

COMMITTEE REPORT

HOUSE

(11)

FURTHER:

3/5/82

Date: Mar 30 1982

Mr. Speaker:

The Committee on FINANCE has had SSHB 709

"An Act relating to scholarship loans; and providing for an effective date."

under consideration and ~~(a majority of the committee)~~ ~~(the committee)~~ reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for SSHB 709 (FIN) same title
 new title
- and recommends do pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING DO PASS

Edwards, Adams
Hawkins
W.B. Stewart
Dr. [unclear]
Robert [unclear]
John [unclear]
Montgomery

MEMBERS HAVING OTHER RECOMMENDATIONS:

Jan [unclear] No Rec
Donald [unclear] do pass original bill

[unclear]

[unclear]
CHAIRMAN

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSSHB 709
 Title Act Relating to Scholarship Loans
 Requested by House HESS Date 3/31/82

II. FISCAL DETAIL

Agency Affected Education
 Program Category Affected Commission on Postsecondary Education
 BRU, Program, Or Subprogram(s) Affected Student Loan Program
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	N.A.	0.0	0.0	(135.0)	(395.0)	(759.0)
TOTAL	N.A.	0.0	0.0	(135.0)	(395.0)	(759.0)

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	N.A.	(3,180.0)	(3,561.5)	(4,052.5)	(4,704.5)	(5,507.5)
FEDERAL FUNDS						
OTHER (Specify Source)						
additional interest				135.0	395.0	759.0

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME	N.A.	0.0	0.0	0.0	0.0	0.0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

1. Interest accrual at the new rate of 6% will result in addition revenue to the student loan revolving fund:

FY 83	-0-	FY 86	\$ 395.0
FY 84	-0-	FY 87	\$ 759.0
FY 85	\$135.0	FY 88	\$1,388.3

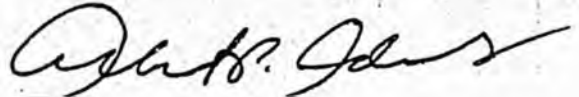
2. 53% of undergraduates will attend outside of Alaska.
 80% of those students will borrow over \$5000 @ an average of \$500 per student.

IV. DATE March 31, 1982 PREPARED BY Kerry D. Romesburg
 AGENCY Commission on Postsecondary Education
 Original: Legislative Finance PHONE 465-2854
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

HOUSE JOURNAL

LETTER OF INTENT
TO
CS SSHB 709 (Finance)

It is the intent of the Legislature that there will be no supplemental funding appropriated to the Student Scholarship Loan Program for FY 83. It is also the Legislature's intent that the Postsecondary Education Commission make every effort to fund as many loan applications as possible. Given this task, we would instruct the Commission to lower to loan maximums if necessary, to ensure that the greater number of Alaskan students can participate in the program.



Al Adams, Chairman
House Finance Committee

Original sponsors: Beirne, Martin
and Halford

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 709 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND 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 14.40.759 is amended to read:

10 Sec. 14.40.759. UNDERGRADUATE LGANS. The committee may make a
11 loan, not to exceed \$5,000 [\$6,000] in any one school year, to an under-
12 graduate student eligible under AS 14.40.765.

13 * Sec. 2. AS 14.40.763(d) is amended to read:

14 (d) Scholarship loans may not be made to a borrower [STUDENT]

15 (1) for more than four [FIVE] years of undergraduate study
16 unless the program of study requires more than four years attendance,
17 and in that case the loans may be made for not more than five years of
18 undergraduate study;

19 (2) for more than four [FIVE] years of graduate study unless
20 the program of study requires more than four years attendance, and in
21 that case the loans may be made for not more than five years of graduate
22 study;

23 (3) for more than a total of eight years of undergraduate and
24 graduate study.

25 * Sec. 3. AS 14.40.763(f) is amended to read:

26 (f) Interest on a loan given under AS 14.40.751 - 14.40.806 is at
27 the rate of six [FIVE] percent a year.

28 * Sec. 4. AS 14.40.763(k)(2) is amended to read:

29 (2) serving a first enlistment period of up to four years on

1 active duty as a member of the armed forces of the United States;

2 * Sec. 5. AS 14.40.765(a) is amended by adding a new paragraph to read:

3 (4) is not delinquent or in default on a previously awarded
4 scholarship loan.

5 * Sec. 6. AS 14.40.765(b) is amended to read:

6 (b) In addition to the requirements of (a) of this section, to
7 obtain a scholarship loan a person must have been a resident of the
8 state for at least two years at the time he applies for the loan. For
9 purposes of this subsection, a person qualifies as a resident of the
10 state if at the time he applies for the loan the person

11 (1) has been present in the state for at least two years [UN-
12 LESS HIS ABSENCE FROM THE STATE DURING ANY PART OF THE TWO YEARS WAS DUE
13 TO MILITARY SERVICE]; [OR]

14 (2) is a person who is dependent on a parent or guardian for
15 his care, and the parent or guardian has been present in the state for
16 at least two years immediately before the date of the loan application;
17 or

18 (3) has been physically present in the state for at least two
19 years immediately before his absence from the state and his absence is
20 due solely to

21 (A) military service;

22 (B) attending a school as a full-time student; or

23 (C) full-time employment by the state or its congres-
24 sional delegation.

25 * Sec. 7. AS 14.40 is amended by adding a new section to read:

26 Sec. 14.40.766. APPLICATION. (a) An application for a scholar-
27 ship loan must be filed with the commission by

28 (1) July 15 for a semester beginning July 1 to October 31 of
29 that year;

1 (2) November 15 for a semester beginning November 1 of that
2 year to February 29 of the following year;

3 (3) March 15 for a semester beginning March 1 to June 30 of
4 that year.

5 (b) Affidavits from at least four residents other than the appli-
6 cant must be submitted with an application for a scholarship loan. Each
7 affidavit must state that the affiant knows that the applicant has been
8 physically present in the state for at least two years immediately
9 before the date the application is filed or was absent during any part
10 of the two years due to military service or attending the career educa-
11 tion program, college or university identified in the affidavit. Each
12 affidavit must bear a printed notice that a false statement made in it
13 is an offense punishable by law. For purposes of this subsection resi-
14 dents are individuals who have been physically present in the state for
15 at least two years immediately before the date the application for a
16 scholarship loan is filed.

17 * Sec. 8. AS 14.40.767(a) is amended to read:

18 (a) The selection committee shall grant loans based on total point
19 accumulations under this subsection with priority going to those appli-
20 cants with the highest point accumulations, except as provided in (b) of
21 this section [FOR LOAN APPLICATIONS COMPLETED BEFORE MAY 15 OF EACH
22 YEAR]. Points shall be awarded to applicants based upon student status
23 and continuous Alaskan residency, according to the following schedule:

24 (1) student status:

25 (A) continuing undergraduate and graduate students with
26 existing Alaska scholarship loans..... 4 points

27 (B) continuing undergraduate and graduate students with-
28 out existing Alaska scholarship loans..... 3 points

29 (C) freshmen..... 2 points

1 (D) new graduate students without existing Alaska
2 scholarship loans..... 1 point

3 (2) continuous Alaskan residency:

4 (A) students with continuous Alaskan residency of 10
5 years or more..... 3 points

6 (B) students with continuous Alaskan residency of at
7 least 5 years and less than 10 years..... 2 points

8 (C) students with continuous Alaskan residency of more
9 than 2 years and less than 5 years..... 1 point

10 (3) students attending Alaska colleges or universities
11 1 point

12 * Sec. 9. AS 14.40.767(b)(2) is repealed.

13 * Sec. 10. Section 7 of this Act takes effect July 1, 1983.

14 * Sec. 11. Sections 1 - 6 and 8 - 9 of this Act take effect July 1, 1982.



Alaska Statewide Student Association

P.O. BOX 548
DOUGLAS, ALASKA 99824

REPRESENTING STUDENTS OF THE UNIVERSITY OF ALASKA STATEWIDE SYSTEM

POSITION PAPER: CSSSHB 709 (Student Loans)

The present committee substitute for HB709 allows for certain administrative changes to be made which are necessary for better enforcement of the program. It is the result of many hours of work by the House HESS Committee, ASSA, and the Postsecondary Education Commission.

The Alaska State Student Loan Program is the best in the country. It is established on the principle of equal access to financial aid for all Alaskans. The loan only covers necessities; entertainment and other non-essentials must be paid for out of the student's own pocket.

Lowering the maximum amount would hurt those who need it the most. It would not curb abuses of the program; that can only be done through more rigorous enforcement of the existing regulations. Cutting the ceiling would only make the bill a subject of controversy and possibly prevent the needed adjustments in the current version from being passed.

ASSA urges you to pass the Committee Substitute for HB 709 in its present form.

Thank you,,

Ken Kirk, Director

ASSA

MEMORANDUM

TO: Representative Al Adams, Chairman
House Finance Committee

FROM: Cheryl Frasca *CF*

SUBJECT: HB 709 - Comparison of the Two Versions of the Student Loan Bill

Both the original bill and HESS committee substitute attempt to stiffen the requirement for obtaining a scholarship loan.

SSHB 709

CSSHB 709 (HESS)

Section 1. Decreases maximum undergraduate loan from \$6000 to \$4000

Not addressed

Section 2. Decreases maximum graduate loan from \$7000 to \$6000

Not addressed

Section 3. Requires the Post Secondary Commission to adopt regulations defining a full time student as at least 26 semester hours; "good standing" is defined as having at least a 2.0 GPA. These requirements may be waived for disadvantaged students with good cause. Students must submit proof of GPA and hours completed at end of each academic year.

Not addressed

Section 4. Decreases the number of years can receive an undergraduate and graduate loan from 5 years to 4 years each; currently can not exceed total of 8 years.

Section 1.

Continues 8 year maximum on total years can receive a loan; however reduces from 5 to 4 years can receive a loan for undergraduate and graduate study. Provides an exception to the 4 years if course of study is longer.

Section 5. Increases interest from 5 to 6%. Adds that interest begins to accrue when the borrower receives the money and continues until loan is repaid.

Section 2. Increases interest from 5 to 6%. Currently no interest incurred while a student is enrolled or in the military service.

Section 6. Requires that a student be physically present in the state at least 2 years immediately before applying. Deletes exception for military service.

Section 3. Residency exception for military service limited to first enlistment period of up to 4 years

Not addressed

Section 7. Adds requirement that applications must be filed by May 15th. Requires affidavits from at least 4 people attesting to applicant's residency.

Section 8. Repeals section providing for a dependent being eligible for a loan if his or her parent or guardian has lived in the state for 2 years.

Section 4. To be eligible, a borrower can not be delinquent or in default on another student loan.

Section 5. Sets up 3 application deadlines to coincide with differing academic years; also requires affidavits from 4 people.

Not addressed

Section 6. Amends current statute which sets out point system for awarding loans by deleting reference to apply the points to loans: applications completed before May 15th.

Section 7. Repeals requirement that a loan be awarded if application is received by May 15.

Original sponsors: Beirne, Martin
and Halford

Offered: 3/5/82
Referred: Finance

Finance
BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

1 IN THE HOUSE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 709 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

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and in that case the loans may be made for not more than five years of
undergraduate study;

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the program of study requires more than four years attendance, and in
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* Sec. 3 AS 14.40.763(f) is amended to read:

(f) Interest on a loan given under AS 14.40.751 - 14.40.806 is at
the rate of six [FIVE] percent a year.

* Sec. 4 AS 14.40.763(k)(2) is amended to read:

(2) serving a first enlistment period of up to four years on
active duty as a member of the armed forces of the United States;

* Sec. 5 AS 14.40.765(a) is amended by adding a new paragraph to read:

(4) is not delinquent or in default on a previously awarded
scholarship loan.

> Add new Sec. 6 (attached)

CSSSHB 709 (HESS)

new
Section 1
attached

7
1 * Sec. 7. AS 14.40 is amended by adding a new section to read:

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(A) students with continuous Alaskan residency of 10 years or more..... 3 points

(B) students with continuous Alaskan residency of at least 5 years and less than 10 years..... 2 points

(C) students with continuous Alaskan residency of more than 2 years and less than 5 years..... 1 point

(3) students attending Alaska colleges or universities 1 point

* Sec. 9. AS 14.40.767(h)(2) is repealed.

* Sec. 8. ^{Sections 1, 2, 3, 4, 5-6 & 8 of ~~1982~~} This Act takes effect July 1, 1982.

Sec. 10. Section 7 of this Act takes effect July 1, 1983.

CS SS HB 709 (FIN)

~~from Kerry Romesburg's office?~~

~~student loans~~²

NEW SEC. 6

AS 14.40.765 (b) is amended to read:

(b) In addition to the requirements of (a) of this section, to obtain a scholarship loan a person must have been a resident of the state for at least two years at the time he applies for the loan.

For the purposes of this subsection, a person qualifies as a resident of the state if at the time he applies for the loan the person

(1) has been physically present in the state for at least two years [UNLESS HIS ABSENCE FROM THE STATE DURING ANY PART OF THE TWO YEARS WAS DUE TO MILITARY SERVICE]; or

(2) is a person who is dependent on a parent or guardian for his care, and the parent or guardian has been physically present in the state for at least two years [.] immediately preceding the loan application date; or

(3) is a person who has been physically present in the state for at least two years immediately before entering, and whose absence is due solely to:

(A) military service

(B) full-time student status, or

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CS SS HB 709 (Fin)

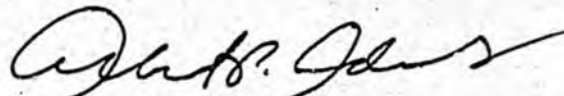
new section 1 :

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HOUSE JOURNAL

LETTER OF INTENT
TO
CS SSB 709 (Finance)

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Al Adams, Chairman
House Finance Committee

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSSHB 709
 Title Act Relating to Scholarship Loans
 Requested by House HESS Date 3/31/82

II. FISCAL DETAIL

Agency Affected Education
 Program Category Affected Commission on Postsecondary Education
 BRU, Program, Or Subprogram(s) Affected Student Loan Program
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
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500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	N.A.	0.0	0.0	(135.0)	(395.0)	(759.0)
TOTAL	N.A.	0.0	0.0	(135.0)	(395.0)	(759.0)

FUNDING (Thousands of Dollars)

GENERAL FUND	N.A.	(3,180.0)	(3,561.5)	(4,052.5)	(4,704.5)	(5,507.5)
FEDERAL FUNDS						
OTHER (Specify Source)						
<u>additional interest</u>				135.0	395.0	759.0

POSITIONS

FULL TIME	N.A.	0.0	0.0	0.0	0.0	0.0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

1. Interest accrual at the new rate of 6% will result in addition revenue to the student loan revolving fund:

FY 83	-0-	FY 86	\$ 395.0
FY 84	-0-	FY 87	\$ 759.0
FY 85	\$135.0	FY 88	\$1,388.3

2. 53% of undergraduates will attend outside of Alaska.
 80% of those students will borrow over \$5000 @ an average of \$500 per student.

IV. DATE March 31, 1982

PREPARED BY Kerry D. Romesburg

AGENCY Commission on Postsecondary Education

Original: Legislative Finance

PHONE 465-2854

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSSHB 709
 Title Act Relating to Scholarship Loans
 Requested by House HESS Date 3/30/82

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GENERAL FUND	N.A.	0.0	0.0	395,000	759,000	1,388,300
FEDERAL FUNDS						
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POSITIONS

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IV. DATE March 30, 1982

PREPARED BY Kerry D. [Signature]
 AGENCY Commission on Postsecondary Education
 PHONE 465-2854

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

from Kerry Romesburg's office:

student loans

AS 14.40.765 (b) is amended to read:

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THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SSHB 709
Title An Act Relating to Student Loans
Requested by House HESS Date 3/2/82

II. FISCAL DETAIL

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Program Category Affected Postsecondary Education Commission
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TOTAL	N.A.	-0-	(4,684.0)	(19,576.0)	(34,580.4)	(40,440.0)

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FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

1. Assumptions for impact:

- a. student mix will remain 90% undergraduate, 10% graduate
- b. average loans will be:

	Undergraduate	Graduate	c. Cost Total	d. Savings (Difference)
1982-83	\$4,000	\$5,400	\$ 62,100,000	\$ -0-
1983-84	4,000	5,950	70,476,000	4,684,000
1984-85	4,000	6,000	77,616,000	19,176,000
1985-86	4,000	6,000	85,377,600	33,540,400
1986-87	4,000	6,000	94,080,000	38,640,000
e. 6% interest, accrual immediately				
1982-83	-0-	1984-85 400,000	1986-87	1,800,000
1983-84	-0-	1985-86 1,040,000	1987-88	3,800,000

*receipts
6 m.*

IV. DATE March 2, 1982 PREPARED BY Kerry D. Rosenberg
AGENCY Commission on Postsecondary Education
PHONE 465-2854

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

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TWELFTH LEGISLATURE

FISCAL NOTE

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Bill/Resolution No. CSSSHB 709
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 Requested by House HESS Date 3/26/82

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 Program Category Affected Commission on Postsecondary Education
 BRU, Program, Or Subprogram(s) Affected Student Loan Program
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	N.A.	0.0	0.0	(400.0)	(1,040.0)	(1,800.0)
TOTAL	N.A.	0.0	0.0	(400.0)	(1,040.0)	(1,800.0)

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	N.A.	0.0	0.0	(400.0)	(1,040.0)	(1,800.0)
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME	N.A.	0.0	0.0	0.0	0.0	0.0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

1. Interest accrual at the new rate of 6% will result in additional revenue to the student loan revolving fund:

FY83	-0-	FY86	\$1,040,000
FY84	-0-	FY87	\$1,800,000
FY85	\$ 400,000	FY88	\$3,800,000

IV. DATE 26 March 1982

PREPARED BY Kerry D. Romesburg

AGENCY Commission on Postsecondary Education
 PHONE 465-2854

Original: Legislative Finance
 cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

Adams



Alaska State Legislature

House of Representatives

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO: Members of House Finance Committee

FROM: *MB* Ralph Bennett, Aide to Representative Montgomery

DATE: March 11, 1982

SUBJECT: Brief Review of CS for HB 709. (HESS)

- 1.) The HESS substitute would change the maximum loan duration to four (4) years for both undergraduates and graduate students from the previous five (5) year duration. The one exception to the maximum of four years of study at either level, is in instances where the normal course of study, as outlined by the institution is longer (i.e., in the case of many architectural programs). The total loan limit remains the same for combined graduate and undergraduate eligibility at eight (8) years.
- 2.) Interest rates for both graduate and undergraduate loans would be raised from current five (5) percent to six (6) percent per annum.
- 3.) Loan repayment for those individuals with military deferments would be triggered after the first term of enlistment of up to four (4) years. The current law could exempt the loan recipient from repayment for an indefinite period if the individual chose to re-enlist or elect to make military service a career.
- 4.) New language is added to AS 14.40.765 which would effectively preclude a person, who is in default or delinquent on a previous scholarship loan, from obtaining another loan of the same type.
- 5.) A new section, AS 14.40.766, is added setting out three separate application deadlines during the calendar year for discrete semesters. The new section also requires applications from four people attesting that the applicant has been physically present in the State for at least two years immediately before the application filing or was in the military or an approved educational program.
- 6.) References in AS 14.40.767 (the section addressing loan grants based on point accumulations) related to the current May 15th application deadline are deleted.

Original sponsors: Beirne, Martin
and Halford

Offered: 3/5/82
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 709 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND 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 14.40.763(d) is amended to read:

10 (d) Scholarship loans may not be made to a borrower [STUDENT]

11 (1) for more than four [FIVE] years of undergraduate study
12 unless the program of study requires more than four years attendance,
13 and in that case the loans may be made for not more than five years of
14 undergraduate study;

15 (2) for more than four [FIVE] years of graduate study unless
16 the program of study requires more than four years attendance, and in
17 that case the loans may be made for not more than five years of graduate
18 study;

19 (3) for more than a total of eight years of undergraduate and
20 graduate study.

21 * Sec. 2. AS 14.40.763(f) is amended to read:

22 (f) Interest on a loan given under AS 14.40.751 - 14.40.806 is at
23 the rate of six [FIVE] percent a year.

24 * Sec. 3. AS 14.40.763(k)(2) is amended to read:

25 (2) serving a first enlistment period of up to four years on
26 active duty as a member of the armed forces of the United States;

27 * Sec. 4. AS 14.40.765(a) is amended by adding a new paragraph to read:

28 (4) is not delinquent or in default on a previously awarded
29 scholarship loan.

1 * Sec. 5. AS 14.40 is amended by adding a new section to read:

2 Sec. 14.40.766. APPLICATION. (a) An application for a scholar-
3 ship loan must be filed with the commission by

4 (1) July 15 for a semester beginning July 1 to October 31 of
5 that year;

6 (2) November 15 for a semester beginning November 1 of that
7 year to February 29 of the following year;

8 (3) March 15 for a semester beginning March 1 to June 30 of
9 that year.

10 (b) Affidavits from at least four residents other than the appli-
11 cant must be submitted with an application for a scholarship loan. Each
12 affidavit must state that the affiant knows that the applicant has been
13 physically present in the state for at least two years immediately
14 before the date the application is filed or was absent during any part
15 of the two years due to military service or attending the career educa-
16 tion program, college or university identified in the affidavit. Each
17 affidavit must bear a printed notice that a false statement made in it
18 is an offense punishable by law. For purposes of this subsection resi-
19 dents are individuals who have been physically present in the state for
20 at least two years immediately before the date the application for a
21 scholarship loan is filed.

22 * Sec. 6. AS 14.40.767(a) is amended to read:

23 (a) The selection committee shall grant loans based on total point
24 accumulations under this subsection with priority going to those appli-
25 cants with the highest point accumulations, except as provided in (b) of
26 this section [FOR LOAN APPLICATIONS COMPLETED BEFORE MAY 15 OF EACH
27 YEAR]. Points shall be awarded to applicants based upon student status
28 and continuous Alaskan residency, according to the following schedule:

29 (1) student status:

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(A) continuing undergraduate and graduate students with existing Alaska scholarship loans..... 4 points

(B) continuing undergraduate and graduate students without existing Alaska scholarship loans..... 3 points

(C) freshmen..... 2 points

(D) new graduate students without existing Alaska scholarship loans..... 1 point

(.) continuous Alaskan residency:

(A) students with continuous Alaskan residency of 10 years or more..... 3 points

(B) students with continuous Alaskan residency of at least 5 years and less than 10 years..... 2 points

(C) students with continuous Alaskan residency of more than 2 years and less than 5 years..... 1 point

(3) students attending Alaska colleges or universities 1 point

* Sec. 7. AS 14.40.767(b)(2) is repealed.

* Sec. 8. This Act takes effect July 1, 1982.

Introduced: 2/22/82
Referred: Health, Education &
Social Services and Finance

1 IN THE HOUSE

BY BEIRNE, MARTIN AND HALFORD

2 SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 709

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND 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 14.40.759 is amended to read:

10 Sec. 14.40.759. UNDERGRADUATE LOANS. The committee may make a
11 loan, not to exceed \$4,000 [\$6,000] in any one school year, to an under-
12 graduate student eligible under AS 14.40.765.

13 * Sec. 2. AS 14.40.761 is amended to read:

14 Sec. 14.40.761. GRADUATE LOANS. The committee may make a loan,
15 not to exceed \$6,000 [\$7,000] in any one school year, to a graduate
16 student who is eligible under AS 14.40.765 and is pursuing an advanced
17 degree.

18 * Sec. 3. AS 14.40.763(c) is amended to read:

19 (c) To maintain a loan the student must continue to be enrolled as
20 a full-time student in good standing in a career education program,
21 college or university designated under (b) of this section. The com-
22 mission shall adopt regulations defining "full-time" for purposes of
23 this subsection as at least 26 semester hours or an equivalent amount
24 of study each year for an undergraduate student. The commission shall
25 adopt regulations defining "good standing" for purposes of this subsec-
26 tion as maintaining not less than a 2.0 or equivalent grade point average
27 (based on a 4 point grading system) for each academic year. The require-
28 ment that a student be enrolled as a full-time student in good standing
29 may be waived by the commission for a disadvantaged student for good

1 cause. At the end of each academic year the student shall submit proof
2 to the committee of the number of credit hours completed and grades
3 received.

4 * Sec. 4. AS 14.40.763(d) is amended to read:

5 (d) Scholarship loans may not be made to a student

6 (1) for more than four [FIVE] years of undergraduate study;

7 and

8 (2) for more than four [FIVE] years of graduate study [;

9 (3) FOR MORE THAN A TOTAL OF EIGHT YEARS OF UNDERGRADUATE AND
10 GRADUATE STUDY].

11 * Sec. 5. AS 14.40.763(f) is amended to read:

12 (f) Interest on a loan given under AS 14.40.751 - 14.40.806 is at
13 the rate of six [FIVE] percent a year. Interest accrues beginning on
14 the day the borrower receives the money until principal and interest on
15 the loan are fully repaid.

16 * Sec. 6. AS 14.40.765(b)(1) is amended to read:

17 (1) has been physically present in the state for at least two
18 years immediately before the date the application is filed. [UNLESS HIS
19 ABSENCE FROM THE STATE DURING ANY PART OF THE TWO YEARS WAS DUE TO
20 MILITARY SERVICE; OR]

21 * Sec. 7. AS 14.40 is amended by adding a new section to read:

22 Sec. 14.40.766. APPLICATION. (a) An application for a scholar-
23 ship loan for an academic year must be filed with the commission by
24 May 15 of the previous academic year.

25 (b) Affidavits from at least four residents other than the appli-
26 cant must be submitted with an application for a scholarship loan. Each
27 affidavit must state that the affiant knows that the applicant is a
28 resident and has been in the state for at least two years immediately
29 before the date the application is filed. Each affidavit must bear a

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printed notice that a false statement made in it is an offense punishable by law. For purposes of this subsection a resident is a person who has been physically present in the state for at least two years immediately before the date the application for a scholarship loan is filed.

* Sec. 8. AS 14.40.765(b)(2) is repealed.

* Sec. 9. This Act takes effect July 1, 1982.