
21 the absence is due solely to

22 (i) participating in a foreign exchange student  
23 program recognized by the commission;

24 (ii) attending a school as a full-time student;

25 (iii) full-time employment by the state;

26 (iv) being a member of or employed full-time by  
27 the state's congressional delegation;

28 (v) being a person who otherwise qualifies as a  
29 resident and is accompanying a spouse who qualifies as a

1                   resident under (i) - (iv) of this paragraph.

2       \* Sec. 6. AS 14.43.160 is amended by adding new paragraphs to read:

3                   (7) "committee" means the student financial aid committee  
4       established under AS 14.43.095;

5                   (8) "part-time student" means an undergraduate or career  
6       education student who is enrolled and is in regular attendance at  
7       classes for at least six semester hours of credit or the equivalent  
8       during the semester or a graduate student who is enrolled and is in  
9       regular attendance at classes for at least four semester hours of  
10      credit or the equivalent; any combination of semester hours of credit,  
11      or the equivalent, aggregating to the requisite number of semester  
12      hours and undertaken during a semester at two or more public or pri-  
13      vate institutions of higher education constitutes part-time student  
14      status.

15      \* Sec. 7. This Act takes effect July 1, 1986.