

H B

2009

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

(5)

2/22/82

Date: \_\_\_\_\_

Mr. Speaker:

HEALTH, EDUCATION  
SOCIAL SERVICES

The Committee on \_\_\_\_\_ has had CS SSB 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 \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

*Bette A. ...*  
\_\_\_\_\_  
*Sally ...*  
\_\_\_\_\_  
*Tere ...*  
\_\_\_\_\_  
*...*  
\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

*...*  
\_\_\_\_\_  
 CHAIRMAN

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED  
AS A UNIT IN THE ORIGINAL DOCUMENT.

# STATE OF ALASKA

## ALASKA COMMISSION ON POSTSECONDARY EDUCATION

FEB 12 1981  
JAY S. HAMMOND, GOVERNOR

POUCH F - STATE OFFICE BUILDING  
JUNEAU, ALASKA 99811  
(907) 465-2854

### MEMORANDUM

TO: Members of Senate Health, Education and Social Services  
Committee

Senator Charles Parr, Chairman  
Senator Terry Stimson, Vice Chairman  
Senator Vic Fischer  
Senator Tim Kelly  
Senator Mike Colletta

FROM: Kerry D. Romesburg, Executive Director  
Alaska Commission on Postsecondary Education

DATE: February 11, 1981

A number of questions were raised during the recent Senate HESS hearing on SB 120, dealing with the student loan program. I believe I am addressing all of the questions with this memorandum and accompanying information sheets. In presenting these responses, I shall try to refer to them in reference to the question asked.

1. How many individuals are in the repayment cycle of student loans?  
What is the default rate of individuals, as opposed to dollar amount?

Response. Item 6 on page 2 of the enclosed revised "Fact Sheet" lists the total number of individuals who are in repayment, including those current in payments, past due, and in default (120+ days). The default rate on an individual basis, for January, is 14.8%.

2. What is the average length of residency of our student loan borrowers?

Response. I have added another item to the "Fact Sheet." Under Item 11(a), I have included data on residency. Two aspects of these data are interesting. One, 30% of the borrowers are lifelong Alaska residents, and two, the percentage of short-residency borrowers increases dramatically the junior, senior, and graduate years.

3. What is the age pattern of our student loan borrowers?

Response. Age data are now included in Item 11(b) of the revised "Fact Sheet."

17,000  
2,000  
26,000

10. Sample Costs:

a. Single Student College-Approved Budgets (1980-81)

	<u>Undergraduate</u>	<u>Graduate</u>
University of Alaska, Anchorage	\$5,922	\$8,500
University of Alaska, Fairbanks	3,814	5,684
University of Washington	5,654	7,120
Gonzaga University	7,010	7,940
Western Washington University	6,280	7,890
University of Oregon	6,940	8,120
University of Colorado	8,150	9,540
Starford University	9,800	11,250

*Student Housing is the difference*

b. Tuition and/or Required Fees (1980-81)

\* Non-resident

	<u>Undergraduate</u>	<u>Graduate</u>
University of Alaska, Fairbanks	\$ 562	\$ 792
University of Arizona*	2,500	2,500
University of Colorado*	3,584	3,752
University of Hawaii	480	582
University of Idaho*	1,990	2,000
University of Oregon*	3,431	2,433
University of Washington*	2,394	2,736

It would be most interesting to compare the college credits earned per dollars given in student loans to attend an out-of-state University. To begin with every student is full time taking 12 to 15 hrs per semester at a minimum. Taking the out of state loans granted for 1980-81 academic year  $3,482 \times 24$  credit hrs per year equals 90,532 true college credits. (58.2% of total state loans) at a cost of \$9,280,000 equal approx \$102 per credit hr.

The State of Alaska will pour over \$20 million into out of state Universities in direct student loans

6. Past Due and Default Loans

Past Due	October		November		December		January	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
31-60 days	484	1,171,102	478	1,032,186	547	1,174,413	508	1,053,685
61-90	204	451,853	268	649,596	288	585,991	295	585,775
91-120	180	505,039	178	389,083	188	463,252	193	385,664
120+	878	1,981,084	909	2,038,126	954	2,096,983	927	2,154,220
<b>TOTAL</b>	<b>1,746</b>	<b>4,109,078</b>	<b>1,833</b>	<b>4,108,991</b>	<b>1,977</b>	<b>4,320,639</b>	<b>1,923</b>	<b>4,179,344</b>
<b>Default Rate</b>	<b>11.2%</b>		<b>11.2%</b>		<b>11.3%</b>		<b>11.3%</b>	

7. Current Year (as of 1/14/81)

	<u>In-State</u>	<u>Out-of-State</u>	<u>Total</u>
Freshman	864 (46.0)	1,014 (54.0)	1,878
Sophomore	512 (41.1)	734 (58.9)	1,246
Junior	399 (41.0)	575 (59.0)	974
Senior	327 (46.0)	384 (54.0)	711
Vocational	173 (40.9)	250 (59.1)	423
Sub-Total	2,275 (43.5)	2,957 (56.5)	5,232
Graduate	123 (19.0)	525 (81.0)	648
<b>TOTAL</b>	<b>2,398 (40.8)</b>	<b>3,482 (58.2)</b>	<b>5,880</b>

*obviously  
inflation  
does not  
equal  
decrease  
attendance*

8. Raising Loan Limits

Undergraduate	\$2,500	\$4,500	\$5,000
Graduate	\$6,000	\$7,500	\$7,000
1981-82 Cost	\$1,575,700	\$3,619,600	\$4,041,704

9. Other Issues

- ~~Adding a section which states that if a person allows the loan to become default (120+ days past due), all cancellation benefits are forfeited.~~
- ~~Providing additional cancellation for in-state attendance, for example, an additional 5% per year of attendance, for up to a maximum of 20%.~~
- Providing additional cancellation for maintaining a "B" grade average for undergraduates, for example, an additional 5% upon graduation.
- Providing grant provisions for Alaskan borrowers age 60 and over.

## Alaska Student Loan Program

### Fact Sheet

1. Total Loans 1971-72 through 1979-80:

Undergraduate	16,359	\$ 30.4 million
Graduate	2,210	7.4 million
<b>Total</b>	<b>18,569</b>	<b>\$ 37.8 million</b>

2. Current Year

(1980-81, as of 1/14/81):

5,880 loans \$ 11.4 million

3. Percent Loans In-State/Out-of-State (1979-80):

*1981-82 as of 9/5/81*

*10,500*

*\$ 26.0 million + approx 5 Mb needed for 4 yrs completion in supplemental 1982 request*

	<u>In-State</u>		<u>Out-of-State</u>
Undergraduate	36.1 (43.5)		63.9 (56.5)
Graduate	12.3 (19.0)		87.7 (81.0)

4. Loan Collections (per month average):

1974-75	\$ 19,623
1975-76	38,794
1976-77	95,122
1977-78	99,321
1978-79	115,970
1979-80	133,620
1980-81 (est.)	170,000

5. Loan Cancellations (per month average):

1974-75	\$ 59
1975-76	3,686
1976-77	5,396
1977-78	26,192
1978-79	37,165
1979-80	34,125
1980-81 (est.)	45,000

*Passing the student loans will prove most detrimental to the <sup>University</sup> budget and system*

*1) More students will go out of state even if it cost them more. They borrow twice as much as and twice as much as foreign. A student literally*

## Alaska Student Loan Program

### Fact Sheet

1. Total Loans 1971-72 through 1979-80:

Undergraduate	16,359	\$ 30.4 million
Graduate	<u>2,210</u>	<u>7.4 million</u>
<u>Total</u>	18,569	<u>\$ 37.8 million</u>

2. Current Year

(1980-81, as of 1/14/81):

5,880 loans

\$ 16.0 million

*average under \$ 3,000*

3. Percent Loans In-State/Out-of-State (1979-80):

	<u>In-State</u>	<u>Out-of-State</u> ✕
Undergraduate	36.1 (43.5)	63.9 (56.5) ✕
Graduate	12.3 (19.0)	87.7 (81.0) ✕

4. Loan Collections (per month average):

1974-75	\$ 19,623
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1975-76	3,686
1976-77	5,396
1977-78	26,192
1978-79	37,165
1979-80	34,125
1980-81 (est.)	45,000

6. Individuals in Repayment

Account Status	October		November		December		January	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Current	4,121	9,833,332	4,168	10,179,855	4,115	10,214,971	4,257	10,736,864
31-60 days	484	1,171,102	478	1,032,186	547	1,174,413	508	1,053,685
61-90	204	451,853	268	649,596	288	585,991	295	585,775
91-120	180	505,039	178	389,083	188	463,252	193	385,664
120+	878	1,981,084	909	2,038,126	954	2,096,983	927	2,154,220
<b>TOTAL</b>	<b>5,867</b>	<b>13,942,409</b>	<b>6,001</b>	<b>14,288,857</b>	<b>6,092</b>	<b>14,535,610</b>	<b>6,250</b>	<b>14,916,209</b>
Default Rate	11.2%		11.2%		11.3%		11.3%	

7. Current Year (as of 1/14/81)

	In-State	Out-of-State	Total
Freshman	864 (45.0)	1,014 (54.0)	1,878
Sophomore	512 (41.1)	734 (58.9)	1,246
Junior	399 (41.0)	575 (59.0)	974
Senior	327 (46.0)	384 (54.0)	711
Vocational	173 (40.9)	250 (59.1)	423
Sub-Total	2,275 (43.5)	2,957 (56.5)	5,232
Graduate	123 (19.0)	525 (81.0)	648
<b>TOTAL</b>	<b>2,398 (40.8)</b>	<b>3,482 (58.2)</b>	<b>5,880</b>

6.50 increase in avg.

8. Raising Loan Limits

*Extremely low estimate to get approval. See reality today.*

Undergraduate	\$3,500	\$4,500	\$5,000	<del>\$6,000</del>
Graduate	\$6,000	\$7,500	\$7,000	<del>\$7,500</del>

1981-82 Cost \$1,575,700 \$3,619,600 \$4,041,704

Y 10,500 applicants

9. Other Issues

- Adding a section which states that if a person allows the loan to become default (120+ days past due), all cancellation benefits are forfeited.
- Providing additional cancellation for in-state attendance, for example, an additional 5% per year of attendance, for up to a maximum of 20%.
- Providing additional cancellation for maintaining a "B" grade average for undergraduates, for example, an additional 5% upon graduation.

d. Providing grant provisions for Alaskan borrowers age 60 and over.

*What a way to "go" out of state for 4 or 5 yrs*

*while getting pensions, longevity, etc., etc.,*

February 19, 1982

Representative Terry Martin  
Pouch V  
Juneau, Alaska 99811

Dear Representative Martin:

Thank you for asking students to respond to the possible changes in the student loan program. As a \$6,000 recipient this year, I could not have attended Tufts University without that assistance. I chose Tufts because it had a combined liberal arts and engineering program for the first two years, was in a different part of the country where I could get a different perspective on this country, had four seasons, and because it has a tennis team. I did have a full scholarship offer to go to UA Fairbanks if I would major in petroleum engineering, but most students aren't sure what their major will be until after a couple of years and besides it's too cold up there and they don't have many sports. If you stay in Alaska all the time, you don't really learn anything about the rest of the country, and I think college should be a broadening experience. I do plan to come back to Alaska upon graduation to work; and because there is the incentive of the loan program for forgiveness of some of the loan. Without that incentive, I doubt if many students would come back.

The following are my comments to the alternatives:

1. I approve of alternate one - application deadlines and strictly adhering to them. Although I think June 15 would be better, as most all students know by then where they are going in the fall, and it would give the state more time to get the loans to the schools - as schools bill for the first semester in August. July would be pushing it.
2. Loans and grade point average. I don't care if you raise the g.p.a. to 2.5 or 3.0 as I have a 3.75 average and am planning to study hard to maintain as high an average as possible. However, you must remember that differences between schools and grading has a very wide range - some schools even operate on a pass fail system with no letter grades. A 3.0 average at a school like Harvard, Bates, Amherst is accomplished by very few; while at Univ. of Alaska Fairbanks, Puget Sound, Univ. of Washington etc. there are majors where a 3.0 is not that hard to get. I would suggest that you not consider raising it higher than 2.5 - if that. I realize that the state is trying to save money, but I would remind you that the state's greatest resource is its people and future leaders - not oil, fishing or timber. They are worthless without the people to manage them.
3. If there really is potential abuse regarding residency, I have no problem with obtaining the four references, however, in most cases, documentation from a high school should help prove residency for the majority.
4. I oppose the needs test for the most part as it is too arbitrary. My brother and I are both going to be attending college this next fall and our total cost including transportation, expenses, etc. will be over \$20,000. Another student may attend U of A Fairbanks with expenses of less than \$5,000. How do you determine need fairly with this kind of difference? Some parents have big write offs, others do not - some people earning \$70,000 a year pay

no taxes while others have to go to the bank to borrow money to pay taxes. I don't feel this is the best way to cut back and save on the program, as there are too many variables.

5. Denying loans for foreign study makes no sense at all. The majority of students studying abroad are in bonafied programs where 1 year study abroad is part of their regular college's offering. For those who master a foreign language - the bonus to Alaska is greater as these young people may later represent Alaska in foreign trade or economic negotiations and will be able to speak that language - whether Japanese or French or German.
6. Denying loans to freshmen is not totally fair either, as the costs are just as high for them as they are to upper classmen. It is true, however, that some freshmen do have access to one year scholarships that are given locally by such organizations as ARCO, SOHIO etc., and I suppose a loan could be decreased by the amount a student might receive in a scholarship, but it would be very difficult to enforce and again would be arbitrary as some schools charge so much more than others, so I guess that wouldn't be such a hot idea. I do agree that the student must be enrolled in full time, and that loan could not exceed the costs of the school.
7. I have no problem with restricting the loan to room, books, board tuition and fees. This is fair -- although some students, like me have to pay a lot in air fare to get to school and we don't get home for vacations unless our parents are rich -- which ultimately discriminates against the middle and low income families whose children are far away.
8. Rolling back the minimums when college costs are rising fast would be to force students to attend schools who charge less, and perhaps deny them the best education possible. Again the rich don't need to worry, but the others would be forced to take a college where they might not want to go -- thus denying them freedom of choice.
9. Is the purpose of the loan program to earn money or make it possible for students to get a good education and be productive Alaskans when they graduate? Like home loans now, many of us - with a 5% loan - are going to be faced with huge repayments on graduation and with home prices out of site - the outlook will be dismal. Raising the loan amount will make it worse - although 6 or 7 % might be acceptable.
10. I have no problem with raising the residency requirement to 3 or 4 years, although - it might be unconstitutional and is discriminatory, but if you can do it - I have no problem.
11. Forgiveness - whether 40 or 50% is absolutely necessary if the intent of the program is to retain students in the Alaska work force on graduation. I think it is a necessary price for Alaska to pay. Businesses do things like pick up mortgages, pay COLA allowance, and give free trips outside each year to families because they are in Alaska -- that should tell you something about the problem of keeping people here. Not everyone likes the cold and dark, so some incentive is needed.

12. I have touched on the freedom of choice, experience in another part of the country etc. But, most of all the Universities, although good in Alaska, just do not offer the total college curriculum or well rounded campus experience that many students want. Univ. of Alaska Anchorage this year closed many of their classes before many students had a chance to register, are crowded and are not being allowed to grow equal to the demand in student enrollment..
13. If the intent is to earn a lot of money in interest and saddle new graduates with large monthly payments when they are just entering the job market - then this method would apply. If salaries are going to increase comparably and a new worker could afford the interest - maybe. But if increases in rent and housing keep increasing the way they are, students will have a hard enough time making with the current program.
14. This might be all right if 1. the forgiveness provisions were left in place and 2. the qualification for need included the cost of the college being attended and not totally based on the families income.
15. Staffing should be at a level whereby loans are paid to colleges so that they meet the college deadlines for payment at the bursar's office. When that payment doesn't come in, believe me, we have to go through all kinds of paper work and it is a pain.
16. The revolving base process makes a lot of sense and should help with the staffing work load.
17. Institutional sign off is the one way the State can be assured that the costs the student lists are accurate. Every college publishes costs before each new semester, and a copy of those published costs could be included as proof. Perhaps the state could send the loan forms directly - rather than have the student send them.
18. With a good computer system program, the state should be able to run the collection itself, and save money from hiring someone from outside. A good system should help keep staff at a reasonable level.
19. Agree
20. Scholarships - I was valedictorian of East High School my senior year with a 4. average. I am maintaining a 3.75 average in college taking courses like physics, calculus, French, English and Engineering design. Yet, although scholastic excellence is stressed by everyone, I did not receive any scholarship for doing well. If a scholarship were established it would be a real incentive for some young people -- some don't need the incentive, because they have pride in doing the best they can.

Thank you for offering me this opportunity. I'll be sending copies of this to Rep. Barnes and Rep. Anderson, my representatives, and I do hope you will pass my comments on to other members of your committee for their consideration. The question is, how much do you want your future leaders in debt when they start to make their contribution to the state. Is the program an investment in our state, or an income producer? I will gladly pay my debt, but an incentive will make it that much more palatable.

Tufts University  
Miller Hall - Box 202  
Medford, Massachusetts 02155

Sincerely,

*Scott C. Beardsley*  
Scott Beardsley

**STATE OF ALASKA**

# **STUDENT LOAN PROGRAM**

**ANNUAL REPORT  
1980-1981**

**Alaska Commission on Postsecondary Education  
Pouch F  
Juneau, Alaska 99811**



DATE 2-12-82 HOUR 10:43m

TO Terry

**WHILE YOU WERE OUT**

BY "Pudge" Kleinkauf

OF \_\_\_\_\_

PHONE 913-263-1725 913-279-0256

AREA CODE                      PHONE NUMBER

TELEPHONED	<input checked="" type="checkbox"/>	RETURNED CALL	<input type="checkbox"/>	LEFT PACKAGE	<input type="checkbox"/>
PLEASE CALL	<input type="checkbox"/>	WAS IN	<input type="checkbox"/>	PLEASE SEE ME	<input type="checkbox"/>
WILL CALL AGAIN	<input type="checkbox"/>	WILL RETURN	<input type="checkbox"/>	IMPORTANT	<input type="checkbox"/>

MESSAGE

Re: HB 699- Community meeting

Raleigh Hills Hospital Outpatient

for Alcoholism Home (Hospital) spread

She spread to me. get Carnegie House

if money not approp. by HB 699

SIGNED m.

STATE OF ALASKA

STUDENT  
LOAN  
PROGRAM

ANNUAL REPORT  
1980-81

Alaska Commission on Postsecondary Education  
Pouch F  
Juneau, Alaska 99811

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

Ms. Donn's Thompson, (Chair. an, Kenai)  
Mrs. Mildred Banfield (Juneau)  
Mr. Fred J. Baxter (Juneau)  
Representative Thelma Buchholdt (Anchorage)  
Mr. Lee Demmert (Sitka)  
Mr. Walter Furnace (Anchorage)  
Ms. Thelma Langdon (Anchorage)  
Mrs. Elizabeth Lomen (Fairbanks)  
Mr. John Malone (Bethel)  
Mr. John Shively (Anchorage)  
Senator Terry Stimson (Anchorage)  
Mrs. Blanche Walters (Nome)  
Mr. Walter Ward (Soldotna)

COMMISSION OFFICE

Dr. Kerry D. Romesburg  
Executive Director  
Alaska Commission on Postsecondary  
Education  
Pouch F, State Office Building  
Juneau, Alaska 99811  
(907) 465-2854

DIVISION OF STUDENT FINANCIAL AID

Ms. Julie Bennett  
GSL Program Officer

Ms. Barbara Hanon  
Repayment Officer

Ms. Billie Jean Hall  
Loan Awards Officer

Ms. Bette Hamm  
Collections Officer

Division of Student Financial Aid  
Pouch F, State Office Building  
Juneau, Alaska 99811  
(907) 465-2962

PREFACE

The Annual Report of the Alaska Student Loan Program for 1980-81 is hereby transmitted to the Governor and the Legislature of the State of Alaska. The Student Loan Program is administered by the Alaska Commission on Postsecondary Education with advice and guidance of the Student Financial Aid Advisory Committee. Membership of this advisory committee for 1980-81 included:

Mrs. Mildred Banfield (Chairman, Juneau)  
Mr. Fred Baxter (Juneau)  
Mr. Walter Furnace (ex officio, Anchorage)  
Ms. Ida Greiner (Fairbanks)  
Ms. Marie MacKenzie (Anchorage)

The Commission and staff wish to express their gratitude for the work of this advisory committee.

  
Kerry D. Konesburg  
Executive Director

July 1981  
\_\_\_\_\_  
(Date)

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## Introduction

The 1971 Alaska State Legislature established the Alaska Student Loan Program to provide low cost educational loans to Alaskan students enrolled in undergraduate, graduate, or career degree programs. In the ten years of operation, from 1971-72 through 1980-81, over 25,000 loans have been awarded to Alaskans pursuing education at the postsecondary level. These loans have a combined total of over \$53 million in state financial assistance.

Educational loans of up to \$3,000\* and \$5,000\* per year for undergraduate and graduate study, respectively, are provided to eligible state residents. These need-based loans offer the borrower a ten-year repayment period at an annual interest rate of five percent. The loans may be used for attendance at any accredited or approved college, university, or vocational-technical program. An incentive, in the form of up to fifty percent cancellation, is offered to those borrowers who reside in Alaska after completion of their programs of study.

\*The 1980 Alaska State Legislature has raised these maximums to \$6,000 and \$7,000 for the 1981-82 loan year.

## Program Summary

1980-81 was the tenth year of operation for the Alaska State Student Loan Program. The program has now provided 25,029 loans, totalling \$53,738,827. During 1980-81, 6,460 loans were awarded (over one-third the number awarded during the previous nine years); of these, 57.7 percent were for loans for postsecondary attendance out-of-state, and 42.3 percent were for attendance in Alaska.

Undergraduate loans continue to dominate the loan volume, with only 11.0 percent of 1980-81 loans going for graduate study, and freshman loans also continue to be the largest loan group. In 1980-81, 31.0 percent of the loans were for freshman borrowers.

Alaskans use these loans for study throughout the United States, and in a few cases, in foreign countries. During the 1980-81 loan year, students used state loans for attendance in every state except Delaware. The most frequent choice continues to be Alaska by over a three-to-one margin over any other state.

## Loan Award Amounts

The average loan award continues to rise as the cost of postsecondary attendance increases. The over-all average loan in 1980-81 was \$2,475, a 3.4 percent increase over the \$2,393 average award for 1979-80, and a 66.9 percent increase over the \$1,483 average for 1971-72. This trend is graphically presented in Figure 1 for in-state, out-of-state and total loans of the program. All loans, whether in-state or out, have continued to rise in 1980-81. This is in part a reflection of the increased loan maximum for undergraduates, which in 1978-79 changed from \$2,500 to \$3,000. Accordingly, with the increases for the 1981-82 loan year, the average loan awards will continue this upward trend in the years to come.

Table 1 contains average loan amounts by student level for the last two loan years, 1979-80 and 1980-81. In general all loans, regardless of level have increased from last year to this, and loans for students attending out-of-state are higher than those for attending in-state.

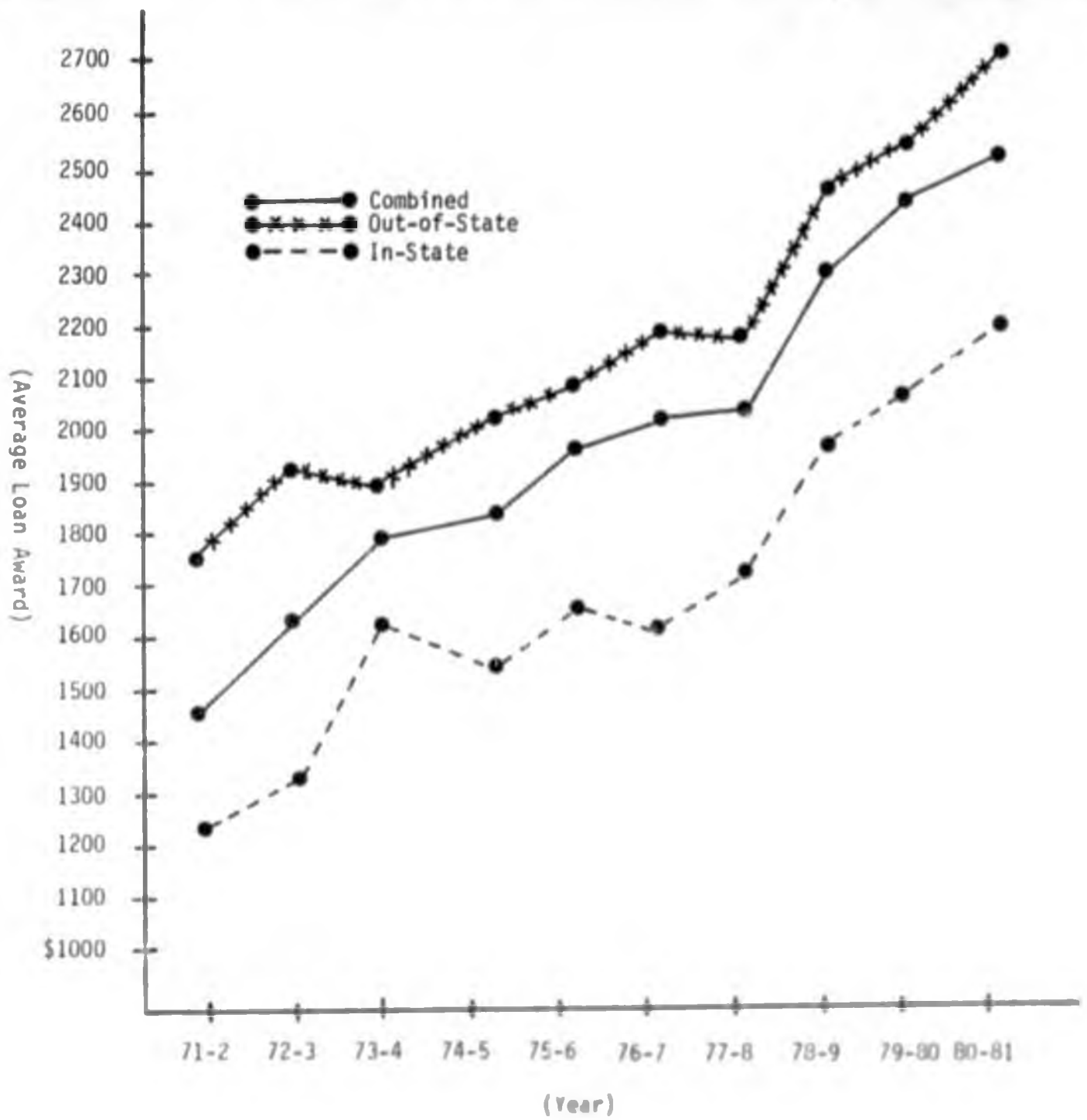


FIGURE 1

MEAN LOAN AMOUNT FOR ALL LOANS  
IN-STATE, OUT-OF-STATE, AND COMBINED

TABLE 1  
MEAN LOAN AMOUNT PER RECIPIENT BY  
IN-STATE/OUT-OF-STATE AND STUDENT LEVEL  
1979-80 and 1980-81

Student Level	In Alaska		Out-of-State		Combined	
	79-80	80-81	79-80	80-81	79-80	80-81
Freshman	\$1,879	\$2,025	\$2,298	\$2,456	\$2,143	\$2,250
Sophomore	1,913	2,102	2,388	2,482	2,222	2,320
Junior	2,027	2,179	2,341	2,459	2,227	2,343
Senior	1,905	2,080	2,375	2,364	2,192	2,258
Vocational	2,766	2,562	2,480	2,561	2,571	2,561
Undergraduate	1,983	2,137	2,356	2,470	2,222	2,319
Graduate	2,906	3,086	3,750	3,891	3,646	3,746
TOTAL	\$2,024	\$2,181	\$2,576	\$2,691	\$2,393	\$2,475

### Undergraduate Loans

The number of undergraduate students receiving loans under the state program has increased greatly over the past ten years. In 1971-72, 990 undergraduates received assistance, while in 1980-81, the number has grown to 5,751 (nearly a 500 percent increase). Of these 5,751 loan recipients, 54.7 percent used their loans for attendance out-of-state, and 45.3 percent used their loans within Alaska. The state's most frequently chosen by undergraduates in 1980-81 are presented in Table 2.

TABLE 2  
TEN TOP STATES OF ATTENDANCE  
FOR ALASKANS WITH  
UNDERGRADUATE LOANS  
1977-78 through 1980-81

STATE	NUMBER				AVERAGE LOAN			
	77-78	78-79	79-80	80-81	77-78	78-79	79-80	80-81
Alaska	713	861	1,245	2,606	\$1,699	\$1,933	\$1,983	\$2,137
Washington	322	352	479	700	1,982	2,226	2,394	2,495
Oregon	220	285	372	500	2,021	2,297	2,360	2,506
California	136	192	191	280	2,000	2,271	2,517	2,519
Colorado	91	144	157	161	2,092	2,501	2,549	2,502
Arizona	49	61	104	142	1,859	2,163	2,261	2,413
Idaho	55	62	94	125	1,824	2,172	2,217	2,407
Utah	42	49	53	85	1,756	1,911	2,091	2,029
Hawaii	42	58	89	79	1,308	1,950	1,888	2,076
Montana	36	41	51	73	1,943	2,285	2,536	2,444
Remaining U.S.	279	347	613	1,000	N.A.	N.A.	N.A.	N.A.
TOTAL	1,985	2,452	3,448	5,751	\$1,854	\$2,139	\$2,393	\$2,319

The consistency of student choice over the past few years is quite high. Alaska remains the most frequent choice for undergraduate attendance this year, as it has been in the past. In fact, the number of undergraduates electing attendance in-state increased by 109.4 percent this year over last.

The average loan amount increased in almost every case, with the most pronounced increase in loans for attendance in Idaho and Hawaii. However, Hawaii continues to be one of the states for which undergraduate loan amounts are the lowest (\$2,076, along with Utah at \$2,029).

The percent of undergraduates using their loans for attendance in Alaska increased rather dramatically this year. In fact, as can be seen in Figure 2, the 1980-81 rate of 45.3 percent is the highest in-state rate since 1972-73.

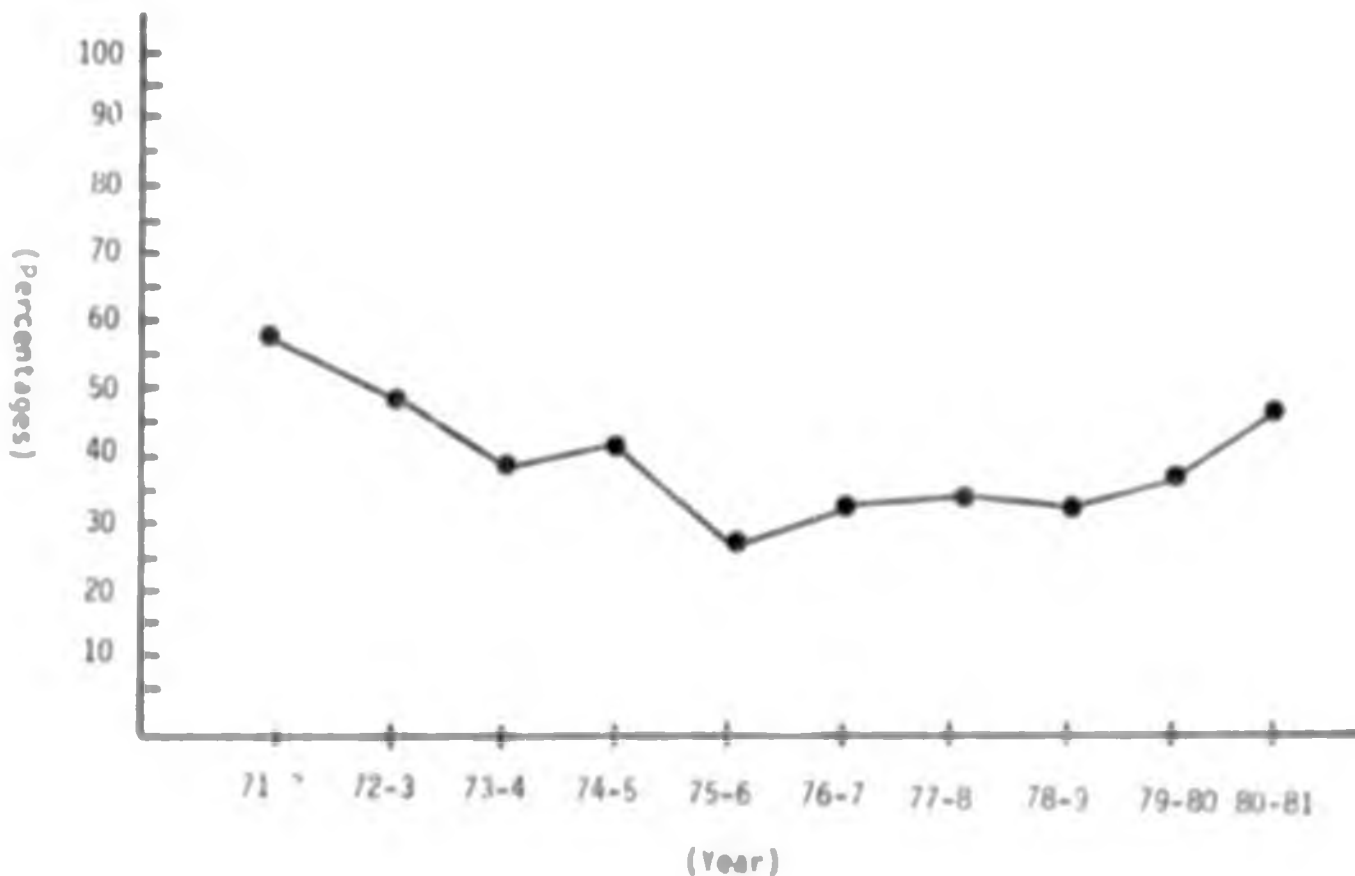


FIGURE 2  
PERCENT OF UNDERGRADUATE LOANS  
USED IN ALASKA

The wide geographic distribution of Alaskans pursuing undergraduate education is shown most vividly in Figure 3, with Alaskan undergraduates attending institutions in every state except Delaware. The predominance of the West and Northwest is quite evident, with only Alaska, Washington, Oregon, California, Colorado, Arizona, and Idaho receiving over 100 Alaskan undergraduates on state loans. Of the thirteen western states comprising the WICHE compact (Western Interstate Commission for Higher Education), only Wyoming, New Mexico, and Nevada received fewer than 21 Alaska undergraduates on state loans. In fact, the WICHE states account for 83.3 percent of the undergraduate loan recipients.

Under the state loan program, Alaskans may pursue their educational goals in whatever setting seems most appropriate for them. The freedom of choice which this provides is quite evident by the wide geographic distribution of our students.

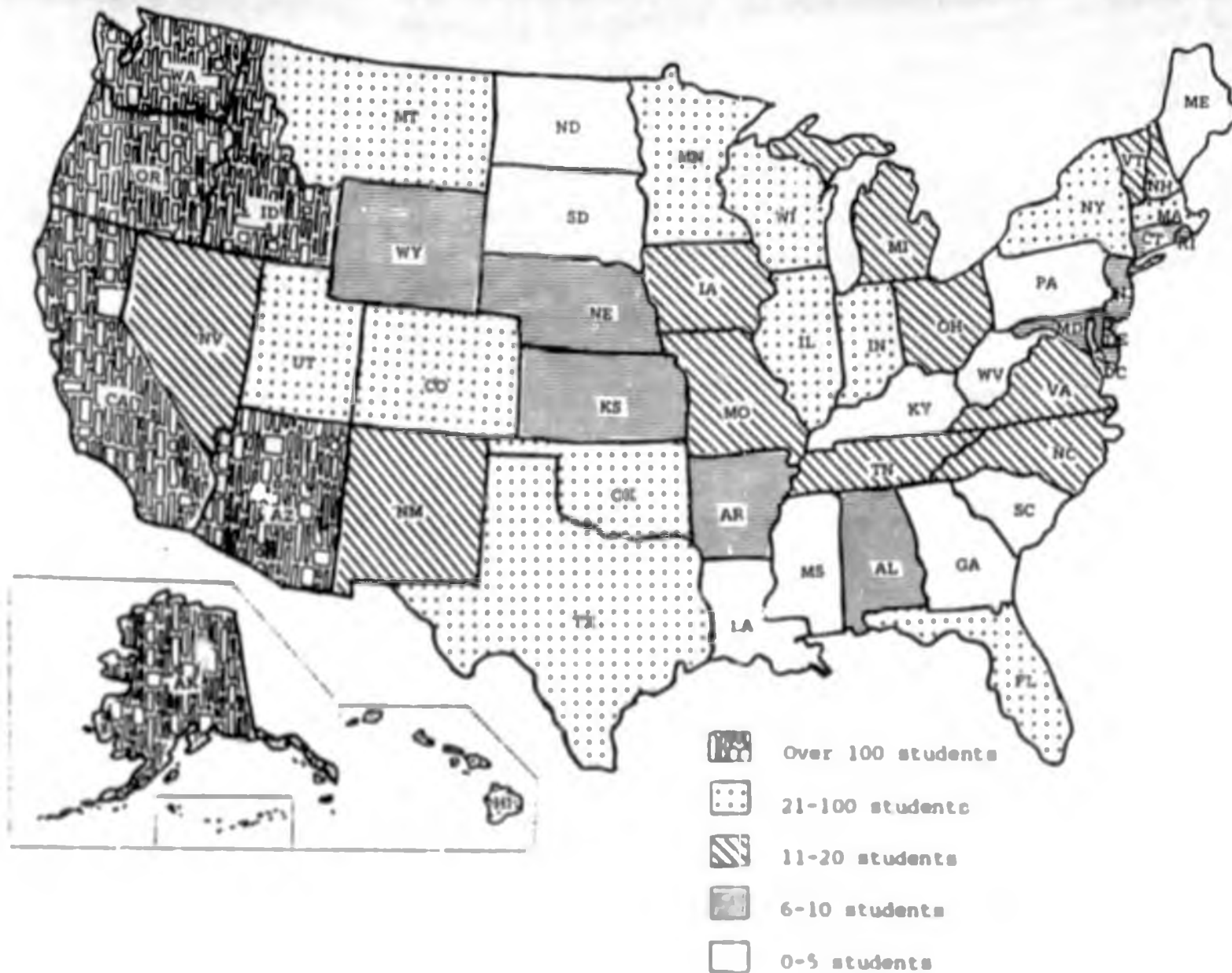


FIGURE 3

GEOGRAPHIC DISTRIBUTION OF ALASKANS UTILIZING  
STATE LOANS FOR UNDERGRADUATE EDUCATION IN 1980-81

### Graduate Loans

The number of Alaskans receiving loans for graduate study has increased by nearly 700 percent since the program began in 1971-72. This year 709 students received assistance for the pursuit of graduate study. Of these 709, 82.1 percent used their loans for attendance outside of Alaska, while 17.9 percent used them for attending school in-state. The percentage of graduate loan recipients attending school in Alaska has increased for each of the last three loan years, after decreasing steadily from 1971-72 through 1977-78. This reversal in trend is presented in Figure 4.

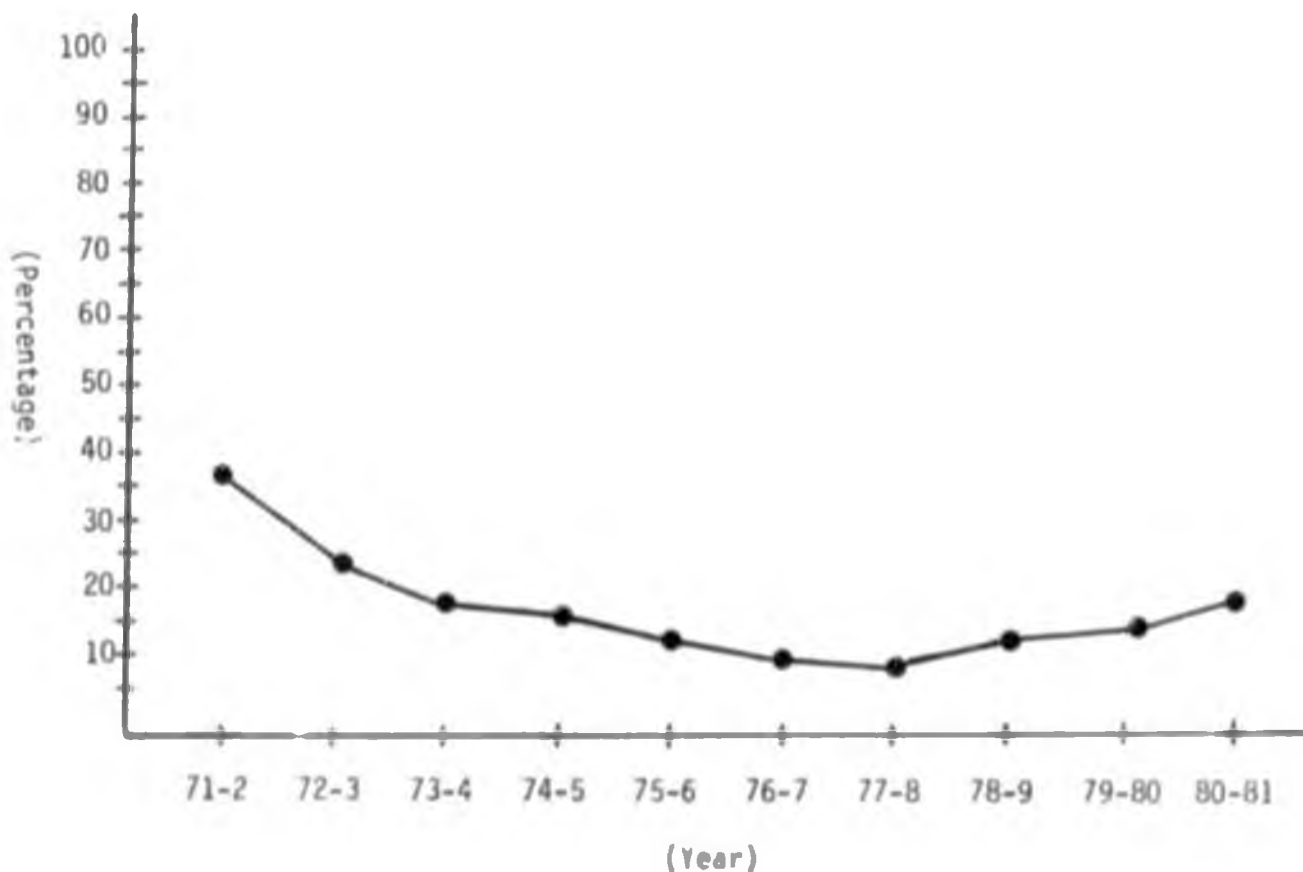


FIGURE 4  
PERCENT OF GRADUATE LOANS  
USED IN ALASKA

The states most frequently chosen by graduate students from Alaska in 1980-81 are presented in Table 3. Again, as with undergraduates, the students' preference is quite stable. The most dramatic increase is certainly Alaska, with a 119.0 percent increase over last year.

The average loan award for 1980-81 increased in most cases from the 1979-80 average, with the largest increases for students attending graduate institutions in Massachusetts, California, and Oregon.

TABLE 3  
TEN TOP STATES OF ATTENDANCE  
FOR ALASKANS WITH  
GRADUATE LOANS  
1977-78 through 1980-81

STATE	NUMBER				AVERAGE LOAN			
	77-78	78-79	79-80	80-81	77-78	78-79	79-80	80-81
Washington	56	72	77	129	\$3,743	\$3,542	\$3,847	\$3,848
Alaska	27	41	58	127	2,367	2,637	2,906	3,086
California	42	75	73	90	3,150	3,650	3,441	3,937
Oregon	34	42	49	75	3,125	3,287	3,526	4,011
Colorado	15	15	18	19	3,830	3,840	3,972	4,149
Iowa	4	6	10	19	4,063	4,083	4,330	4,037
Hawaii	4	5	8	19	2,350	2,780	2,988	3,393
Massachusetts	11	9	9	18	3,900	4,389	3,911	4,953
New York	7	8	13	17	2,214	4,375	3,781	4,159
Arizona	7	7	9	17	3,429	3,300	3,586	3,041
Remaining U.S.	74	62	146	179	N.A.	N.A.	N.A.	N.A.
TOTAL	280	343	470	709	\$3,203	\$3,414	\$3,646	\$3,746

Alaskans pursuing graduate educational goals are also disbursed quite widely across the nation, with Alaskan graduate loan recipients attending institutions in all but eight of the fifty states. The predominance of the West, and particularly the West Coast, is readily apparent in Figure 5.

Only Alaska, Washington, California, and Oregon received more than 40 Alaskan graduate students on state loans. The thirteen states comprising the WICHE compact account for 70.7 percent of all the graduate Alaskan loan recipients for 1980-81.

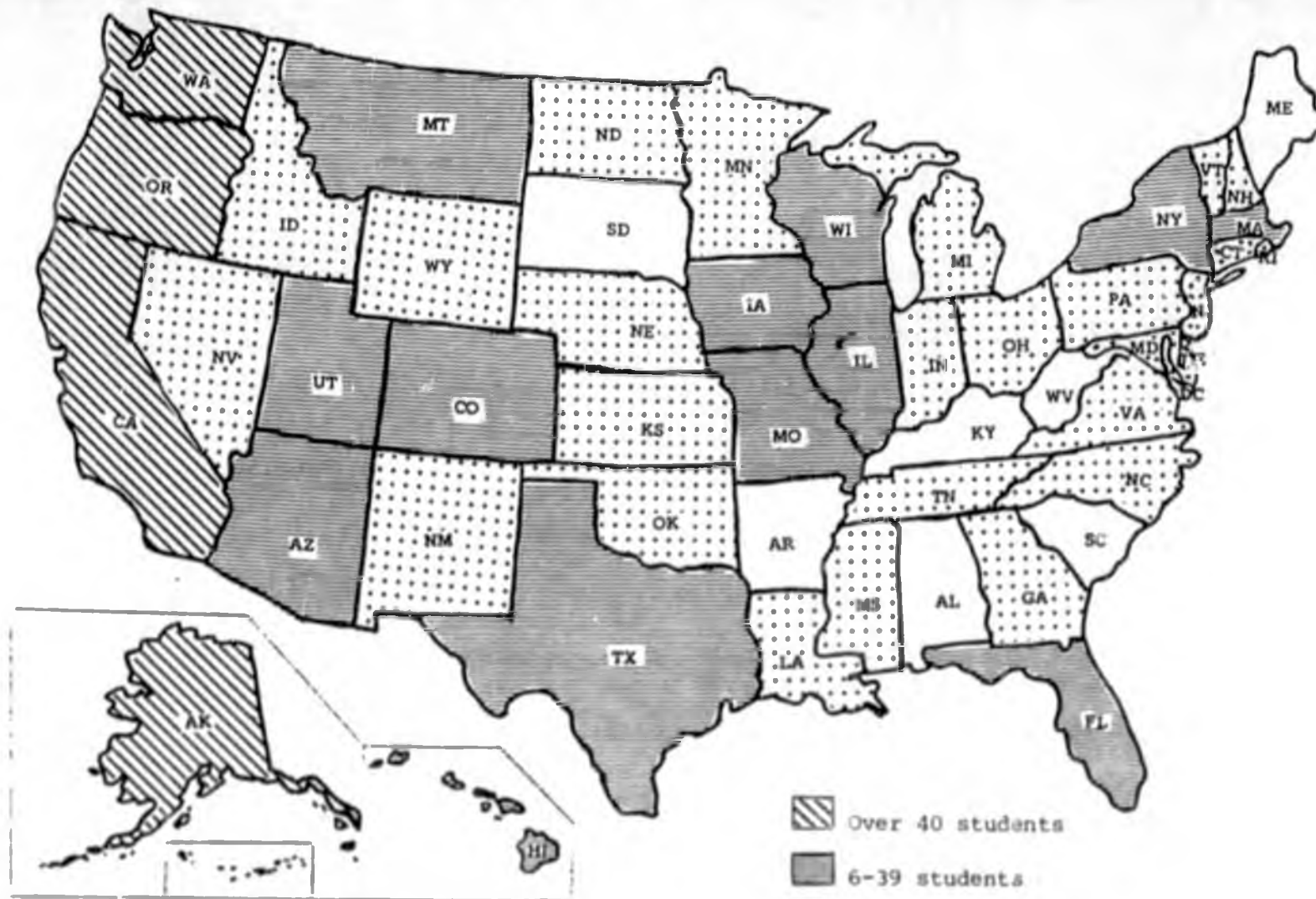


FIGURE 5

GEOGRAPHIC DISTRIBUTION OF ALASKANS UTILIZING  
STATE LOANS FOR GRADUATE EDUCATION IN 1980-81

## Loan Repayments

The student loan program is based upon a revolving fund with the students' loan repayments being re-utilized for future student loans. Since 1971-72 (actually 1974-75, since there were no repayments received the first few years), Alaskans have repaid over \$8 million on their educational loans. The volume of these revolving funds now contribute a significant portion of the loan account, and as can be seen in Figure 6, these repayments are rapidly increasing each year.

Also presented in Figure 6 is a representation of the partial cancellation (forgiveness) history of the student loan program. Students who reside in Alaska after completion of their course of study are eligible to have up to 50 percent of their loans cancelled. Beginning with the first such partial cancellation in 1974-75, the total amount of loan funds (including interest) which the State of Alaska has cancelled has generally shown large annual increases, with the exception of 1979-80 when partial cancellations temporarily leveled. Increases are projected to continue over the next few years as larger numbers of students complete their educational programs.

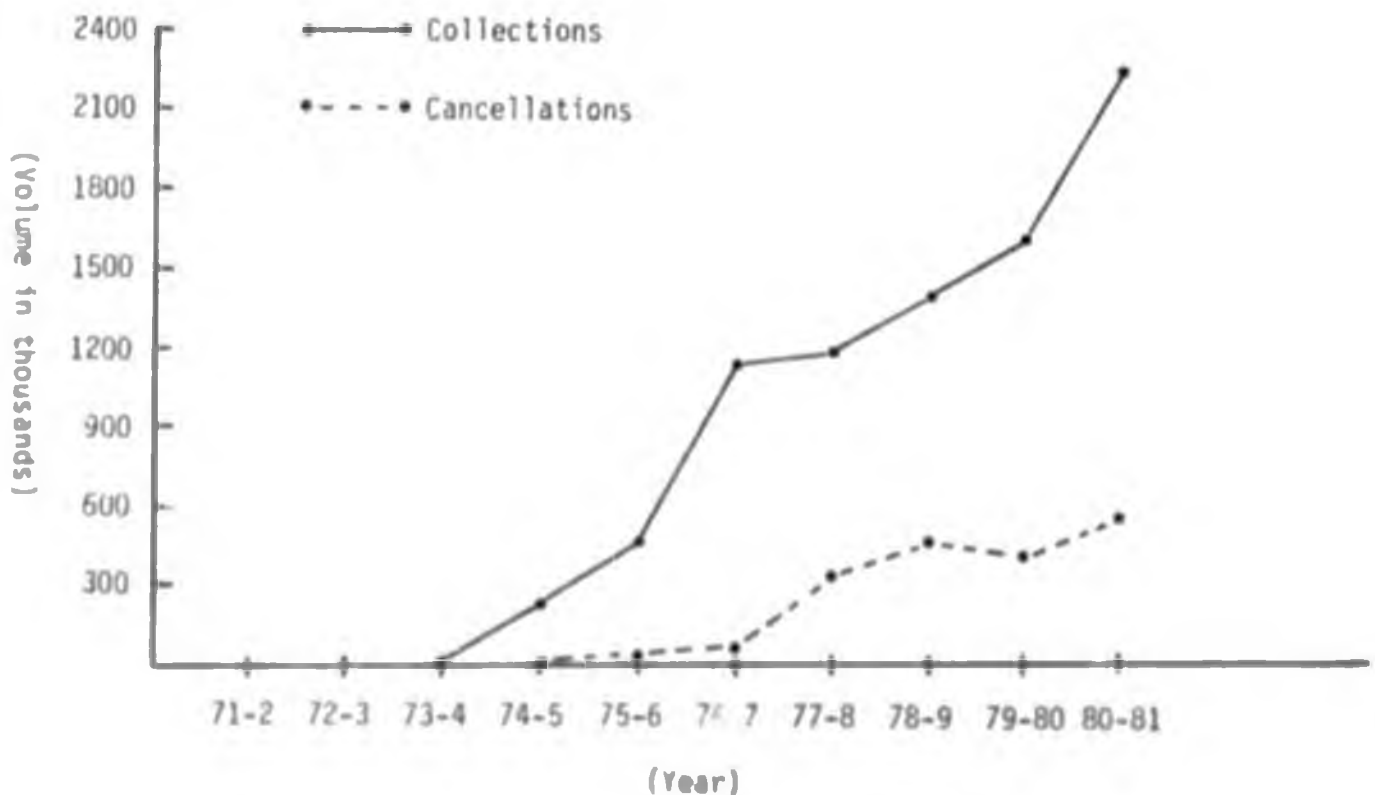


FIGURE 6

STUDENT LOAN COLLECTIONS  
AND CANCELLATIONS

## Default

Nationally, student loans have a notoriously high default rate, and unfortunately, Alaska's program also has experienced problems with loan collections. Although the Alaska program is now doing considerably better than the federal loan programs, the default rate still remains at an unacceptably high level. As can be seen in Table 4, the default rate has been steadily decreasing since the concerted effort began in 1975-76 to pursue these bad debts. During the 1980-81 loan year, the State of Alaska filed court action against 225 persons involving student loan default. To date, all judgments have been in the favor of the State.

TABLE 4  
ANNUAL DEFAULT RATES OF  
ALASKA STATE STUDENT LOANS  
1971-72 through 1980-81

LOAN YEAR	DEFAULT RATE* (June 30)
1971-72	N.A.
1972-73	N.A.
1973-74	N.A.
1974-75	80.0%
1975-76	44.6%
1976-77	24.9%
1977-78	22.3%
1978-79	19.3%
1979-80	14.5%
1980-81	11.5%

\*Default is 120+ days past due.

## Statistical Data

Following are Tables 5-9 containing data on the Alaska Student Loan Program from 1971-72 through 1980-81. Information on the number and amounts of loans made annually to undergraduate and graduate students attending in-state and out-of-state is presented in Tables 5-8. Table 9 contains summaries of the average size loan awarded each year.

ALASKA STUDENT LOAN PROGRAM

(1971-72 through 1980-81)

TABLE 5

TEN-YEAR SUMMARY

(1971-72 through 1980-81)

STUDENT LEVEL	STUDENTS ATTENDING IN-STATE				STUDENTS ATTENDING OUT-OF-STATE				TOTAL	
	Loan Recipients	Percent of Total	Loan Amount	Percent of Total	Loan Recipients	Percent of Total	Loan Amount	Percent of Total	Loan Recipients	Loan Amount
Under-graduate	8,886	40.2	\$15,842,415	36.2	13,224	59.8	\$27,874,470	63.8	22,110	\$43,716,885
Graduate	448	15.3	\$ 1,246,560	12.4	2,471	84.7	\$ 8,775,375	87.6	2,919	\$10,021,942
TOTAL	9,334	37.3	\$17,098,982	31.8	15,695	62.7	\$36,649,845	68.2	25,029	\$53,738,827

TABLE 6  
YEARLY SUMMARY  
OF  
UNDERGRADUATE STUDENT LOANS

ACADEMIC YEAR	STUDENTS ATTENDING IN-STATE				STUDENTS ATTENDING OUT-OF-STATE				TOTAL	
	Loan Recipients	Percent of Total	Loan Amount	Percent of Total	Loan Recipients	Percent of Total	Loan Amount	Percent of Total	Loan Recipients	Loan Amount
1971-72	570	57.6	\$ 680,351	50.1	470	42.4	\$ 666,536	49.5	990	\$ 1,346,887
1972-73	761	48.7	965,274	42.1	801	51.3	1,326,975	57.9	1,562	2,292,249
1973-74	585	40.1	913,284	38.8	874	59.9	1,438,990	61.2	1,459	2,352,274
1974-75	528	41.5	764,872	36.4	745	58.5	1,336,279	63.6	1,273	2,101,151
1975-76	456	30.5	747,112	27.9	1,041	69.5	1,927,334	72.1	1,497	2,674,446
1976-77	561	33.1	858,139	28.6	1,132	66.9	2,143,458	71.4	1,693	3,001,597
1977-78	713	35.9	1,211,203	32.7	1,272	64.1	2,496,063	67.3	1,985	3,707,266
1978-79	861	35.1	1,664,246	31.7	1,591	64.9	3,581,002	68.3	2,452	5,245,248
1979-80	1,245	36.1	2,469,354	32.2	2,203	63.9	5,191,236	67.8	3,448	7,660,590
1980-81	2,606	45.3	5,568,580	41.8	3,145	54.7	7,766,597	58.2	5,751	13,335,177
TOTAL	8,886	40.2	\$15,842,415	36.2	13,224	59.8	\$27,874,470	63.8	22,110	\$43,716,885

TABLE 7  
YEARLY SUMMARY  
OF  
GRADUATE STUDENT LOANS

ACADEMIC YEAR	STUDENTS ATTENDING IN-STATE				STUDENTS ATTENDING OUT-OF-STATE				TOTAL	
	Loan Recipients	Percent of Total	Loan Amount	Percent of Total	Loan Recipients	Percent of Total	Loan Amount	Percent of Total	Loan Recipients	Loan Amount
1971-72	31	34.1	\$ 74,613	29.1	60	65.9	\$ 181,658	70.9	91	\$ 256,271
1972-73	48	25.8	113,990	19.7	138	74.2	464,145	80.3	186	578,135
1973-74	37	18.0	107,988	17.0	169	82.0	525,914	83.0	206	633,902
1974-75	31	16.8	86,266	15.4	153	83.2	472,390	84.6	184	558,656
1975-76	25	11.3	61,424	8.7	197	88.7	647,127	91.3	222	708,551
1976-77	23	10.1	69,833	8.2	205	89.9	779,077	91.8	228	848,910
1977-78	27	9.6	63,919	7.1	253	90.4	832,982	92.9	280	896,901
1978-79	41	12.0	108,130	9.2	302	88.0	1,063,024	90.8	343	1,171,154
1979-80	58	12.3	168,519	9.8	412	87.7	1,544,840	90.2	470	1,713,359
1980-81	127	17.9	391,885	14.8	582	82.1	2,264,218	85.2	709	2,656,103
TOTAL	448	15.3	\$ 1,246,460	12.4	2,471	84.7	\$ 8,775,375	87.6	2,919	\$10,021,942

TABLE 8  
 YEARLY SUMMARY  
 OF  
 ALL STUDENT LOANS

ACADEMIC YEAR	STUDENTS ATTENDING IN-STATE				STUDENTS ATTENDING OUT-OF-STATE				TOTAL	
	Loan Recipients	Percent of Total	Loan Amount	Percent of Total	Loan Recipients	Percent of Total	Loan Amount	Percent of Total	Loan Recipients	Loan Amount
1971-72	601	55.6	\$ 754,964	47.1	480	44.4	\$ 848,194	52.9	1,081	\$ 1,603,158
1972-73	809	46.3	1,079,264	37.6	939	53.7	1,791,120	62.4	1,748	2,870,384
1973-74	622	37.4	1,021,272	34.2	1,043	62.6	1,964,904	65.8	1,665	2,986,176
1974-75	559	38.4	851,138	32.0	998	61.6	1,808,669	68.0	1,457	2,659,807
1975-76	481	28.0	808,536	23.9	1,238	72.0	2,574,461	76.1	1,719	3,382,997
1976-77	584	30.4	927,972	24.1	1,337	69.6	2,922,535	75.9	1,921	3,850,507
1977-78	740	32.7	1,270,122	27.7	1,525	67.3	3,329,045	72.3	2,265	4,604,167
1978-79	902	32.3	1,772,376	27.6	1,893	67.7	4,644,026	72.4	2,795	6,416,402
1979-80	1,303	33.3	2,637,973	28.1	2,615	66.7	6,736,076	71.9	3,918	9,373,949
1980-81	2,733	42.3	5,960,465	37.3	3,727	62.7	10,030,815	62.7	6,460	15,991,280
TOTAL	9,334	37.3	\$17,098,982	31.8	15,695	62.7	\$36,649,845	68.2	25,029	\$53,728,827

TABLE 9  
 MEAN LOAN AMOUNT PER RECIPIENT  
 BY  
 IN-STATE/OUT-OF-STATE INSTITUTIONAL ATTENDANCE

ACADEMIC YEAR	STUDENTS ATTENDING IN-STATE			STUDENTS ATTENDING OUT-OF-STATE			TOTAL		
	Number of Loan Recipients	Total Amount Loaned	Mean Loan per Recipient	Number of Loan Recipients	Total Amount Loaned	Mean Loan per Recipient	Number of Loan Recipients	Total Amount Loaned	Mean Loan per Recipient
1971-72	601	\$ 754,964	\$1,256	480	\$ 848,194	\$1,767	1,081	\$ 1,603,158	\$1,483
1972-73	809	1,079,264	1,334	939	1,791,120	1,907	1,748	2,870,384	1,642
1973-74	622	1,021,272	1,642	1,043	1,964,904	1,884	1,665	2,986,176	1,793
1974-75	559	851,138	1,523	898	1,808,669	2,014	1,457	2,659,807	1,826
1975-76	481	808,536	1,681	1,238	2,574,461	2,080	1,719	3,382,997	1,968
1976-77	584	927,972	1,589	1,337	2,922,535	2,186	1,921	3,850,507	2,004
1977-78	740	1,275,122	1,72	1,525	3,329,045	2,183	2,265	4,604,167	2,033
1978-79	902	1,772,376	1,965	1,893	4,644,026	2,453	2,795	6,416,402	2,296
1979-80	1,303	2,637,873	2,024	2,615	6,736,076	2,576	3,918	9,373,949	2,393
1980-81	2,733	5,960,465	2,181	3,727	10,030,815	2,691	6,460	15,991,280	2,475
TOTAL	9,334	\$17,098,982	\$1,832	15,695	\$36,649,845	\$2,335	25,029	\$53,738,827	\$2,111

## STATE EDUCATIONAL INCENTIVE GRANT (SEIG) PROGRAM

In addition to the Student Loan Program, state financial assistance is available to Alaskans through the State Educational Incentive Grant (SEIG) program. The SEIG program provides grants to eligible students enrolled in undergraduate programs at in-state and out-of-state post-secondary institutions. Grant awards range from a minimum of \$100 to a maximum of \$1,500 depending upon financial need. One-half of each grant is federally funded with remaining funds provided by the state.

An SEIG applicant must be at least a two-year resident of the state, eligible for admission or enrolled in good standing as a full-time undergraduate in a degree or certificate program at an accredited postsecondary institution, and must be able to establish substantial financial need. Grants are awarded in order of greatest financial need.

1980-81 was the third year in which Alaska participated in the SEIG program. Approximately 1500 applications were received. 238 awards were made totalling \$338,920, \$169,460 in federal funds and \$169,460 in state funds. The average grant award was \$1,424. 158 grant recipients attended in-state institutions, while 80 attended out-of-state. A listing of awards by Alaskan schools is shown in Table 10 along with similar data for the 1978-79 and 1979-80 academic years.

In 1981-82, federal cutbacks have caused a reduction in the number of grants that will be awarded to eligible students. While the number of grant applications has increased to over 2000, it is estimated that only 162 maximum grant awards will be made with the \$243,000 in federal and state funds available.

TABLE 10  
 DISTRIBUTION OF STUDENTS RECEIVING STATE  
 EDUCATIONAL INCENTIVE GRANTS  
 (1978-79, 1979-80, 1980-81)

Institution	Number of Grants			Award Totals		
	78-79	79-80	80-81	78-79	79-80	80-81
U of Alaska, Anchorage*	87	85	84	\$ 61,225	\$119,219	\$118,511
U of Alaska, Fairbanks**	42	12	24	30,464	12,357	28,500
U of Alaska, Juneau***	11	6	1	6,082	6,798	1,500
Anchorage Community College	---	---	35	---	---	52,500
Kenai Peninsula Community College	---	5	4	---	7,500	6,000
Matanuska-Susitna Community College	---	---	3	---	---	4,500
Alaska Pacific Univ.	4	---	2	2,265	---	3,000
Sheldon Jackson College	46	8	5	26,753	12,000	7,500
Total in-state	190	116	158	\$126,789	\$157,874	\$220,011
Out-of-state	3	61	80	\$ 2,323	\$ 82,731	\$116,909
Total Grants	193	177	238	\$129,112	\$240,605	\$338,920

\*UAA includes ACC, KCC, KPCC in 1978-79 and ACC in 1979-80.

\*\*UAF includes TVCC in 1978-79.

\*\*\*UAJ includes SCC in 1978-79.

1980-81 figures are as of June 1981.

## WICHE Student Exchange Program

The Student Exchange Program helps Alaska residents obtain access to 16 fields of professional education not available in Alaska, but made available at participating institutions in other Western states at a reduced tuition rate. The reduced tuition usually amounts to the in-state rate at public schools and one-third the regular tuition rate at private schools. Students certified for participation in the program may expect preferential admissions consideration for the schools to which they apply. In turn, Alaska reimburses the institution where a WICHE student enrolls with a set support fee that covers the non-resident portion of the tuition and a portion of the institution's operating costs. The student does not receive any direct payment.

The graduate and professional programs available to Alaska residents are as follows:

Architecture	Maritime Technology	Pharmacy
Dentistry	Medicine	Physical Therapy
Forestry	Occupational Therapy	Podiatry
Graduate Library Studies	Optometry	Public Health
Graduate Nursing	Osteopathy	Veterinary Medicine
Law		

Eligibility for WICHE certification is based on at least two continuous years of Alaska residency by the time of enrollment in graduate or professional school. Sixty-eight percent of 1980-81 WICHE participants were residents of the state for five years or more.

Annual student support fees are established by the WICHE Commissioners from the thirteen western states. Annual increases in these fees along with a growing number of program participants account for the increase in total support costs over the last five years as shown in Table 11. Table 12 contains support costs by field of study for the 1980-81 academic year. A total of 232 students were supported in fifteen fields at a cost of \$956,509.

Two new fields of study have been added to the Student Exchange Program beginning in the fall of 1981: Maritime Technology and Osteopathy. It is anticipated that 272 students will be supported in 1981-82 at a cost of over 1.2 million dollars.

\*Western Interstate Commission for Higher Education.

TABLE 11  
WICHE STUDENT EXCHANGE PROGRAM SUPPORT COSTS  
1976-77 through 1980-81

Academic Year	Total Students	Total Costs
1976-77	114	\$ 368,473
1977-78	134	\$ 634,114
1978-79	171	\$ 639,244
1979-80	209	\$ 853,959
1980-81	232	\$ 956,509
TOTAL	860	\$3,452,299

TABLE 12  
WICHE SUPPORT COSTS BY FIELD OF STUDY, 1980-81

Field	Support Fee	Total Students	Total Costs
Medicine	\$14,200	6	\$ 92,300
Dentistry	10,300	15	182,798
Veterinary Medicine	11,200	8	89,600
Optometry	4,700	5	23,500
Graduate Library	3,700	11	29,599
Physical Therapy	3,700	2	7,400
Pharmacy	3,700	5	13,950
Dental Hygiene	4,700	0	-0-
Forestry	2,900	7	17,401
Law	2,900	142	407,175
Public Health	3,700	10	27,136
Occupational Therapy	3,700	3	11,100
Graduate Nursing	4,700	6	18,800
Architecture	2,300	9	19,550
Podiatry	5,400	3	16,200
Total		232	\$956,509

RECOMMENDATIONS FROM  
A  
STATEWIDE CONFERENCE  
ON  
ALASKA STUDENT FINANCIAL AIDS PROGRAM

February 5, 1982

Conference Conducted by  
The Northern Institute for Research, Training & Development, Inc.  
Anchorage, Alaska

in Cooperation with  
ALASKA SCHOOL COUNSELORS' ASSOCIATION  
and  
ALASKA COMMISSION ON POSTSECONDARY EDUCATION

Funding by  
ALASKA COMMISSION ON POSTSECONDARY EDUCATION

The attached recommendations and statement of philosophy were passed and adopted by the members of the Alaska School Counselors' Association and various other financial aids counselors and administrators from school districts and colleges throughout Alaska.

The Conference was held at the Northern Lights Inn in Anchorage on February 4 and 5, 1982. The Philosophical Statement was unanimously adopted. Many of the 21 Position Statements were also passed unanimously with the remainder being passed with at least a two-third majority vote.

The Alaska Commission on Postsecondary Education was represented by Executive Director Dr. Kerry D. Romesburg; the Alaska School Counselors' Association was represented by their president, Bernice Linn who is a counselor at Palmer High School; and The Northern Institute by Executive Director Ronald D. Daugherty and the Conference Coordinator Edith L. Gilliland.

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PHILOSOPHICAL STATEMENT AFFIRMED

at

ALASKA STUDENT FINANCIAL AIDS CONFERENCE

The State of Alaska shall have a postsecondary financial aids program with the purpose of developing our most valuable renewable resource; the people of Alaska.

The first priority in the development of the financial aids program shall be a consistent and stable Alaska Student Loan Program. The goals of the Alaska Student Loan Program shall be to:

- provide, without recourse to needs assessment, financial resources for all qualified Alaskans who desire postsecondary education
- provide freedom of individual choice in selection of postsecondary educational programs
- promote responsible academic and financial involvement on the part of the loan recipient
- embrace incentives for recipients to reside in Alaska after schooling to apply acquired skills and expertise to the advantage of Alaska

Regulations for the administration of the Alaska Student Loan Program will be promulgated by the Alaska Commission on Postsecondary Education.

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## POSITION STATEMENTS

1. The Alaska Student Loan Program should not be a need based program.

A major concern in addressing the definition of standards for the Alaska Student Loan Program has been the preservation of equal access to financial aid of all eligible Alaskans. Requirements of needs assessment would be contrary to that philosophy and runs counter to the expressed intent of the legislature at the time of establishment of the Alaska Student Loan Program.

2. Loans should be available to students for any year of post-secondary education.

Elimination of the freshman year of study or of any year of study would limit access to postsecondary education and would in fact deny that opportunity to some students who are currently eligible for students' loans. Further, if the freshman year were eliminated for university students or two-year program students; in the name of equity, it would be essential to eliminate all one-year or less than one-year programs. Therefore, a large number of vocational students would not be eligible for loans for postsecondary training.

3. Loans for foreign study should be continued.

A program designed to provide free access to eligible Alaskans and free choice of educational institutions should not deny consideration of foreign study as an appropriate alternative. In some fields of study foreign study may offer unique program options that fit the educational needs and desires of the loan recipient.

4. The inclusion of tuition and fees, room and board, books and supplies, transportation and personal expenses in the student budget should be maintained.

Restricting other expenses would result in the disallowing of school attendance for students with special needs.

5. The present loan maximum amounts should be continued.

Schooling costs continue to rise and reduction in loans could seriously impair freedom of choice in postsecondary schooling/programs.

6. The interest rate charged on loans should not be increased.

The loan program is an investment in Alaska's economic future. Repaying the loan should not become a heavy burden.

7. Forgiveness should continue at the present level.

Re-examination of the current method of providing for the forgiveness should be implemented. Consideration should be given to distributing the forgiveness amount over ten years. This should increase the amount of money repaid annually to the loan fund.

8. Loans for both in-state and out-of-state attendance should continue.

This provision ensures freedom of educational choice and access to programs.

9. Interest waivers during in-school periods and deferment periods should be continued.

10. Institutional verification on the loan application should be eliminated.

Current budget figures are readily available from postsecondary school catalogs. Institutional signoff has caused significant delay and prevented the meeting of application deadlines.

11. All statutory changes in the Alaska Student Loan Program shall take effect the next application year.

This will allow for orderly administrative processing. A stable and consistent loan program cannot function with drastic changes occurring annually.

12. Continuing loans shall be restricted to full-time students in good standing at their respective schools.

While it is appropriate to provide access to all eligible Alaska residents who wish to pursue postsecondary education, as indicated in the goals, there is an academic responsibility assumed by the borrower who accepts loan funds. Maintenance of good standing at their institution of choice is a reasonable criterion of the acceptance of that responsibility.

13. Existing residency requirements should be maintained. It is recommended that verification of residency be required. The applicant will obtain four references willing and able to attest to the student's residency claim. The verification provided in support of residency claims would be a statement of personal oath.

Concern has been expressed that proof of residency needs to be included in the application process. Verification by four references should satisfactorily meet that need.

14. Enforce the current May 15 deadline for priority processing. After the May 15 deadline loans will continue to be processed according to the postmark date only until all loan funds are encumbered.

The continuation of the May deadline will allow the staff to begin the processing of applications and awarding of funds in a timely manner. Processing according to postmark date subsequent to May 15 will provide access to any remaining funds on a first-come first-serve basis.

15. The Alaska Student Loan Program should remain independent.

The program requires a knowledge and expertise that is directly related to its function in the provision of funds for education. The framework has been established and there is no apparent justification for reassignment of that responsibility.

16. The employment of an outside agency for loan collection is not supported.

This does not appear to be fiscally viable.

17. No application for funding for programs in progress will be considered after the program has been in session longer than two (2) weeks.

18. The growth of this program has fostered inherent staffing needs.

It will be necessary to reevaluate loan processing and collection tasks on an annual basis to insure staffing appropriate to the demands of the program.

19. A two-tier or dual loan program is not recommended.

The state should support a loan program with the expressed purpose to benefit Alaska is without regard to need.

20. A revolving base for loan processing is supported.

This process is an admirable goal that merits further investigation.

21. Support a non-need based work study program.
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**THE NORTHERN INSTITUTE**  
for  
**Research, Training and Development, Inc.**

**650 West International Airport Road  
Anchorage, Alaska 99502  
(907) 274-3691**

ALASKA STUDENT LOAN PROGRAM

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1981-82 ALASKA STUDENT LOANS

1. Program Status (December 31, 1981)

<u>Student Level</u>	<u>Number</u>	<u>Amount</u>
Freshman	2,855	\$11,286,278.50
Sophomore	1,979	7,990,818.50
Junior	1,457	5,957,705.00
Senior	1,190	4,733,502.50
Vocational	700	3,259,429.63
<u>Undergraduate</u>	<u>8,181</u>	<u>\$33,227,734.13</u>
<u>Graduate</u>	<u>887</u>	<u>4,801,869.00</u>
<u>Total</u>	<u>9,068</u>	<u>\$38,029,603.13</u>

2. In-State/Out-of-State Attendance by Level (December 31, 1981)

<u>Student Level</u>	<u>Alaska</u>	<u>%</u>	<u>Out-of-State</u>	<u>%</u>
Freshman	1,451	50.8	1,404	49.2
Sophomore	936	47.3	1,043	52.7
Junior	655	45.0	802	55.0
Senior	529	44.5	661	55.5
Vocational	544	77.7	156	22.3
<u>Undergraduate</u>	<u>3,851</u>	<u>47.1</u>	<u>4,330</u>	<u>52.9</u>
<u>Graduate</u>	<u>211</u>	<u>23.8</u>	<u>676</u>	<u>76.2</u>
<u>Total</u>	<u>4,062</u>	<u>44.8</u>	<u>5,006</u>	<u>55.2</u>

3. Percent In-State Previous Years

	<u>Undergraduate</u>	<u>Graduate</u>	<u>All Loans</u>
1980-81	45.3	17.9	42.3
1979-80	36.1	12.3	33.3
1978-79	35.1	12.0	32.3

4. States of Attendance by Student Level (December 23, 1981)

<u>Freshman</u>	<u>Sophomore</u>	<u>Junior</u>	<u>Senior</u>	<u>Vocational</u>	<u>Undergraduate</u>	<u>Graduate</u>
AK-1,444	AK-953	AK-654	AK-527	AK-560	AK-4,118	AK-211
WA- 319	WA-277	WA-215	WA-163	CO- 78	WA-1,006	WA-147
OR- 269	OR-196	OR-148	OR-108	WA- 32	OR- 728	CA-107
CA- 135	CA- 72	CA 68	CA- 65	OR- 12	CA- 348	CA- 84
ID- 81	ID- 53	AZ- 45	CO- 37		CO- 249	MA- 24
AZ- 76	AZ- 46	ID- 39	UT- 27		AZ- 200	CO- 22
HA- 29	CO- 43	UT- 34	AZ- 26		ID- 199	HA- 19
CO- 65	UT- 43	HA- 27	ID- 26		HA- 158	IA- 16
UT- 43	HA- 40	CO- 26	MT- 23		UT- 139	IL- 16
MT- 30	MT- 34	TX- 24	HA- 21		TX- 110	AZ- 15
Tx- 30	Tx- 34					NY- 15
<u>ZZ- 277</u>	<u>ZZ-198</u>	<u>ZZ-170</u>	<u>ZZ-162</u>	<u>ZZ- 15</u>	<u>ZZ- 884</u>	<u>ZZ-209</u>
2,838	1,969	1,450	1,185	697	8,139	885

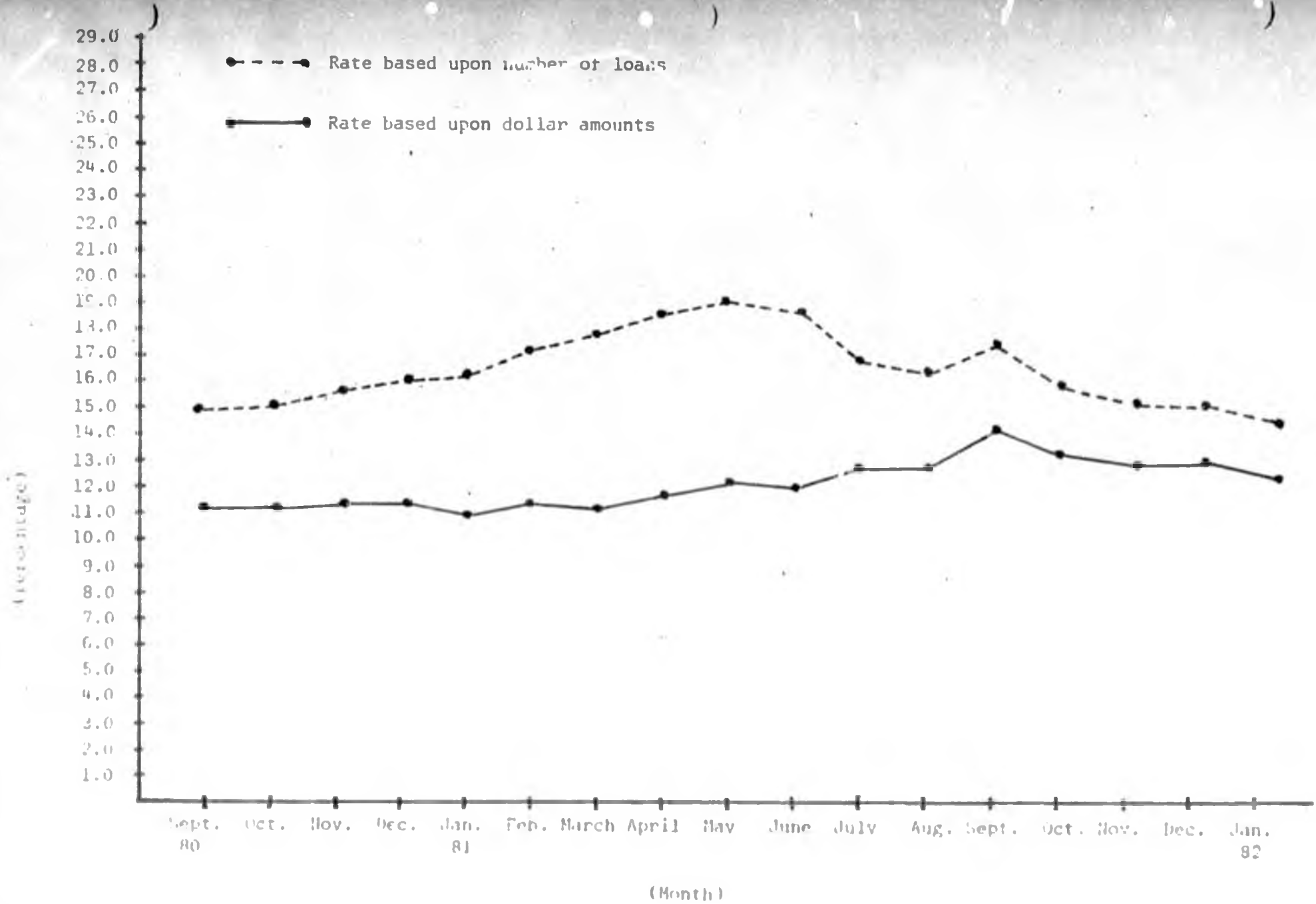
5. All account status (1-12-82)

<u>Status</u>	<u>Number</u>
Current Loan	9,045
Repayment	8,718
Grace Year	1,058
Student Status	383
Deferment	
Unemployment	24
Peace Corps/Public Health	2
Military	43
Internship/Residency	12
Disability	11
Hardship	123
Paid-In-Full/Other	1,360
Total	20,779

6. Default Rate: See attached chart

Rate as of (1-12-82)

Dollar Volume:	13.1%
Individuals:	15.2%



ALASKA STUDENT LOAN PROGRAM  
 DEFAULT RATE BY MONTH

ALASKA STUDENT LOAN BORROWERS BY AGE AND BY STUDENT LEVEL (1981-82)\*

Age	Freshman		Sophomore		Junior		Senior		Undergraduate		Graduate		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
60+	3	.1	2	.1	0	0	0	0	5	.1	2	.2	7	.1
50-59	39	1.1	18	.9	4	.3	8	.7	69	.8	23	2.5	92	1.0
40-49	119	3.2	45	2.2	24	1.6	22	1.8	210	2.5	82	8.3	292	3.1
30-39	400	11.0	258	12.5	207	14.0	221	18.3	1,086	12.9	420	45.0	1,506	16.1
20-29	1,811	49.7	1,710	82.9	1,241	83.7	952	79.0	5,714	68.1	406	43.5	6,120	65.6
16-19	1,275	34.9	29	1.4	6	.4	2	.2	1,312	15.6	0	0	1,312	14.1
Total	3,647	100.0	2,062	100.0	1,482	100.0	1,205	100.0	8,396	100.0	933	100.0	9,329	100.0

18-24	2,587	70.9	1,443	70.0	942	63.6	645	53.5	5,617	66.9	79	8.5	5,696	61.1
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\*Data as of January 17, 1982

9. Partial Cancellations

<u>Cancellation</u>	<u>July 1, 1980/June 30, 1981</u>	<u>July 1, 1981/December 30, 1981</u>
First	305	150
Second	292	150
Third	264	145
Fourth	225	153
Fifth	<u>0</u>	<u>162</u>
	1,086	760

10. Loan Litigation (Calendar Year 1981)

<u>a. Cases Filed</u>	<u>Amount</u>
117	\$290,741.28

b. Results:	35	judgements on file
	11	in deferment
	13	paid in full
	<u>58</u>	are making payments
	117	

c. A total of \$45,837.83 was paid in 1981 on these accounts

SAMPLE STUDENT BUDGETS  
(1981-82 Undergraduate)

1. University of Alaska - Fairbanks

Expenses	Single Student			Single Parent (one child)	Married (one child)
	On-Campus	Off-Campus	w/Parents		
Fees	\$ 580	\$ 580	\$ 580	\$ 580	\$ 580
Room and Board	2,130	4,000*	1,100	6,000**	6,000**
Books	300	300	300	300	300
<b>Sub-Total</b>	<b>\$3,010</b>	<b>\$4,880</b>	<b>\$1,980</b>	<b>\$ 6,880</b>	<b>\$ 6,880</b>
Personal	600	600	600	1,200	1,200
Transportation	800	800	800	800	800
Dep. Allow	0	0	0	1,600	2,400
<b>Total</b>	<b>\$4,410</b>	<b>\$6,280</b>	<b>\$3,380</b>	<b>\$10,480</b>	<b>\$11,280</b>

\*300/monthly rent, \$200/monthly food

\*\*\$350/monthly rent, \$400/monthly food

2. University of Alaska-Anchorage

Expenses	Single Student		Married
	Off-Campus	w/Parents	
Fees	\$ 454	\$ 454	\$ 454
Room and Board	4,311	1,098	6,957
Books	250	250	250
<b>Sub-Total</b>	<b>\$5,015</b>	<b>\$1,802</b>	<b>\$7,661</b>
Personal	810	810	1,611
Transportation	666	666	666
Dep. Allow	0	0	Add'l Expense
<b>Total</b>	<b>\$6,491</b>	<b>\$3,278</b>	<b>\$9,938+</b>

3. University of Alaska - Juneau

Expenses	Single Student		Single Parent (one child)	Married (one child)
	Off-Campus	w/Parents		
Fees	\$ 422	\$ 422	\$ 422	\$ 422
Room and Board	4,050	1,100	5,850	5,850
Books	250	250	250	250
<b>Sub-Total</b>	<b>\$4,722</b>	<b>\$1,772</b>	<b>\$5,522</b>	<b>\$ 5,522</b>
Personal	675	675	675	675
Transportation	495	495	495	495
Dep. Allow	0	0	750+*	1,425+*
<b>Total</b>	<b>\$5,892</b>	<b>\$2,942</b>	<b>\$8,422+</b>	<b>\$11,807+</b>

\*\$5/day child care if required

4. Anchorage Community College

Expenses	Single Student		Single Parent (one child)	Married (one child)
	Off-Campus	w/Parents		
Fees	\$ 442	\$ 442	\$ 442	\$ 442
Room and Board	4,311	1,098	6,957	6,957
Books	250	250	250	250
<b>Sub-Total</b>	<b>\$5,003</b>	<b>\$1,790</b>	<b>\$7,649</b>	<b>\$ 7,649</b>
Personal	810	810	1,611	1,611
Transportation	666	666	666	666
Dep. Allow	0	0	Add'l Expense	1,881+
<b>Total</b>	<b>\$6,479</b>	<b>\$3,266</b>	<b>\$9,926+</b>	<b>\$11,807+</b>

5. Budget Averages (Percentage for in-state attendance)

Expenses	On-Campus	Single Student		Single Parent (one child)	Married* (one child)
		Off-Campus	w/Parents		
Fees	13.2	7.5	14.8	5.5	5.1
Room and Board	48.3	66.3	34.2	57.3	53.2
Books	6.8	4.2	8.2	2.9	2.7
<b>Sub-Total</b>	<b>68.3</b>	<b>78.0</b>	<b>57.2</b>	<b>65.7</b>	<b>61.0</b>
Personal	13.6	11.5	22.5	11.5	10.6
Transportation	18.1	10.5	20.2	7.6	7.1
Dep. Allow	0	0	0	15.2	21.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

\*Based upon UAF only

6. Out-of-State Sample Budgets (Single Student)

Expenses	U of Washington	Oregon State	Montana State	Gonzaga	Seattle U
Fees	\$3,048	\$3,600	\$2,042	\$4,040	\$4,275
Room and Board	2,520	1,890	5,476	2,110	2,160
Books	300	300	250	300	250
<b>Sub-Total</b>	<b>\$5,868</b>	<b>\$5,790</b>	<b>\$7,768</b>	<b>\$6,450</b>	<b>\$6,685</b>
Personal	435	1,350	820	870	770
Transportation	450	360	450	950	300
<b>Total</b>	<b>\$6,753</b>	<b>\$7,500</b>	<b>\$9,038</b>	<b>\$8,270</b>	<b>\$7,755</b>

ALASKA COMMISSION ON POSTSECONDARY EDUCATION  
DIVISION OF STUDENT FINANCIAL AID  
PROJECTED PERSONNEL REQUIREMENTS

Division Programs

- Alaska State Student Loans
- Memorial Scholarships
- State Educational Incentive Grants

Division Personnel Classifications

- a. **Loan Awards Personnel.** Receive applications; check documents for completion; determine eligibility; determine loan amounts; make awards; issue, receive, and check promissory notes; handle check disbursements and receipt documents; deal with questions and correspondence pertaining to the loan award cycle.
- b. **Loan Repayment and Collection Personnel.** Negotiate repayment schedules; determine deferment eligibility and classifications; order repayment coupon books; monitor accounts; pursue collections of past due accounts, including skip-tracing; prepare court action materials, when necessary for delinquent accounts; determine grant (forgiveness) eligibility and awards; negotiate hardship or other special loan terms; deal with questions and correspondence pertaining to the loan repayment and collections cycle.
- c. **Division Support Personnel.** This classification includes accounting personnel for the Division, word processing personnel, records miniaturization personnel, and general receptionist.
- d. **Temporary personnel.** Usually these persons are dedicated to loan awards and are employed during peak loan activity periods (summer and December/January).

Staffing Guidelines

- a. **F.D.I.C.** Although there are no specific staffing formulas for a program exactly analogous to that of the Division, the banking industry can provide a basic reference. 1979, F.D.I.C. policy guides for automated programs of similar volume provide the following:
  - 1.0 awards (acquisition) staff per 508 loan accounts (requests)
  - 1.0 repayment (collections) staff per 559 accounts in repayment
  - 1.0 supervisor/officer per 15 staff of each division. These numbers do not include tellers, clerical, and general support.

PROJECTED PERSONNEL REQUIREMENTS (continued)

b. Commission Recommendation. The Division has already demonstrated the ability to handle larger volumes of accounts than those recommended by F.D.I.C. Therefore, the following staffing guides are proposed:

- 1.0 awards staff per 1,000 loan awards (actual)
- 1.0 repayment/collections staff per 750 accounts in repayment
- 1.0 temporary staff per 1,500 loan awards
- 1.0 support staff per 2,400 active accounts

Staffing Requirements

Table A contains a summary of student loan activity levels, and Table B contains a summary of Division staff requirements for the next five years.

TABLE A

STATE STUDENT LOAN ACTIVITY  
Projected to 1986-89

<u>Year</u>	<u>Loan Awards</u>	<u>Loan Volume</u>	<u>Cumulative Total</u>	<u>Average Loan</u>	<u>Loan Collections</u>	<u>General Fund</u>	<u>Cancellations</u>
1971-72	1,081	\$ 1,603,158	\$ 1,603,158	\$ 1,483	\$ -0-	\$ 1,603,158	\$ -0-
1972-73	1,748	2,870,384	4,473,542	1,642	-0-	2,870,384	-0-
1973-74	1,665	2,986,176	7,459,718	1,793	-0-	2,986,176	-0-
1974-75	1,457	2,659,807	10,119,525	1,826	235,476	2,424,331	703
1975-76	1,719	3,382,997	13,502,522	1,968	465,530	2,917,467	44,233
1976-77	1,921	3,850,507	17,353,029	2,004	1,141,461	2,709,046	64,746
1977-78	2,265	4,604,167	21,957,196	2,033	1,191,851	3,412,316	314,306
1978-79	2,795	6,416,402	28,373,598	2,296	1,391,643	5,024,758	445,985
1979-80	3,918	9,373,949	37,747,547	2,393	1,603,436	7,770,513	409,501
1980-81	6,460	15,957,717	53,705,264	2,475	2,225,388	13,732,329	555,104
1981-82	11,000	47,300,000	101,005,264	4,300	3,273,003	44,026,997	960,793
1982-83*	15,000	67,500,000	169,505,264	4,500	6,372,391	61,127,609	2,020,956
1983-84	16,800	83,160,000	251,665,264	4,950	11,320,347	71,839,653	3,713,413
1984-85	18,480	99,792,000	351,457,264	5,400	17,706,979	82,089,021	5,898,014
1985-86	20,328	118,918,000	470,375,264	5,850	23,481,629	95,436,371	7,873,265
1986-87	22,400	132,720,000	603,095,264	5,925	28,944,295	103,775,705	9,741,800
1987-88	24,864	147,940,800	751,036,064	5,950	35,107,473	112,833,327	12,053,788
1988-89	27,599	164,904,025	915,940,089	5,975	42,582,993	122,321,032	14,914,472

\*1982-83 through 1988-89 are projections

ALASKA STUDENT LOAN AWARDS  
(Projected thru 1987-88)

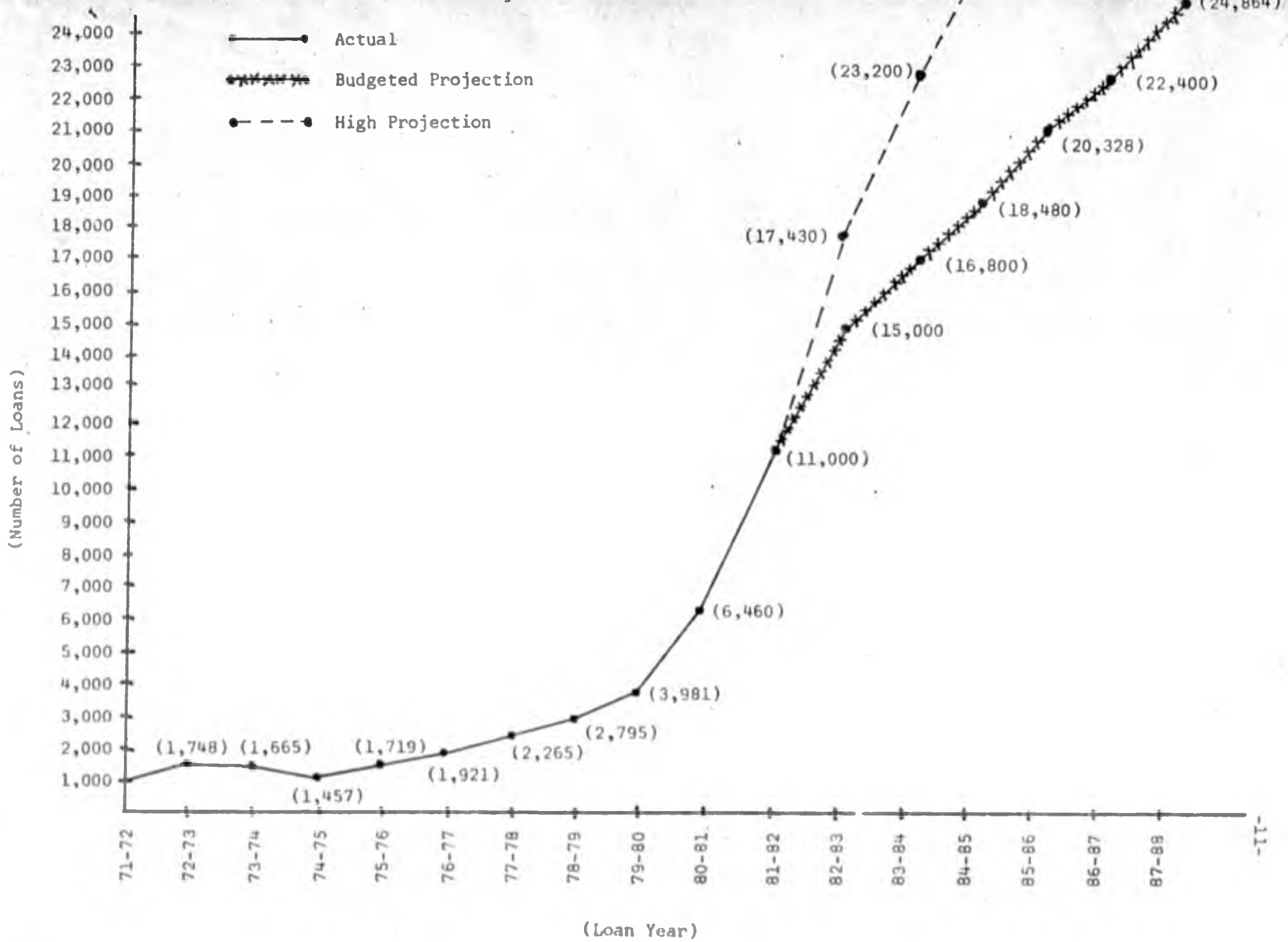


TABLE B

DIVISION OF STUDENT FINANCIAL AID  
PERSONNEL REQUIREMENTS  
Projected to 1986-86

Year	Loan Awards	Accounts in Repayment	Awards Staff	Repayment/ Collections	Support Staff	Part-time Staff	Total		
							Full-time	Part-time	
1971-72	1,081	-0-	2.0	-0-	-0-	-0-	2.0	-0-	
1972-73	1,748	-0-	3.0	-0-	-0-	-0-	3.0	-0-	
1973-74	1,665	-0-	3.0	-0-	-0-	1.0	3.0	1.0	
1974-75	1,457	278	3.0	2.0	-0-	1.0	5.0	1.0	
1975-76	1,719	550	3.0	4.0	-0-	2.0	7.0	2.0	
1976-77	1,921	1,350	3.0	4.0	-0-	2.0	7.0	2.0	
1977-78	2,265	1,500	3.0	5.0	1.0	4.0	9.0	4.0	
1978-79	2,795	2,100	4.0	7.0	3.0	4.0	14.0	4.0	
1979-80	3,918	3,510	4.0	9.0	5.0	-0-	18.0	-0-	
1980-81	6,460	6,008	6.0	9.0	5.0	4.0	20.0	4.0	
1981-82	11,000	11,156	7.0	(11.0)	11.0 (15.0)	6.0 (9.0)	5.0 (7.0)	24.0 (35.0)	5.0 (7.0)
1982-83*	15,000	20,757	14.0	(1.0)	28.0	14.0	9.0	56.0 (1.0)	9.0
1983-84	16,800	32,037	17.0		44.0	21.0	11.0	82.0	11.0
1984-85	18,480	45,756	18.0		61.0	27.0	12.0	106.0	12.0
1985-86	20,328	55,450	20.0		74.0	32.0	13.0	126.0	13.0
1986-87	22,400	63,357	22.0		84.0	36.0	15.0	142.0	15.0

\*1982-83 through 1986-87 are projections; staffing estimates are based upon Division staffing formula.

ALASKA STUDENT LOAN PROGRAM

Questions Regarding the Program:

- a. Question: What caused the tremendous growth in demand for 1981-82 student loans?

Response: The growth of 70% in loan borrowers and over 200% in dollar volume is due to many factors, but the principal cause seems to be the increased loan amounts (SB 120). Alaskans are now able to attend school full time and are doing so in record numbers.

- b. Question: Why was the true fiscal impact of SB 120 so greatly understated?

Response: The fiscal note for SB 120 was estimated at \$5.3 million. The true impact, including the unprojected 70% growth, was (or could be) \$22.3 million. The \$10 million revolving base was used to offset the cost, but the program ended up \$7 million short.

The \$5.3 million estimated impact was based upon the over 6,000 loans already filed at the time of the passage of SB 120. Over 90% of these persons (5,700), refiled loans after SB 120 passed. In so doing, they asked for the increased loan amount. This was unanticipated and cost the program about \$15 million. In re-applying, costs of attendance were adjusted upward, students' resources were adjusted downward, and schools signed off on the budgets.

- c. Question: What caused the long delay in processing loans this fall?

Response: The unexpected volume was a major contributor to the backlog. The office simply is not staffed to handle the current volume. However, the principal cause was the delay in finalizing the bill into law. No contracts could be awarded containing the new loan terms (SB 120) until the bill became law. The Governor, upon the advice of the Attorney General's Office, did not sign SB 120 into law. Rather, it was allowed to become law after the statutory 20-day limit. This delayed any processing until the last week of July/first week of August. By then, backlog was too great to overcome, and the office did not become current in processing until December.

- d. Question: What has been the impact of increasing forgiveness from 40% to 50%?

Response: There has been very little impact of a fiscal nature, but many retroactive adjustments still remain to be processed (162 processed through December). To date, the actual cost has only been around \$50,000 for retroactive forgiveness. The true impact will be in future years.

- e. Question: With the \$10 million revolving based used, does this need to be re-established?

Response: Yes. The same reasons for needing the base still exist and are even more urgent with the current volume. The base, to be truly effective, needs to be re-established and increased to \$25 million to accommodate spring-processing.

- f. Question: Can a student borrow funds, drop school, keep the money, and keep repeating the cycle?

Response: No. The student can do this once, but it cannot be repeated as long as the school is complying with loan requirements.

- g. Question: Can a student use loan funds to buy a car, take a vacation, make investments, etc?

Response: No. the student accepts the funds for use for schooling only. If these funds enable the student to do both things (for example, both attend school and buy a car) rather than having to choose to do only one, there is nothing illegal involved. The program does not require one to deplete savings before borrowing.

Original sponsors: Sturgulewski, Kerdtula,  
Stimson and Dankworth

Offered: 5/27/81  
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 120 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to undergraduate and graduate scholar-  
7 ship loans; and providing 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 \$6,000 [\$3,000] in any one school year, to an  
12 undergraduate 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 \$7,000 [\$5,000] 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  
20 as 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 "good standing" for purposes  
23 of this subsection, *which shall include a provision that the*

24 \* Sec. 4. AS 14.40.763(d) is amended to read: *the commission shall*

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

26 (1) for more than <sup>4</sup> five years of undergraduate study;

27 (2) for more than <sup>4</sup> five years of graduate study;

28 (3) for more than a total of eight [SIX] years of under-  
29 graduate and graduate study.

*Salient  
opines*

1 \* Sec. 5. AS 14.40.763(g) is repealed and reenacted to read:

2 (g) Unless the commission and the student agree to a different  
3 repayment schedule, repayment of the principal and interest on the loan  
4 begins no earlier than nine months nor later than one year after the  
5 student terminates his studies. The loan shall provide for repayment  
6 of the total amount owed in periodic installments in not less than five  
7 nor more than 10 years from the commencement of repayment, except as  
8 provided in (k) and (m) of this section. If the commission and the  
9 student agree to a different repayment schedule, the student shall  
10 repay the loan in accordance with the agreement. A student may make  
11 payments earlier than required by this subsection.

12 \* Sec. 6. AS 14.40.763(1) is amended to read:

13 (1) If a loan is in default, the commission shall [MAY] notify  
14 the borrower [STUDENT] that repayment of the remaining balance is  
15 accelerated and due by sending the borrower [STUDENT] a notice by  
16 registered or certified mail.

17 \* Sec. 7. AS 14.40.763(j) is amended to read:

18 (j) A portion of a loan shall be paid on behalf of the borrower  
19 by the state if, upon completion of the course of study for which the  
20 loan was granted, ~~the borrower attends school in state or~~  
21 the borrower attends school in state or resides in the state for [SPENDS] at  
22 least three years [EMPLOYED IN THE STATE]. The portion of the loan  
23 which shall be paid by the state shall be the following percentages of  
24 the total loan received plus interest for up to a total of 40 percent

- 25 of the total loan: *Each yr. attendance in state 10% per yr for max of 2 yrs.*  
26 (1) ~~two -] three years residency, 20~~ [10] percent;  
27 (2) [THREE -] four years residency, an additional 10 percent;

28 and

- 29 (3) [FOUR -] five years residency, an additional 10 percent

30 *This program does not encourage in state attendance*

~~(4) OVER FIVE YEARS RESIDENCY, AN ADDITIONAL 10 PERCENT].~~

\* Sec. 8. AS 14.40.763(m) is amended to read:

(m) In case of hardship, the committee may extend repayment of a loan for an additional period of up to five years in increments no longer than 12 [SIX] months each [, WITHIN THE 15-YEAR REQUIREMENT OF (g) OF THIS SECTION].

\* Sec. 9. AS 14.40.763(n) is amended to read:

(n) Each year spent attending a college or university in Alaska qualifies as a year of [EMPLOYMENT AND] residency under (j) of this section, if the borrower resides no less than three years in Alaska after completion of the course for which the loan was granted, and has a total Alaskan residency of 10 years time.

\* Sec. 10. AS 14.40.763 is amended by adding a new subsection to read:

(o) The provisions of (j) of this section do not apply to a loan to a borrower named in a complaint as a defendant in an action by the state or by the commission to secure payment of the unpaid balance of a loan made under AS 14.40.759 or 14.40.61.

\* Sec. 11. This Act takes effect July 1, 1981.

*Financial  
impact?  
very low  
estimate*

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. FCHCSCSSB 120  
 Title Amending the Student Loan Program  
 Requested by Senator Sturgulewski Date June 16, 1981

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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC	N.A.	5,268.9	6,329.0	7,895.1	10,009.0	12,439.0
<b>TOTAL</b>	N.A.	5,268.9	6,329.0	7,895.1	10,009.0	12,439.0

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND	N.A.	5,268.9	6,329.0	7,895.1	10,009.0	12,439.0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
Program Revenues		1,650.0	(713.0)	(1,025.0)	(1,025.0)	(1,232.0)
Reproductive Grants		(37.0)				

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME	N.A.	-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						

III ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

- a. Fiscal Impact of raising loan limits for FY 82:  
 Undergraduate: \$3,984,530  
 Graduate: 602,370  
\$4,586,900
- b. Fiscal Impact of increasing grant portion from 40% to 50% retroactively will result in reduction of anticipated revenue during upcoming years, and will have an immediate effect of only \$32,000.
- c. Intent to refund grant portions up front rather than on end of repayment cycle will balance out over ten years, but will have an immediate impact on revenues projected of \$650,000.

IV. DATE June 17, 1981 PREPARED BY Nerry D. Roman  
 AGENCY Commission on Postsecondary Education  
 PHONE 465-2854  
 Original Legislative Finance  
 cc Budget and Manseement  
 Prime Sponsor (First Legislator Named)

# STATE OF ALASKA

AUDIT DIVISION  
POUCH W—ALASKA OFFICE BUILDING

## THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

JUNEAU, ALASKA 99811

August 3, 1981

SUMMARY OF: A Review of the Department of Education,  
Alaska Commission on Postsecondary Education,  
Scholarship Revolving Loan Fund,  
For the Fiscal Year Ended June 30, 1980

### PURPOSE OF THE REVIEW

In accordance with the provisions of Title 24 of the Alaska Statutes, we conducted a review of the Department of Education, Alaska Commission on Postsecondary Education, Scholarship Revolving Loan Fund to determine if the financial statements appearing in the State's Annual Financial Report for the fiscal year ended June 30, 1980 are fairly presented and in compliance with applicable State statutes and regulations governing the operations of the Fund.

In addition, we conducted a review to determine if the Division's performance in granting loans is acceptable.

### FINANCIAL STATEMENTS

Since the accounting records were not adequate to allow us to perform the necessary auditing procedures for loans receivable, the scope of our work was not sufficient to enable us to express an opinion on the Balance Sheet and the related Statement of Revenues, Expenses and Changes in Fund Balance.

### FINDINGS AND RECOMMENDATIONS

1. The Postsecondary Education Commission, Division of Student Financial Aid, should maintain adequate accounting records to support their financial statements.

The Division of Student Financial Aid's computer system could not produce a listing of outstanding loans receivable that reconciles to the State's accounting records. This prevented us from performing auditing procedures necessary to express an opinion on the financial statements.

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED  
AS A UNIT IN THE ORIGINAL DOCUMENT.

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 ~~\$6,000~~ <sup>\* according to cost of institution</sup> \$4,000 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 <sup>of undergraduate study</sup> ~~of undergraduate study~~ *except for that certified program that requires five years*

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. <sup>making good monies by time of graduation</sup> 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)~~  
*read in.*

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

30 1) vocational students.

31 *If in state 1/2 out of state enrollment time - final approval.*

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

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

6 \* Sec. 9. This Act takes effect July 1, 1982.  
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## ANALYSIS OF SSB 709

- Section 1: Reducing undergraduate loan maximum from \$6,000 to \$4,000. This may discourage some borrowing, particularly for those wishing to attend out-of-state, since it will not cover room, board, books, and tuition for most out-of-state schools. It may also have the effect of forcing in-state attendance for those unable to afford to pick up the difference in borrowing levels. (See immediate fiscal impact below.)
- Section 2: Reducing graduate loan maximum from \$7,000 to \$6,000. This will have little effect, other than fiscal. (See below.)
- Section 3: The commonly accepted <sup>13</sup> standard for full-time undergraduate attendance is 12 semester credit hours per semester, or the equivalent. This is in keeping with nearly all other aid programs nation-wide. To impose a new definition would cause great problems at the school (particularly out-of-state) and would not encourage academic excellence any more than the current definition. In fact, by defining full-time status on an annual basis, the potential for abuse is increased. For example, a borrower could enroll for eight hours fall term and receive full-funding under the promise of enrolling for 18 hours spring term.
- "Good standing" applies to all students. The bill does not distinguish between undergraduate and graduate students, but a 2.0 for a graduate student is generally considered to be below average and, in some instances, failing. The commission currently requires a 2.0 for undergraduates and a 3.0 for graduates. The schools must certify as to the good standing of the students before the loan check is released. We feel this is a sound method of verifying a student's attendance and academic performance.
- Section 4. Decreasing undergraduate study to 4 years will eliminate many borrowers. For example, education degrees at any California school are five year programs, architecture degrees are usually five year programs, engineering degrees may be five year programs.
- Section 5. Starting interest accrual immediately will have a substantial impact on the debt of a student. Increasing to 6% should have a minimal impact on borrowing trends. (See fiscal impact below.)

Section 6. Requiring two years' physical presence before applying, coupled with that of Section 7, will eliminate many otherwise eligible borrowers. For example: any student attending out-of-state who does not borrow, any student moving here during a summer--until they have lived here nearly three years, a borrower who leaves for military service and then wishes to go to school within two years of completing service.

Section 7. Enforcing a strict May 15 deadline will place a severe hardship on vocational borrowers. Also, see Section 6 above.

Fiscal Impact

1. Reducing \$6,000 to \$4,000

82-83\*  
\$(7,917,699)

\* based upon 6,598 borrowing over \$4,000, at a savings of \$1,200 each

2. Reducing \$7,000 to \$6,000

82-83\*  
\$(3,000,000)

\*based upon 933 borrowing over \$6,000, at a savings of \$500 each

3. (a) Interest at 6% beginning immediately (Example)

Year	Borrowed	Interest		No. Payment	
		Current	New	Current	New
Frosh	\$4,000	\$ 0	\$240.00	\$ 0	\$ 0
Soph	4,000	0	480.00	0	0
Junior	4,000	0	720.00	0	0
Senior	4,000	0	960.00	0	0
Grace	0	0	960.00	0	0
10 yrs. pymt.	0	4,366.40	5,239.68	\$169.72	\$204.99
Total	\$16,000	\$4,366.40	\$8,599.68	\$20,366.40	\$24,599.68

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## ALASKA COMMISSION ON POSTSECONDARY EDUCATION

POUCH FP  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-2854

February 3, 1982

The Honorable Mike Beirne  
Chairman, House HESS  
Pouch V, State Capitol  
Juneau, Alaska 99811

Dear Representative Beirne:

Thank you for the opportunity of commenting upon the draft of your bill relating to the scholarship loan program. Since the bill contains three changes, I shall address each in order and by reference to line numbers within draft.

1. Redefine full-time student. The bill defines full-time undergraduate attendance as 26 semester credit hours, or the equivalent, per year of study. Currently, full-time undergraduate study is completion of 12 semester credit hours, or the equivalent, per semester (that is, 24 semester credit hours per year). This full-time definition (12 hours) is in keeping with federal programs and is the commonly accepted standard for full-time undergraduate attendance. Placing the restriction upon an annual basis would allow a student to enroll for any combination of hours, such as, 8 hours-Fall and 18 hours-Spring, 10 hours-Fall and 16 hours-Spring, or 13 hours Fall and Spring.

I do not believe this change would achieve the purpose for which it is intended, and I would encourage retention of the 12-hour minimum per semester.

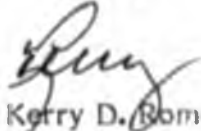
2. Establish 2.0 minimum annual GPA and require transcripts. The 2.0 minimum annual GPA already exists. This is how we defined "good standing" for an undergraduate student. The school is asked, in fact required, to enforce this "good standing" requirement. Placing that responsibility in our offices will greatly increase the flow of documents and correspondence through our agency and could create some administrative difficulties. We prefer having the school sign off on the student status before releasing loan funds. Having this sign-off on file constitutes proof of the student's attendance and academic performance.

The Honorable Mike Beirne  
February 3, 1982  
Page 2

3. Proof of residency. We currently do not require proof of residency, but rather have initiated a random audit approach to residency verification. In cooperation with the State Troopers, we are now piloting this verification approach, but have yet to receive results. The Commission agrees that proof or some type of verification is needed. Whether or not the audit approach will suffice is undetermined at present.

A fiscal note is attached, and I would be happy to testify upon the bill when it comes up for hearing.

Sincerely,



Kerry D. Bomesburg  
Executive Director

Enclosure

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 709  
 Title Act relating to Scholarship Loans  
 Requested by House HESS Date 2/4/82

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		25.8	27.6	29.5	31.6	33.8
200 TRAVEL		-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL		3.7	3.9	4.2	4.4	4.7
400 COMMODITIES		.3	.3	.3	.4	.4
500 EQUIPMENT		4.0	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	<b>N.A.</b>	<b>33.8</b>	<b>31.8</b>	<b>34.0</b>	<b>36.4</b>	<b>38.9</b>

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	N.A.	33.8	31.8	34.0	36.4	38.9
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME	N.A.	1.0	1.0	1.0	1.0	1.0
PART TIME						
TEMPORARY						

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

1. Personal Services: Range 10 - Awards Clerk, inflation at 7% for 84-87 (including benefits)
2. Contractual and commodities at inflation of 6%.

IV. DATE February 4, 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)

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED  
AS A UNIT IN THE ORIGINAL DOCUMENT.

# APPLICATION FOR AN ALASKA STUDENT LOAN

1982-83



ALASKA STUDENT LOAN PROGRAM  
 Pouch FP  
 400 Willoughby Avenue  
 Juneau, Alaska 99811  
 (907) 465-2962

## PLEASE READ CAREFULLY

Before completing this Alaska Student Loan application, detach this page, carefully read the front and back of this page, and retain for future reference. Then see instructions for completing this application on the next page. Do NOT detach the instruction page. It must be sent to the school with the application.

Type or print clearly all information requested.

## GENERAL INFORMATION

To be eligible a student must:

1. be an Alaska resident for at least twenty-four months immediately prior to filing;
2. be, or plan to be, a full time student in good standing during the period for which funds are requested;
3. attend a school which is approved or accredited by a national or regional accrediting association or the Alaska Commission on Postsecondary Education;
4. be, or plan to be, enrolled in a career vocational—technical program or an associate, baccalaureate, or graduate degree program;
5. not have had loans under this program for more than eight full school years, of which not more than five academic years were either undergraduate or graduate; and
6. reapply for each year a loan is desired. Applications are NOT sent automatically to any borrower, but must be requested on or after January 1st for the following year.

Undergraduate and vocational students may borrow up to \$6,000 per school year. Graduate students may borrow up to \$7,000 per academic year. However, no loan may exceed the difference between the estimated cost of education and the estimated income sources for the school year for which the loan is received.

A REVISED APPLICATION must be submitted if there is:

- (a) a change in the school attended for all or any portion of the period for which the loan is awarded.
- (b) a change in the period of attendance for which the borrower originally applied and/or was awarded a loan.
- (c) a change in expenses or funds from other sources.

The Finance Charge (interest) under the Alaska Student Loan Program is 5% simple. All students are eligible to have interest paid on their behalf during qualifying periods. This interest will be paid by the State of Alaska.

## APPLICATION DEADLINE

The application deadline for priority processing is May 15. Applications received after May 15 will be processed in monthly lots with priorities assigned in accordance with loan statutes.

## FOR YOUR CONSIDERATION . . .

While you are planning your college or vocational education, in addition to deciding what school will best meet your needs and goals, you should also plan how you are going to meet your educational expenses.

Since 1971, we have assisted over 30,000 Alaskan residents in achieving their educational ambitions by providing financial assistance. At the same time, we also realize the pitfalls that can await student borrowers who become over-burdened with debt and find repayment a real hardship.

Because of this, we urge students not to borrow any more than is absolutely necessary. Your student loan should be used to supplement other available sources of assistance such as scholarships, grants, work-study programs, parental and family aid, etc.

So that you will be aware of your future financial obligation regarding your Alaska Student Loan(s), the table outlines what your monthly payment would be over a ten (10) year repayment cycle for various total loan amounts borrowed. In addition to the principal which must be repaid, interest accrues during the repayment period at a rate of five percent (5%) per year.

IF YOUR STUDENT LOANS TOTAL	YOUR MONTHLY PAYMENT FOR 120 MONTHS (10 YRS) WOULD BE	TOTAL TO BE REPAYED		
		5% Interest	Principal	Total
\$ 1,000.00	\$ 10.61	\$ 273.30	\$ 1,000.00	\$ 1,273.30
2,000.00	21.21	546.70	2,000.00	2,546.70
3,000.00	31.83	818.40	3,000.00	3,818.40
4,000.00	42.43	1,089.80	4,000.00	5,089.80
5,000.00	53.06	1,363.00	5,000.00	6,363.00
6,000.00	63.64	1,636.80	6,000.00	7,636.80
7,000.00	74.25	1,910.00	7,000.00	8,910.00
8,000.00	84.89	2,182.00	8,000.00	10,182.00
9,000.00	95.46	2,455.20	9,000.00	11,455.20
10,000.00	106.07	2,728.40	10,000.00	12,728.40
15,000.00	159.16	4,089.00	15,000.00	19,089.00
20,000.00	212.13	5,456.00	20,000.00	25,456.00
25,000.00	265.16	6,819.20	25,000.00	31,819.20
30,000.00	318.20	8,184.00	30,000.00	38,184.00
35,000.00	371.23	9,547.80	35,000.00	44,547.80
40,000.00	424.26	10,911.20	40,000.00	50,911.20
45,000.00	477.29	12,274.80	45,000.00	57,274.80
50,000.00	530.33	13,638.80	50,000.00	63,638.80

**STUDENT BORROWER: DETACH THIS SHEET AND SEE REVERSE SIDE FOR ADDITIONAL INFORMATION**

## SPECIAL LOAN PROVISIONS

1. Repayment of loan principal and interest may be deferred under certain conditions. These are outlined in loan regulations and are contained in the Promissory Note.
2. Up to 50% of the total loan may be considered a grant if upon completion of course of study, the loan recipient meets Alaska residency criteria of the loan program.

## PRIVACY ACT NOTICE

The Privacy Act of 1974 (5 U.S.C. 552a) requires that an agency provide the following notice to each individual whom it asks to supply information:

1. The authority for collecting the requested information is section 7 (a) (2) of the Privacy Act.
2. The principal purposes of this information are as follows: to verify the identity of the applicant; to determine program eligibility; to permit servicing of the loan; and in the event it is necessary, to locate missing borrowers and collect on delinquent or defaulted loans.
3. The routine uses include the following: the information may be furnished during the life of the loan to holders of this and other loans made to the borrower; to educational institutions in which the borrower is enrolled or is accepted for enrollment; to guarantee agencies; to Federal or State agencies or private parties who may be able to provide information necessary for the collection of the loan, or to assist in the servicing or collection of the loan.

Section 7 (b) of the Privacy Act of 1974 (5 U.S.C. 522a) requires that when any Federal, State, or local government agency requests an individual to disclose his/her social security number (SSN) that individual must also be advised whether that disclosure is mandatory or voluntary, by what statutory or other authority the number is solicited, and what uses will be made of it.

Section 7 (a) (2) of the Privacy Act provides that an agency may continue to require disclosure of an individual's SSN as a condition for the granting of a right, benefit, or privilege provided by law where the agency required the disclosure under statute or regulation prior to January 1, 1975. In order to verify the identity of an individual.

Disclosure of the applicant's SSN is required as a condition for participation in the loan program. The SSN will be used to verify the identity of the applicant, and as an account number (identifier) throughout the life of the loan in order to record necessary data accurately. As an identifier, the SSN is used in such Program activities as: determining Program eligibility; certifying school attendance and student status; determining eligibility for deferment or repayments; determining eligibility for disability or death claims; and for tracing and collecting in cases of defaulted loans.

## NOTICE

The status of this loan may be reported to a credit bureau. Therefore, in order to maintain a good credit rating, it is in your advantage to comply with all the terms of the loan agreement and to meet your responsibilities as a borrower under this program.

# 1982-83 INSTRUCTIONS FOR COMPLETING ALASKA STUDENT LOAN APPLICATION

**STUDENT BORROWER: DO NOT DETACH THIS PAGE UNTIL THE SCHOOL HAS COMPLETED PART B**

## ROUTING INSTRUCTIONS:

**PART A — TO BE COMPLETED BY STUDENT BORROWER.** After completing Part A, forward this page and the four copies (2 white, 1 yellow and 1 blue) of the application to the student financial aid office at the school you will be attending for completion of Part B.

**PART B — TO BE COMPLETED BY A SCHOOL OFFICIAL.** Under Alaska Statute, applications for the Alaska Student Loan Program must be submitted at the Alaska Student Loan Office on or before May 15 of each year. Applications received after May 15 will not be handled on a priority basis. Therefore, the school is only requested to verify the student borrower's estimated cost of education, any financial aid (if known), and if the student borrower owes a refund on grants or loans previously received at the school in Part B of the application form.

The school is requested to certify the student borrower's enrollment status, academic progress, undergraduate/graduate status, etc. on a form which accompanies each loan check which is sent to the student in care of the student financial aid office at the beginning of each term.

After completing Part B, the School Copy (blue) of the application should be detached and kept in the school records. (The school will also receive an executed copy of the Promissory Note indicating the amount of the loan approved.) The school should forward the remaining three copies (2 white and 1 yellow) and this page to the student.

**STUDENT BORROWER:** Upon receipt of the application from the school, the Student Copy (yellow) and this page should be detached and retained for your records. The remaining 2 white copies should be taken or sent to: Alaska Student Loan Office, Pouch FP, 400 Willoughby Avenue, Juneau, Alaska 99811.

## INSTRUCTIONS FOR COMPLETING PART A — THE STUDENT SECTION

Fill in all items 1 through 27 completely—do not leave any space blank. Incomplete, incorrectly completed or illegible applications will be returned to you for clarification. No priority is assigned until a complete application is received.

1. Enter your full legal name.
2. Enter your social security number—do not guess; check your social security card. Please read the Privacy Act Notice on the reverse side of the front page regarding the use of your social security number in connection with a student loan.
3. Enter date of birth. Make sure that the year entered is the year you were born, not the current year.
4. Enter your permanent mailing address. A temporary school or other temporary address is NOT acceptable. If your address does not include a street name or number or post office box for the city and state listed, enter "none". If your permanent mailing address is not in Alaska, attach a separate sheet of explanation.
5. Enter your current mailing address, if different from Item 4, above, where you can receive correspondence from the student loan office with regard to this application. If you do not keep us informed of your current mailing address during the application processing period, you risk having your loan delayed or canceled. If your current address is the same as your permanent address, enter "same as above".
6. WRITE IN the name of the State where you are a permanent resident and the date you became a resident. If you are a resident of Alaska DO NOT enter "yes", enter "Alaska". Alaska resident means a person who, except for brief intervals, military service, attendance at an educational institution, or for absence for good cause shown, has resided in Alaska and who has maintained his/her domicile in Alaska for at least two years immediately prior to the date of submission of the application for a student loan; domicile is the true and permanent home of a person from which he/she has no present intention of moving and to which he/she intends to return when away. If you are a military dependent and your home of record is not Alaska, you must attach a separate sheet of explanation.
7. Enter your telephone number where you can normally be reached. If you have no telephone where you can be reached, enter "none". If current number is different from permanent, list both telephone numbers.
8. You must provide the name, address, telephone number, and the relationship to you of FOUR (4) references with whom you have periodic contact. If either or both of your parents are deceased and you have no legal guardian, enter the information requested of your closest living relative or a close adult friend. Business or college addresses for references are not acceptable, nor is General Delivery or a blank unless an explanation is attached to indicate that no street names or numbers or post office boxes exist for the city and state listed. All of the references listed must live at different addresses. Addresses listed should be mailing address for each person.
9. Enter your academic standing for the loan period. If you will be a first year Voc-Tech student, check Freshman or a second year Voc-Tech student, check Sophomore, etc. If during part of the school year you will be an undergraduate student and part of the school year you will be a graduate student, you must complete a separate application for each. To qualify as a graduate student, you must be accepted and enrolled in a graduate program.
10. List ALL student loans you have received in prior years from any source, even if any of those loans have been paid in full. Include loans received through the Alaska Student Loan Program, NDSL, FISL and/or GSLP loans received from banks, schools, etc. If you have not received any student loan from any source, enter "none".
11. Enter whether you are a dependent or independent. A dependent is defined as a person who has lived with his/her parents for more than six (6) weeks in 1981 or plan to in 1982, a person who has been claimed on his/her parents' 1981 tax return or if they plan to in 1982, or a person who has received more than \$1000 worth of support from his/her parents in 1981 or if they plan to in 1982.

**SEE REVERSE SIDE FOR FURTHER INSTRUCTIONS**

12. Enter the total number of persons who will live with you during the school year who are dependent upon you for at least half of their support. Include dependent spouse, dependent children, and any other dependents. List ages of dependents. If you have no dependents, enter "0". Do not count yourself as a dependent.
13. Enter the number of quarters, semester/trimesters or weeks/months in the appropriate space. Examples: If you will be attending a college or university for Fall, Spring and Summer semesters, enter "2" Trimesters/Semesters and "1" Summer. If you will be attending a 10 week Voc-Tech school, enter "2" Weeks and "2" Months. If you do not plan to attend school for consecutive terms during the same school year (such as Fall and Summer, but not Spring semester), you must complete a separate application for each separate term.
14. Check the appropriate box which describes where you will live while attending school.
15. Enter major course of study, i.e., English, history, dentistry, auto mechanics, etc.
16. Enter type of degree (associate, bachelors, masters, doctorate), or if you will be working toward a certificate or diploma.
17. Enter the estimated cost of education during the loan period. Refer to the financial information provided by the school you will be attending. If the estimated costs you list in this section are higher than the costs stated by the school's current school's brochure, attach an itemized statement explaining the cost difference.
18. Enter sources of financial aid and other sources to cover your estimated cost of education. In addition to applying for a student loan, it is to your advantage to seek other sources of financial aid such as grants, scholarships, work/study programs, etc. through the financial aid office at the school you will be attending.
19. Enter the beginning and ending dates of attendance for which this loan is requested. The dates entered should agree with the number of terms listed in item 13 above. Example: If you will be attending the University of Alaska for Fall and Spring semesters, enter From: Mo. "9" Yr. "82" To: Mo. "5" Yr. "83".
20. Enter amount of loan requested for the loan period. The maximum annual undergraduate or vocational loan is \$6,000 and the maximum annual graduate loan is \$7,000; however, the amount of the loan will not exceed the difference of your estimated cost of education less sources of financial aid (item 17 less item 18).
21. Enter month and year you anticipate completion of your course of study, i.e., the date you expect to earn the degree, certificate or diploma listed in item 16.
22. List any prior degree(s) or professional certificate(s) you may have received and the date(s) earned. If you have not received any prior degrees or certificates, enter "none".
23. Enter if you will be paying resident, non-resident, or if the school you will be attending is private with no differential in tuition charged. If you will be attending a non-Alaskan school and you will pay resident tuition, you must include an explanation on a separate sheet and include a letter from the school that states the reason you are paying resident tuition and that they do consider you an Alaska resident. If you will be attending school outside of Alaska and enter that you will pay resident tuition without providing an explanation, your application will not be processed, but will be returned to you for clarification.
24. Enter whether you plan to enroll as a full-time or a part-time student during the loan period. All loans under this program are granted on the basis of full-time attendance and enrollment only. Full-time student means
  - a) an undergraduate student, not on academic or other probation, who is or will be enrolled in any combination of courses, work experience, research or special studies which the school requires of the student to consider him/her as being engaged in full-time study and which amounts to the equivalent of 12 semester or 12 quarter hours per academic term for institutions utilizing the trimester, semester, or quarter system
  - b) A graduate student, not on academic or other probation, who is or will be enrolled in any combination of courses, work experience, research or special studies which the school requires of the student to consider him/her as being engaged in full-time study and which amounts to the equivalent of 9 semester or 9 quarter hours per academic term for institutions utilizing the trimester, semester, or quarter system.
  - c) a student enrolled in a career education program for at least 30 clock hours per week and who is pursuing a full-time course of study
25. Enter whether you have/will apply for WICHE (Western Interstate Commission for Higher Education) and/or SEIG (State Educational Incentive Grant) for the school period. If yes, enter the date(s) you applied/will apply.
26. Enter name and address of the school you will be attending during the loan period.
27. You must sign and date the application in ink (after reading the conditions and authorizations on the reverse side of the application).

## INSTRUCTIONS FOR COMPLETING PART B — THE SCHOOL STUDENT FINANCIAL AID SECTION

An authorized school official must complete all shaded areas of the application. Please refer to ROUTING INSTRUCTIONS — PART B above for further information regarding this Section. If you should have any questions regarding what information is required, please contact the Alaska Student Loan Office (907) 465-2962. We will accept station-to-station collect calls concerning loans.

The School Copy (blue) of the application should be detached and retained for the school records and the remaining copies and instruction sheet returned to the student borrower.

**STUDENT BORROWER: DO NOT DETACH AND KEEP THIS PAGE UNTIL THE SCHOOL HAS COMPLETED PART B OF THE APPLICATION FORM.**



# 1982 - 83 ALASKA STUDENT LOAN APPLICATION

This application to be used for the 1982-83 year only. If you will be attending a Voc-Tech school, attendance must begin on or after JULY 1, 1982. If you will be attending a college or university, to be used from Fall 1982 through Summer 1983.

ALASKA STUDENT LOAN PROGRAM, POUCH FF, 400 WILLOUGHBY AVENUE, JUNEAU, ALASKA 99811

**WARNING:** This assistance applied for herein may be provided by the State of Alaska. Any person who knowingly makes a false or misleading statement on this form shall be subject to prosecution under provision of Alaska Statute.

**PART A — TO BE COMPLETED BY STUDENT BORROWER \*IMPORTANT\* READ THE INSTRUCTIONS CAREFULLY** Student Borrower should complete Part A and forward the application to the school for completion of Part B.

1. Student Borrower's Last Name		First Name	Middle Name	2. Social Security No.	3. Date of Birth Mo. ___ Day ___ Yr. ___	
4. Permanent Mailing Address			City or Town	State	Zip Code	
5. Current Mailing Address			City or Town	State	Zip Code	
6. State of Permanent Residence				7. Area Code / Home Telephone Number		
Since: Mo. ___ Year ___				( ) ( )		

8. References: You must provide four references. They must be of legal age with whom you have periodic contact.

Parent/Guardian	Other Parent, adult relative or friend at different address	Adult relative or friend at different address	Adult relative or friend at different address
Name: _____	_____	_____	_____
Address: _____	_____	_____	_____
City, State: _____	_____	_____	_____
Telephone # _____ Relationship to you: _____	_____	_____	_____

9. Academic year of study for which this loan applies (check one):

UNDERGRADUATE: Freshman \_\_\_\_\_ Sophomore \_\_\_\_\_ Junior \_\_\_\_\_ Senior \_\_\_\_\_ 5th Year \_\_\_\_\_  
 or GRADUATE YEAR: 1st \_\_\_\_\_ 2nd \_\_\_\_\_ 3rd \_\_\_\_\_ 4th \_\_\_\_\_

10. List all student loans received from any source. Attach separate sheet if necessary.

NAME AND LOCATION OF LENDER	DATE & TYPE OF LOAN	UNPAID BALANCE
		\$
		\$
		\$
		\$
		\$

Are you (check one — see instructions):  
 Dependent  Independent

12. Enter the total number of your dependents (see instructions):  
 #. \_\_\_\_\_

List ages: \_\_\_\_\_

13. Number of terms you will attend during year for which loan applies (specify number): Quarters: _____ Trimester/Semester: _____ Summer: _____ If Voc-Tech student, specify number of: Weeks: _____ Months: _____	14. While in school, will you live (check one): With Relatives <input type="checkbox"/> On Campus <input type="checkbox"/> Off Campus <input type="checkbox"/>	15. Major course of study. Specify: _____	16. Degree or Certificate being sought (Associate, B.S., M.A., Ph.D, Diploma, etc.): _____
--	---	---	--

17. Estimated cost of education for the loan period:		18. Financial aid & other sources for loan period:	
	Institution use only		Institution use only:
Tuition Fees \$	\$	BOOKS, SEIG \$	\$
Room & Board \$	\$	Parents, Savings, Etc. \$	\$
Books & Supplies \$	\$	Other Educ. Loans \$	\$
Transportation \$	\$	Other Scholar. & Grants \$	\$
Personal \$	\$	WICHE \$	\$
TOTAL \$	\$	TOTAL \$	\$

19. Date of attendance for which loan is requested: From: Mo. ___ Yr. ___ To: Mo. ___ Yr. ___	20. Amount of loan requested \$ _____	21. Estimated date of graduation Mo. ___ Yr. ___	22. List any prior degrees and date(s) received: _____
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23. Type of tuition you will pay for in a period (see instructions): Resident <input type="checkbox"/> Non-Resident <input type="checkbox"/> No Differential <input type="checkbox"/>	24. Student Status during loan period: Full-time <input type="checkbox"/> Part-time <input type="checkbox"/>	25. Have you/will you apply during the loan period for: WICHE: Yes <input type="checkbox"/> No <input type="checkbox"/> SEIG: Yes <input type="checkbox"/> No <input type="checkbox"/> (Date applied) _____
--	--	---

26. Name and address of school you will be attending:  
 Name: \_\_\_\_\_ Address: \_\_\_\_\_

27. My signature below certifies that I have read, understand and agree to the conditions and authorizations stated in the Student Certification and Statement of Educational Purpose printed on the reverse side of this application. I declare under penalty of perjury that the foregoing is true and correct.

Signed: \_\_\_\_\_ (Signature of Student Borrower)      Dated: \_\_\_\_\_

**PART B — TO BE COMPLETED BY SCHOOL** When School Official completes and signs Part B, the blue copy of the application should be retained for the school records. The instruction sheet, the two white copies and the yellow copy should be sent to the applicant — see instruction sheet for further information.

28. Name and Address of Educational Institution: Name: _____ Address: _____	29. DE School Code: _____
30. Area Code and Telephone Number: _____	

My signature below certifies that I have read, understand, and agree to the conditions regarding the student named above in the School Certification Statement printed on the reverse side of the application.

31. Signature of Authorized School Official: _____	32. Print or Type Name and Title: _____	33. Date: _____
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**PART C — FOR ALASKA STUDENT LOAN OFFICE USE ONLY**

Loan Approved: _____	Application Incomplete: Item(s) _____	Application Denied: Reason(s) _____	Prior Alaska Student Loan(s)? Yes <input type="checkbox"/> No <input type="checkbox"/>
Total \$ _____	If yes, have any entered repayment? Yes <input type="checkbox"/> No <input type="checkbox"/>		

## **STUDENT BORROWER CERTIFICATION AND STATEMENT OF EDUCATION PURPOSE**

I, the student borrower, certify that the information contained in Part A of this application is true, complete and correct to the best of my knowledge and belief and is made in good faith. I hereby authorize the educational institution to pay to the Alaska Student Loan Office any refund which may be due me up to the amount of this loan. I further authorize any educational institution that I may attend to release to the Alaska Student Loan Office or subsequent holder or their agents, any requested information pertinent to this loan (e.g. employment, enrollment status, current address). I certify that I will use any funds I receive under the Alaska Student Loan Program solely for the expenses related to attendance at the educational institution named on this form for the academic period covered by this application. I understand that I am responsible for repaying any funds I receive which cannot reasonably be attributed to meeting my educational expenses at the educational institution named on this form. I further understand that the amount of any repayment is based on regulations published by the Alaska Student Loan Office. I certify that I am not now in default on an Alaska Student Loan (ASL). I authorize the Alaska Student Loan Program to issue warrants necessary to cover the proceeds of my loan, in full or in part, made payable to me and sent in care of the student financial aid office at the educational institution named on this application form.

## **SCHOOL CERTIFICATION STATEMENT**

I hereby certify that the student borrower named on this application form is neither in default nor owes a refund with respect to previous loans or grants received for attendance at this institution based on available records. I further certify that I have reviewed the information in Part A of this application, have noted any amendments to items #17 and #18 in the institutional columns, and that the information provided is true, complete, and correct to the best of my knowledge and belief.

# 1982 - 83 ALASKA STUDENT LOAN APPLICATION

This application to be used for the 1982-83 year only. If you will be attending a Voc-Tech school, attendance must begin on or after JULY 1, 1982. If you will be attending a college or university, to be used from Fall 1982 through Summer 1983.

ALASKA STUDENT LOAN PROGRAM, POUCH FP, 400 WILLOUGHBY AVENUE, JUNEAU, ALASKA 99811

**WARNING:** This assistance applied for herein may be provided by the State of Alaska. Any person who knowingly makes a false or misleading statement on this form shall be subject to prosecution under provision of Alaska Statute.

**PART A — TO BE COMPLETED BY STUDENT BORROWER 'IMPORTANT' READ THE INSTRUCTIONS CAREFULLY.** Student Borrower should complete Part A and forward the application to the school for completion of Part B.

1. Student Borrower's Last Name		First Name	Middle Name	2. Social Security No.		3. Date of Birth Mo. ____ Day ____ Yr. ____	
4. Permanent Mailing Address			City or Town	State	Zip Code		
5. Current Mailing Address			City or Town	State	Zip Code		
6. State of Permanent Residence: Since: Mo. ____ Year ____				7. Area Code / Home Telephone Number ( ____ ) ____ - ____			

8. References: You must provide four references. They must be of legal age with whom you have periodic contact.

Parent/Guardian	Other Parent, adult relative or friend at different address	Adult relative or friend at different address	Adult relative or friend at different address
Name: _____	_____	_____	_____
Address: _____	_____	_____	_____
City, State: _____	_____	_____	_____
Telephone # _____ Relationship to you: _____	_____	_____	_____

9. Academic year of study for which this loan applies (check one):  
 UNDERGRADUATE: Freshman \_\_\_\_\_ Sophomore \_\_\_\_\_ Junior \_\_\_\_\_ Senior \_\_\_\_\_ 5th Year \_\_\_\_\_  
 or GRADUATE YEAR: 1st \_\_\_\_\_ 2nd \_\_\_\_\_ 3rd \_\_\_\_\_ 4th \_\_\_\_\_

10. List all student loans received from any source. Attach separate sheet if necessary.

NAME AND LOCATION OF LENDER	DATE & TYPE OF LOAN	UNPAID BALANCE

11. Are you (check one — see instructions):  
 Dependent  Independent

12. Enter the total number of your dependents (see instructions):  
 \_\_\_\_\_  
 List ages: \_\_\_\_\_

13. Number of terms you will attend during year for which loan applies (specify number):  
 Quarters: \_\_\_\_\_ Trimesters: \_\_\_\_\_ Semesters: \_\_\_\_\_ Summer: \_\_\_\_\_  
 If Voc-Tech student, specify number of:  
 Weeks: \_\_\_\_\_ Months: \_\_\_\_\_

14. While in school, will you live (check one):  
 With Relatives   
 On Campus   
 Off Campus

15. Major course of study. Specify: \_\_\_\_\_

16. Degree or Certificate being sought (Associate, B.S., M.A., Ph.D., Diploma, etc.): \_\_\_\_\_

17. Estimated cost of education for the loan period:		18. Financial aid & other sources for loan period:	
Institution use only		Institution use only:	
Tuition Fees \$	\$	BECAID \$	\$
Room & Board \$	\$	Parents, Savings, Etc. \$	\$
Books & Supplies \$	\$	Other Educ. Loans \$	\$
Transportation \$	\$	Other Scholar. & Grants \$	\$
Personal \$	\$	WICHE \$	\$
TOTAL \$	\$	TOTAL \$	\$

19. Date of attendance for which loan is requested: From: Mo. \_\_\_\_ Yr. \_\_\_\_ To: Mo. \_\_\_\_ Yr. \_\_\_\_

20. Amount of loan requested: \$ \_\_\_\_\_

21. Estimated date of graduation: Mo. \_\_\_\_ Yr. \_\_\_\_

22. List any prior degrees and dates received: \_\_\_\_\_

23. Type of tuition you will pay for loan period (see instructions):  
 Resident  Non-Resident  No Differential

24. Student Status during loan period:  
 Full time  Part time

25. Have you/it you apply during the loan period for:  
 WICHE Yes  No  SEIG Yes  No   
 (Date applied) \_\_\_\_\_

26. Name and address of school you will be attending:  
 Name: \_\_\_\_\_ Address: \_\_\_\_\_

27. My signature below certifies that I have read, understand and agree to the conditions and authorizations stated in the Student Certification and Statement of Educational Purpose printed on the reverse side of this application. I declare under penalty of perjury that the foregoing is true and correct.

Signed: \_\_\_\_\_ Dated: \_\_\_\_\_  
 (Signature of Student Borrower)

**PART B — TO BE COMPLETED BY SCHOOL.** When School Official completes and signs Part B, the blue copy of the application should be retained for the school records. The instruction sheet, the two white copies and the yellow copy should be sent to the applicant — see instruction sheet for further information.

28. Name and Address of Educational Institution:  
 Name: \_\_\_\_\_ Address: \_\_\_\_\_

29. DE School Code: \_\_\_\_\_

30. Area Code and Telephone Number: \_\_\_\_\_

My signature below certifies that I have read, understand, and agree to the conditions regarding the student named above in the School Certification Statement printed on the reverse side of the application.

31. Signature of Authorized School Official: \_\_\_\_\_  
 Title or Type Name and Title: \_\_\_\_\_

32. Date: \_\_\_\_\_

**PART C — FOR ALASKA STUDENT LOAN OFFICE USE ONLY**

Loan Approved	Application Incomplete	Application Denied	Prior Alaska Student Loans?
	Name: _____	Reason: _____	Yes <input type="checkbox"/> No <input type="checkbox"/>
Total \$			If you have any entered repayment? Yes <input type="checkbox"/> No <input type="checkbox"/>

**STUDENT BORROWER CERTIFICATION AND  
STATEMENT OF EDUCATION PURPOSE**

I, the student borrower, certify that the information contained in Part A of this application is true, complete and correct to the best of my knowledge and belief and is made in good faith. I hereby authorize the educational institution to pay to the Alaska Student Loan Office any refund which may be due me up to the amount of this loan. I further authorize any educational institution that I may attend to release to the Alaska Student Loan Office or subsequent holder or their agents, any requested information pertinent to this loan (e.g. employment, enrollment status, current address). I certify that I will use any funds I receive under the Alaska Student Loan Program solely for the expenses related to attendance at the educational institution named on this form for the academic period covered by this application. I understand that I am responsible for repaying any funds I receive which cannot reasonably be attributed to meeting my educational expenses at the educational institution named on this form. I further understand that the amount of any repayment is based on regulations published by the Alaska Student Loan Office. I certify that I am not now in default on an Alaska Student Loan (ASL). I authorize the Alaska Student Loan Program to issue warrants necessary to cover the proceeds of my loan, in full or in part, made payable to me and sent in care of the student financial aid office at the educational institution named on this application form.

**SCHOOL CERTIFICATION STATEMENT**

I hereby certify that the student borrower named on this application form is neither in default nor owes a refund with respect to previous loans or grants received for attendance at this institution based on available records. I further certify that I have reviewed the information in Part A of this application, have noted any amendments to items #17 and #18 in the institutional columns, and that the information provided is true, complete, and correct to the best of my knowledge and belief.

This application to be used for the 1982-83 year only. If you will be attending a Voc-Tech school, attendance must begin on or after JULY 1, 1982. If you will be attending a college or university, to be used from Fall 1982 through Summer 1983.

ALASKA STUDENT LOAN PROGRAM, TOUCH FP, 400 WILLOWHAVEN AVENUE, JUNEAU, ALASKA 99811

WARNING: This restriction applied for herein may be provided by the State of Alaska. Any person who knowingly makes a false or misleading statement on this form shall be subject to prosecution under provision of Alaska Statute.

PART A - TO BE COMPLETED BY STUDENT BORROWER - IMPORTANT - READ THE INSTRUCTIONS CAREFULLY. Student borrower should complete Part A and forward the application to the school for completion of Part B.

1. Student Borrower's Last Name \_\_\_\_\_ First Name \_\_\_\_\_ Middle Name \_\_\_\_\_

2. Social Security No. \_\_\_\_\_ 3. Date of Birth \_\_\_\_\_

4. Permanent Mailing Address \_\_\_\_\_ City or Town \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

5. Current Mailing Address \_\_\_\_\_ City or Town \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

6. State of Permanent Residence \_\_\_\_\_ State \_\_\_\_\_ Area Code / Home Telephone Number \_\_\_\_\_

7. Parent/Guardian \_\_\_\_\_ Adult relative or friend \_\_\_\_\_

8. References: You must provide four references. They must be of legal age and whom you have periodic contact. \_\_\_\_\_

9. Academic year of study for which the loan applies (check one): \_\_\_\_\_ Undergraduate: Freshman \_\_\_\_\_ Sophomore \_\_\_\_\_ Junior \_\_\_\_\_ Senior \_\_\_\_\_

10. List all student loans received from any source. Attach separate sheet if necessary. \_\_\_\_\_

11. Are you (check one - see instructions): \_\_\_\_\_ Unpaid Balance \_\_\_\_\_

12. Enter the total number of your dependents (see instructions): \_\_\_\_\_

13. Number of terms you will attend during year: for which loan applies: \_\_\_\_\_

14. Work in school, will you be: \_\_\_\_\_ (check one) \_\_\_\_\_

15. Major course of study: \_\_\_\_\_

16. Degree or Certificate being sought: \_\_\_\_\_

17. Estimated cost of education for the year period: \_\_\_\_\_

18. Financial aid & other sources for this period: \_\_\_\_\_

19. Estimated date of graduation: \_\_\_\_\_

20. Amount of loan requested: \_\_\_\_\_

21. Estimated date of graduation: \_\_\_\_\_

22. Type of tuition you will pay for this period: \_\_\_\_\_

23. Name and address of school you will be attending: \_\_\_\_\_

24. My signature below certifies that I have read, understood and agree to the conditions and restrictions stated in the Student Certification and Statement of Educational Purpose printed on the reverse side of this application. I declare under penalty of perjury that the foregoing is true and correct.

25. Name and address of Student Borrower: \_\_\_\_\_

26. Name and address of Educational Institution: \_\_\_\_\_

27. My signature below certifies that I have read, understood and agree to the conditions and restrictions stated in the Student Certification and Statement of Educational Purpose printed on the reverse side of this application. I declare under penalty of perjury that the foregoing is true and correct.

28. Name and address of Educational Institution: \_\_\_\_\_

29. Name, Title and Telephone Number: \_\_\_\_\_

30. Signature of Authorized School Official: \_\_\_\_\_

31. Signature of Authorized School Official: \_\_\_\_\_

32. My signature below certifies that I have read, understood and agree to the conditions and restrictions stated in the Student Certification and Statement of Educational Purpose printed on the reverse side of this application. I declare under penalty of perjury that the foregoing is true and correct.

33. My signature below certifies that I have read, understood and agree to the conditions and restrictions stated in the Student Certification and Statement of Educational Purpose printed on the reverse side of this application. I declare under penalty of perjury that the foregoing is true and correct.

34. My signature below certifies that I have read, understood and agree to the conditions and restrictions stated in the Student Certification and Statement of Educational Purpose printed on the reverse side of this application. I declare under penalty of perjury that the foregoing is true and correct.

35. My signature below certifies that I have read, understood and agree to the conditions and restrictions stated in the Student Certification and Statement of Educational Purpose printed on the reverse side of this application. I declare under penalty of perjury that the foregoing is true and correct.

36. My signature below certifies that I have read, understood and agree to the conditions and restrictions stated in the Student Certification and Statement of Educational Purpose printed on the reverse side of this application. I declare under penalty of perjury that the foregoing is true and correct.

**STUDENT BORROWER CERTIFICATION AND  
STATEMENT OF EDUCATION PURPOSE**

I, the student borrower, certify that the information contained in Part A of this application is true, complete and correct to the best of my knowledge and belief and is made in good faith. I hereby authorize the educational institution to pay to the Alaska Student Loan Office any refund which may be due me up to the amount of this loan. I further authorize any educational institution that I may attend to release to the Alaska Student Loan Office or subsequent holder or their agents, any requested information pertinent to this loan (e.g. employment, enrollment status, current address). I certify that I will use any funds I receive under the Alaska Student Loan Program solely for the expenses related to attendance at the educational institution named on this form for the academic period covered by this application. I understand that I am responsible for repaying any funds I receive which cannot reasonably be attributed to meeting my educational expenses at the educational institution named on this form. I further understand that the amount of any repayment is based on regulations published by the Alaska Student Loan Office. I certify that I am not now in default on an Alaska Student Loan (ASL). I authorize the Alaska Student Loan Program to issue warrants necessary to cover the proceeds of my loan, in full or in part, made payable to me and sent in care of the student financial aid office at the educational institution named on this application form.

**SCHOOL CERTIFICATION STATEMENT**

I hereby certify that the student borrower named on this application form is neither in default nor owes a refund with respect to previous loans or grants received for attendance at this institution based on available records. I further certify that I have reviewed the information in Part A of this application, have noted any amendments to items #17 and #18 in the institutional columns, and that the information provided is true, complete, and correct to the best of my knowledge and belief.

**1982 - 83  
ALASKA STUDENT LOAN APPLICATION**

This application to be used for the 1982-83 year only. If you will be attending a Voc-Tech school, attendance must begin on or after JULY 1, 1982. If you will be attending a college or university, to be read from Fall 1982 through Summer 1983.

ALASKA STUDENT LOAN PROGRAM, POUCH FF, 400 WILLOUGHBY AVENUE, JUNEAU, ALASKA 99811

**WARNING:** This assistance applied for herein may be provided by the State of Alaska. Any person who knowingly makes a false or misleading statement on this form shall be subject to prosecution under provision of Alaska Statute.

**PART A - TO BE COMPLETED BY STUDENT BORROWER - IMPORTANT! READ THE INSTRUCTIONS CAREFULLY.** Student Borrower should complete Part A and forward the application to the school for completion of Part B.

1. Student Borrower's Last Name \_\_\_\_\_ First Name \_\_\_\_\_ Middle Name \_\_\_\_\_ 2. Social Security No. \_\_\_\_\_ 3. Date of Birth \_\_\_\_\_  
 Mo \_\_\_\_\_ Day \_\_\_\_\_ Yr \_\_\_\_\_

4. Permanent Mailing Address \_\_\_\_\_ City or Town \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

5. Current Mailing Address \_\_\_\_\_ City or Town \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

6. State of Permanent Residence \_\_\_\_\_ 7. Area Code / Home Telephone Number \_\_\_\_\_  
 Since Mo \_\_\_\_\_ Year \_\_\_\_\_

8. References: You must provide four references. They must be of legal age with whom you have periodic contact.

Parents/Guardian	Other Parent, adult relative or friend at different address	Adult relative or friend at different address	Adult relative or friend at different address
Name _____	Name _____	Name _____	Name _____
Address _____	Address _____	Address _____	Address _____
City, State _____	City, State _____	City, State _____	City, State _____
Telephone # (_____) _____	Telephone # (_____) _____	Telephone # (_____) _____	Telephone # (_____) _____
Relationship to you _____	Relationship to you _____	Relationship to you _____	Relationship to you _____

9. Academic year of study for which this loan applies (check one):  
 UNDERGRADUATE: Freshman \_\_\_\_\_ Sophomore \_\_\_\_\_ Junior \_\_\_\_\_ Senior \_\_\_\_\_ 5th Year \_\_\_\_\_  
 or GRADUATE YEAR: 1st \_\_\_\_\_ 2nd \_\_\_\_\_ 3rd \_\_\_\_\_ 4th \_\_\_\_\_

10. List all student loans received from any source. Attach separate sheet if necessary.

NAME AND LOCATION OF LENDER	DATE & TYPE OF LOAN	UNPAID BALANCE
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

11. Are you (check one - see instructions):  
 Dependent  Independent

12. Enter the total number of your dependents (see instructions):  
 \_\_\_\_\_  
 1 or age \_\_\_\_\_

13. Number of terms you will attend during year for which loan applies (specify number):  
 Quarter \_\_\_\_\_ Trimester \_\_\_\_\_ Semester \_\_\_\_\_  
 If Voc-Tech student, specify number of Weeks \_\_\_\_\_ Months \_\_\_\_\_

14. While in school will you live (check one):  
 With Par. (one)   
 On-Campus   
 Off-Campus

15. Major course of study: \_\_\_\_\_ Specify \_\_\_\_\_

16. Degree or Certificate being sought (Associate, B.S., M.A., Ph.D., Diploma, etc.): \_\_\_\_\_

17. Estimated cost of education for the loan period:		18. Financial aid & other sources for loan period:	
Institution use only		Institution use only	
Tuition Fees	\$ _____	BOOKS	\$ _____
Room & Board	\$ _____	Parents' Savings, Etc.	\$ _____
Books & Supplies	\$ _____	Other Edu. Loans	\$ _____
Transportation	\$ _____	Other Scholar & Grants	\$ _____
Personal	\$ _____	OFFER	\$ _____
TOTAL	\$ _____	TOTAL	\$ _____

19. Date of attendance for which loan is requested: From Mo \_\_\_\_\_ Yr \_\_\_\_\_ To Mo \_\_\_\_\_ Yr \_\_\_\_\_

20. Amount of loan requested: \$ \_\_\_\_\_

21. Estimated date of graduation: Mo \_\_\_\_\_ Yr \_\_\_\_\_

22. If not only you, dependents and debts included: \_\_\_\_\_

23. Type of tuition you will pay for loan period (see instructions):  
 Resident  Non-Resident  No Differential

24. Student Status during loan period:  
 Full-time  Part-time

25. How many terms you study during the loan period for (date approved):  
 0-12 Yes  No  13-24 Yes  No

26. Name and address of school you will be attending:  
 Name \_\_\_\_\_ Address \_\_\_\_\_

27. My signature below certifies that I have read, understand and agree to the conditions and stipulations stated in the Student Certification and Statement of Educational Purpose printed on the reverse side of this Application. I declare under penalty of perjury that the foregoing is true and correct.

Signed: \_\_\_\_\_ (Signature of Student Borrower) Date: \_\_\_\_\_

**PART B - TO BE COMPLETED BY SCHOOL.** When School Official completes and signs Part B, the five copies of the application should be returned for the school records. The instruction sheet, the two copies copies and the yellow copy should be sent to the applicant - see instructions for further information.

28. Name and Address of Educational Institution: Name \_\_\_\_\_ Address \_\_\_\_\_

29. CE School Code: \_\_\_\_\_

30. Area Code and Telephone Number: \_\_\_\_\_

My signature below certifies that I have read, understand, and agree to the conditions regarding the student named above in the Student Certification Statement printed on the reverse side of the application.

31. Signature of Authorized School Official: \_\_\_\_\_ 32. Print or Type Name and Title: \_\_\_\_\_ 33. Date: \_\_\_\_\_

**PART C - FOR ALASKA STUDENT LOAN OFFICE USE ONLY**

Loan Approved \_\_\_\_\_ Application Reopened \_\_\_\_\_  
 Rejected \_\_\_\_\_  
 Prior Alaska Student Loans? Yes  No   
 If yes, have any amount repaid? Yes  No

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED  
AS A UNIT IN THE ORIGINAL DOCUMENT.

NOTICE OF PROPOSED CHANGES IN THE  
REGULATIONS OF THE  
ALASKA COMMISSION ON POSTSECONDARY EDUCATION

Notice is hereby given that the Alaska Commission on Postsecondary Education, under authority vested by AS 14.40.757, proposes to amend regulations in Title 20 of the Alaska Administrative Code, relating to the scholarship loan program, as follows:

20 AAC 15.030. Computation of Authorized Loan Awards. Section (a) is amended.

20 AAC 15.040. Conditions of Loans. Section (e) is amended. 20 AAC 15.040 is also amended by adding sections (j) and (k).

20 AAC 15.045. Disbursement of Loan Awards. Section (c) is amended.

20 AAC 15.060. Grants. Section (a) is amended. Section (b) is repealed and re-enacted. Section (c) is repealed. Section (d) is repealed and re-enacted. Section (h) is repealed and re-enacted.

20 AAC 15.085. Definitions. Definitions (6), (7), and (13) are repealed. Section 20 AAC 15.085 is also amended by adding new definitions (3) and (11).

Notice is also given that any person interested may present written comments or arguments relevant to the action proposed to the Executive Director of the Alaska Commission on Postsecondary Education, Pouch F, Juneau, Alaska 99611, before 4:30 p.m., October 30, 1981.

Copies of the proposed regulations may be obtained by writing to the above-mentioned address.

The Alaska Commission on Postsecondary Education upon its own motion or at the instance of any interested person, may thereafter adopt the proposals substantially as described above without further notice or may decide to take no action on them.

Date: September 11, 1981

  
Kerry D. Arneseburg, Executive Director  
Alaska Commission on Postsecondary Education

STUDENT LOAN REGULATION CHANGES  
September, 1981

1. Amend 20 AAC 15.030 (a) to read:

*No - should be a State Standard*

20 AAC 15.030 (a). The maximum authorized loan for an applicant enrolled for less than a full school year, as defined by the enrolling institution and as approved by the director, is determined by prorating the maximum authorized loan award based upon the actual period of attendance, unless the period of attendance encompasses the entire program of study, in which case the award will be based upon computation of financial need.

*Do these any Degree that 50% fee pay?*

*Total amount of hours needed for B.S or B.A degree. divide by 4*

2. Amend 20 AAC 15.040 (e) to read: 20 AAC 15.040 (e). Loans will not be granted for more than [a total of six five full undergraduate school years [.], or more than five full graduate school years, or more than a total of eight full school years.

*what about min. attendance?*

3. Add new section 20 AAC 15.040 (j) to read:

*Too loose - allows just head counting.*

20 AAC 15.040 (j). ...For non-collegiate postsecondary programs, the commission applies the standard of good standing used by the institution of attendance. For collegiate attendance the commission applies the cumulative grade point average based upon the following minimums, computed annually:

*What % will be lost by increasing min. standards?*

Student Level	Minimum Requirement
Undergraduate	2.5 cumulative
Graduate	2.00 cumulative G.P.A
	3.00 cumulative G.P.A

In addition, a borrower must complete course work in which enrolled for each term of enrollment, up to the required full-time enrollment, and must maintain a grade point average of at least 1.50 for each term. *Too easy to get this*

4. Add new section 20 AAC 15.040 (k) to read:

A borrower whose cumulative grade point average falls below the minimum requirement of (j) of this section may request a waiver of the requirements in writing from the director. The request for waiver must set forth unusual or extenuating circumstances and may require documentation. *How many per year asked for now?*

5. Amend 20 AAC 15.045 (c) to read:

20 AAC 15.045 (c). Before delivering the warrant to the recipient, the financial aid officer will be requested to certify on the record of disbursement and receipt form that the recipient is a full-time student in good standing at the institution.

*need to spell this out.*

6. Amend 20 AAC 15.060 (a) to read:

20 AAC 15.060. GRANTS. (a). Under AS 14.40.763 (j), a recipient is eligible to have up to 50% [40%] of his total loans and accrued interest treated as a grant if he continues his Alaskan residency upon the successful completion of his course of study, is awarded an appropriate degree, diploma or certificate, and resides [HAS BEEN CONTINUOUSLY EMPLOYED], except for brief periods, in the state during the period for which he claims the grant.

7. Repeal 20 AAC 15.060 (b) and readopt to read:

20 AAC 15.060 (b). In order to receive a grant under AS 14.40.763 (j), a borrower must return to Alaska to live within one year of the last day of the school in which the borrower completed full-time study or an extension of that period by deferment under AS 14.40.763 (k).

8. Repeal 20 AAC 15.060 (c).

9. Repeal 20 AAC 15.060 (d) and readopt to read:

20 AAC 15.060 (d). Grants provided under AS 14.40.763 (j) will be provided to the borrower in the form of <sup>credits</sup> annual refunds as ? eligibility is established and confirmed; however, no refund will exceed the amount received by the commission in actual loan payments for the twelve-month period previous to grant eligibility. If the eligible grant exceeds the amount received in loan payments for the previous twelve-month period, the appropriate refund will be issued and the remaining grant balance will be applied to the outstanding loan balance.

10. Repeal 20 AAC 15.060 (h) and readopt to read:

20 AAC 15.060 (h). Any borrower who is named in a complaint as a defendant in an action by the state or by the commission to secure payment of the unpaid loan balance, shall forfeit all eligibility for grants provided under AS 14.40.763 (j).

11. Amend 20 AAC 15.085 by deleting the following definitions, re-number as required, and adding the following new definitions:

Delete: 20 AAC 15.085 (6). "employed"  
(7). "employed in the state"  
(13). "resident"

Add: (3). "Collegiate attendance" means attendance at a college or university for which college credits are awarded and for which such credits are creditable toward a degree;

(11). "physically present" means

(A) the applicant lives in Alaska; or

*Should be 10%  
per yr. eligible  
as person makes  
payments on loan?*

each year residence = one year eligibility for loan.

Same principal as permanent fund based on yrs of residence.

(B) the applicant is dependent upon a parent for care and that parent has lived continuously in Alaska for at least two years immediately preceding application; *Very loose*

(C) the applicant has lived in Alaska for at least two years immediately before entering military service and whose absence from the state is due solely to that military service; or

(D) the applicant has lived in Alaska for at least two years immediately before entering full-time student status and whose absence from the state is due solely to that student status; or

(E) the applicant has lived in Alaska for at least the required two-year period before being employed by the State of Alaska or its congressional delegation outside Alaska and whose absence from the state is due solely to that employment;

*Why not minimum economic base?*  
(Reference J-99-025-82)



# federation of teachers

ralph mcgroth, president, 2533 providence, anchorage, alaska 99504, (907) 279-6722

March 25, 1981

Representative Donald E. Clocksin  
Chairman, House Health, Education  
& Social Services Committee  
Pouch V  
State Capitol  
Juneau, AK 99611

Dear Representative Clocksin:

Several bills have been introduced proposing ~~various loan~~  
~~and scholarship plans~~. I am not writing to support or  
oppose any particular bill, but rather to express the  
hope that consideration will be given not only to the  
"typical" 18- to 24-year-old full-time student, but also  
to the part-time student.

The House Research Agency, on ~~page 4~~ of its report on the  
University of Alaska (Report Number 80-6), states, "~~Most~~  
~~students~~ attend the University of Alaska on a ~~part-time~~  
~~basis~~." This is particularly true of the community col-  
leges. The report further states that "61% of University  
of Alaska students are over 24 years of age " My class-  
room experience bears this out. The majority of students  
are attempting to get their college education while working  
full or part time. Many who are older are supporting  
families. We also have a large number of single women  
who are trying to make a living, care for their families  
and get training which will enable them to get higher  
paying jobs. All these students are struggling hard to  
get an education. I believe loan and grant programs  
should address the needs of these students.

Thank you for your consideration.

Sincerely,

Mim Carlson  
Campus Representative,  
Anchorage Community College

MC/jc

cc: Members of House HESS Committee

alaska community colleges'

american fed. of teachers, local 2404, american fed. of labor -- congress of industrial organizations, 1981

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED  
AS A UNIT IN THE ORIGINAL DOCUMENT.

Table 6

## Elementary Population by High School Attendance Area

1970-1981

Attendance Area	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
Bartlett/Degich	4,457	4,620	4,773	4,602	4,513	4,615	4,718	4,613	4,575	4,432	4,421
Chugiak/Gruening	1,269	1,396	1,373	1,458	1,513	1,695	1,643	1,749	1,660	1,641	1,691
Diamond/Hears	1,764	2,191	2,255	2,353	2,405	2,499	2,865	2,916	3,047	3,017	2,983
East/Henson	4,804	4,921	5,103	4,740	4,647	4,475	4,347	4,035	3,870	3,694	3,837
Service/Hanohew	1,786	1,970	2,141	2,195	2,287	2,580	2,513	2,745	2,907	2,881	2,854
West	7,641	7,394	6,908	6,170	5,917	5,770	5,438	5,259	5,027	4,503	4,461
Total	21,721	22,492	22,553	21,518	21,282	21,634	21,524	21,317	21,086	20,168	20,247

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Table 15

Elementary Student Population Projections 1981 - 1987

FORECAST III (by Areas)

Area	Actual Enrollment as of 9/30/80	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87
Bartlett/Begich	4,421	4,464	4,517	4,583	4,666	4,786	4,924
Chugiak/Gruening	1,691	1,693	1,729	1,772	1,847	1,902	1,981
D' and/Hears *	3,001	3,112	3,135	3,187	3,249	3,325	3,421
East/Henson	3,837	3,935	3,983	4,063	4,143	4,242	4,366
Service/Hanshaw	2,854	2,843	2,885	2,952	3,013	3,084	3,173
West	4,461	4,605	4,572	4,601	4,665	4,754	4,866
District Total	20,265	20,652	20,821	21,158	21,583	22,093	22,731

\* Includes 7th and 8th grade students from Cirdwood.

Table 16

III

Elementary Student Population Projections 1981 - 1987

FORECAST III (by School)

School	Actual Enrollment as of 9/30/80	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87
Abbott Loop	52	548	555	569	581	594	611
Airport Heights	336	329	337	350	357	365	376
Aurora	630	637	638	643	653	667	684
Baxter	593	570	593	605	616	631	650
Bayshore	503	511	516	524	534	546	563
Birchwood	283	273	278	285	297	306	320
Campbell	358	395	397	403	411	421	433
Chester Valley	411	392	394	400	407	418	430
Chinook	633	633	637	648	658	673	692
Chugach	234	260	260	260	260	260	260
Chugiak	357	376	380	389	406	418	435

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IV

Table 16 (continued)  
Elementary Student Population Projections 1981 - 1987  
FORECAST III (by School)

School	Actual Enrollment as of 9/30/80	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87
College Gate	388	393	402	408	416	426	438
Creekside	319	337	340	345	351	360	370
Denali	257	273	269	271	276	279	286
Eagle River	450	454	462	474	494	509	529
Fairview	283	296	289	290	295	301	311
Girdwood *	109	120	123	125	133	136	141
Honestead	601	590	609	624	650	669	697
Huffman	417	419	426	435	444	455	468
Inlet View	240	241	240	242	246	247	252
Kennedy	342	353	354	359	365	374	385
Lake Otis	356	353	363	372	380	389	400

Cap. Exp. Projections

*[Handwritten signature]*

Table 18

Secondary Student Population Projections 1981 - 1987

FORECAST III (by School)

School	Actual Enrollment as of 9/30/80	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87
Bartlett-Begich	1,824	1,750	1,678	1,700	1,752	1,818	1,845
Central	658	660	703	722	703	681	677
* Chugiak-Cruening	1,385	1,444	845	857	884	914	932
Clark	728	725	770	795	772	749	744
Diamond-Hears	2,409	2,351	2,355	2,393	412	2,439	2,458
East-Ronaon	1,953	1,895	1,813	1,839	1,895	1,969	1,997
* Jr. High (Eagle River)	(a)	(a)	599	615	598	579	575
Romig	673	695	740	760	740	718	715
Service-Hanshaw	2,620	2,650	2,639	2,689	2,714	2,745	2,766
Wandler	1,041	1,090	1,160	1,195	1,163	1,125	1,118
West	2,083	1,947	1,864	1,841	1,948	2,021	2,052

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PLEASE NOTE: THE PRECEDING PAGES WERE TREATED  
AS A UNIT IN THE ORIGINAL DOCUMENT.

2. The Division of Student Financial Aid should follow generally accepted accounting principles to ensure that financial statements are fairly presented.

This recommendation remains unchanged from Legislative Audit's Fiscal Year 1978 audit of the Scholarship Revolving Loan Fund.

AUDITOR'S COMMENTS

The results of our performance survey indicate that most problems causing delays in the awarding of loans have been identified and are being addressed by the Postsecondary Education Commission.

# STATE OF ALASKA

AUDIT DIVISION  
POUCH W—ALASKA OFFICE BUILDING

## THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

JUNEAU, ALASKA 99811

July 29, 1981

**SUMMARY OF:** A Review of the Department of Education, Alaska Commission on Postsecondary Education, Memorial Scholarship Revolving Loan Fund, For the Fiscal Year Ended June 30, 1980.

### PURPOSE OF THE REVIEW

In accordance with the provisions of Title 24 of the Alaska Statutes, we conducted a review of the Department of Education, Alaska Commission on Postsecondary Education, Memorial Scholarship Revolving Loan Fund to determine if the financial statements appearing in the State's Annual Financial Report for the fiscal year ended June 30, 1980 are fairly presented and in compliance with applicable State statutes and regulations governing the operations of the Fund.

### FINANCIAL STATEMENTS

In our opinion, the financial statements are not fairly presented, which is due to incomplete presentation of the financial statements and because assets and Fund Balance are overstated by approximately \$9,000. The overstatement resulted because no provisions were made for estimated bad debts and estimated loans to be converted to grants under AS 14.40.825(e).

### FINDINGS AND RECOMMENDATIONS

1. The Division of Student Financial Aid should follow generally accepted accounting principles to ensure that financial statements are fairly presented.

No provision has been made in accounting records to recognize estimated bad debts and estimated loans to be converted to grants. This has resulted in overstating loans receivable and Fund Balance by approximately \$9,000 at June 30, 1981.



UNIVERSITY OF ALASKA, FAIRBANKS  
Fairbanks, Alaska 99701

POSITION PAPER ON LEGISLATIVE ISSUES

SB and HB 99 *passed HESS  
What about*

As the elected representatives of the student body, half of which is composed of women, we strongly urge the passage of both SB and HB 99 by the Legislature. In an age of increasing concern for social equality, we feel this bill would be a major step in promoting this interest on all of the campuses of the statewide system.

HB 14 → *Really points out the major competition going on within  
Municipalities and L.A. for a symbol of survival*

In November of 1980, the voters of the state were presented several bonding propositions dealing with state funding of various improvement projects throughout the state. Of the several that the voter's approved of was Proposition G, which provided \$8.5 million dollars to construct Phase II. of the UAF Rasmuson library. This amount however, is not sufficient to complete the project. HB 14 would provide the necessary \$5 million dollars needed to complete the project as well as provide funding for the planning of the third phase of the library. The students at UAF will greatly benefit from the Phase II. project and thus we support the passage of HB 14.

*Community of 50,000* UAF - volumes } should share not  
TVCC - just walking distance away } compete  
Falls branch library - Total volumes

*Community of 175,000* UAA - ACC APU - construction - so far good cooperation  
Total volumes  
but now Gov. Municipality want \$4.5M facility.

*UAF - JCC - state library -  
need a program of cooperation*

"Good Standing" in Alaska

1. UA-Fairbanks

Undergraduate	Semester and Cumulative GPA 2.0
Graduate	Semester and Cumulative GPA 3.0

2. UA-Anchorage

Cumulative GPA 2.0

3. UA-Juneau

Undergraduate	Semester and Cumulative GPA 2.0
Graduate	Semester and Cumulative GPA 3.0

4. Anchorage Community College Cumulative GPA 2.0

5. Alaska Pacific University

Student Enrollment Tables

<u>Semesters</u>		<u>SCH</u>	
2	or	23	Cumulative GPA 1.75
3	or	39	Cumulative GPA 1.80
4	or	49	Cumulative GPA 1.85
5	or	64	Cumulative GPA 1.90
6	or	79	Cumulative GPA 1.95
7+	or	94+	Cumulative GPA 2.00

Staff recommendation:

(a) Undergraduate

<u>Semesters</u>		<u>SCH</u>	
0 - 2	or	0-24	Cumulative GPA 1.75
4+	or	48+	Cumulative GPA 2.00

(b) Graduate

Cumulative GPA 3.00

(c) Appeal is possible for unusual or extenuating circumstances.

October 16, 1981

Dear Representative Martin,

I hope you and your colleagues will read the enclosed letter written by a student at UAA. It is accurate and to the point.

It's about time our Anchorage representatives begin asking serious questions of President Jay Barton and the Statewide Administration as to why they fail to consider the legitimate needs of our campus (classrooms, science laboratories, and library resources). The time has come for Anchorage to have its own University free from the "roadblocks created by a university system based upon political narrowness". Why does almost \$90 million of a \$125 million budget go to serve approximately the same number of students as at UAA, not including another 5,000 at ACC. This is totally unacceptable.

Please visit our campus. See for yourself the situation under which students and faculty have to work.

Thank you for listening,  
John P. Harrington  
UAA Faculty Association

# Letters to the editor

## Anchorage university status

Dear Editor:

Just a word of thanks for your recent news coverage and editorials regarding the state of the Anchorage campus of the University of Alaska. As a student, I can tell you the role of the Anchorage campus is one of the lonely step-sister, hated for her popularity and denied access to her rightful resources.

President Barton and the Board of Regents have continually chosen to ignore the desires of the local pop-

ulation in shaping the role of UAA and instead deny those who steadfastly attempt to become educated in the city of their choice a complete and satisfying program. To choose Anchorage's university campus one must be prepared to wait between one and two years for necessary courses in many majors, suffer the expense of the open market for housing and endure unnumberable frustrations produced by a lack of funding, staffing and space.

I hasten to point out that the faculty and administration of both UAA and ACC perform wonders under this second-class status. All exhibit incredible interest and concern for students in the ways that they try to help overcome the roadblocks created by a university system based upon political narrowness rather than the broad scope of higher learning. As all public institutions should be, a university's goal must be to serve the community, not the

power fantasies of its administrators.

Someone was quoted as thinking the increase in student enrollment had to do with the bargain tuition and they compared Alaskan tuition to that of Yale. That is like comparing apples and oranges, as no tuition is a bargain if the product is not comparable. I urge the academic community and all who would like to see a whole and total university available to Anchorage students to keep this issue in mind during the upcoming governor's race. UAA could be one of Anchorage's finest resources if it could find a friend in Juneau who might change the view from the top offices of the university system.

Lynne Parise-Williams  
Anchorage

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## ALASKA COMMISSION ON POSTSECONDARY EDUCATION

POUCH F - STATE OFFICE BUILDING  
JUNEAU, ALASKA 99811  
(907) 465-2854

March 16, 1981

The Honorable Terry Martin  
Alaska House of Representatives  
Pouch V  
Juneau, Alaska 99811

Dear Representative Martin:

Enclosed is a copy of our high school survey of last year's seniors. The question in which you may be most interested is summarized in Table 11 on page 16 of the report. You will note that of the seniors that were going to go to school after high school, 31.3% were planning in-state attendance and 68.7% were planning out-of-state attendance. The reasons for these choices are also quite interesting. These are summarized in Tables 15 and 16 on page 22 of the report.

By way of comparison, we can look at what the freshman loan borrowers for this year are actually doing (since this is the same group, at least partially, as the seniors from last year). Our freshman borrowers are using loans at rates of 47.1% in-state and 52.9% out-of-state.

*Good trend - but will new loans change this.*  
The heaviest attendance states are indeed what were indicated in the senior survey, that is, Alaska, Washington, California, and Oregon.

It should be noted, that in-state attendance has been increasing for undergraduate loan recipients over the last five years and for graduate loan recipients over the last three years. ~~Indicates this reflects two~~ things: the increased ability to attract students by the improved offerings of our in-state institutions, ~~and the decreased rate of~~ attendance out-of-state.

If you need further information, please let me know.

Sincerely,

*Kerry*

Kerry D. Jonesburg  
Executive Director

Enclosure

*Now that we have increased loans again we may see a decrease in in-state attendance.*

PETER ARGETSINGER  
7071 Whitehall Street  
Anchorage, Alaska 99502

March 10, 1981

The Honorable Arliss Sturgulewski  
Alaska State Senate  
Pouch V  
State Capitol Building  
Juneau, Alaska 99811

Re: Alaska Scholarship Loan Program

Dear Arliss:

As we had discussed the subject on December 11, I was pleased to note your co-sponsorship of Senate Bill No. 120 which would increase the limit for undergraduate loans from \$3,000 to \$5,000 and for graduate students from \$5,000 to \$7,000, as well as allowing loans to a student for eight years. Your active support of this legislation is appreciated. It seems to me that there is no conceivable "investment" of state general fund monies derived primarily from our non-renewable resources that will pay more dividends to the State of Alaska than loans to students pursuing higher education.

Once passage of Senate Bill No. 120 or its equivalent in the House (SSHB 32) is assured, I know that each of you will turn your attention to adequate funding for the program - including Senate Bill No. 48 now awaiting favorable action in the House.

While I believe SSHB 32 is as acceptable as SB 120 (perhaps more so, due to the higher loan limits), a word should be said about SSHB 42 which is unacceptable for two reasons.

One, the loan limits proposed in SSHB 42 are grossly inadequate in this time of rapidly escalating college expenses. (Enclosed for your information are two recent articles which should underline that concern.)

Two, while the proposal by Rep. Buchholdt in SSHB 42 to amend AS 14.40.763(j) to allow a total of 70% forgiveness of a loan on five years Alaska residency following completion of the course of study is commendable, I object quite strongly to the proposal in AS 14.40.763(j)(4)(A) that five years of residency and a scholastic average of "B" or better qualify a student for 100% forgiveness of a loan. On the surface such a proposition sounds desirable, but the reality may well be that Alaska students will be encouraged to choose institutions of lesser scholastic standing than they otherwise might in order to assure a "B" average so that the remaining

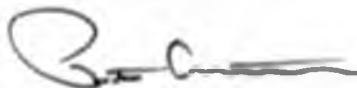
The Honorable Arliss Sturgulewski  
March 10, 1981  
Page Two

30% of a loan would be forgiven. The incentive is certainly there as the additional forgiveness could amount to as much as \$14,400, plus interest. Instead, I hope as a State we will encourage students (young and older) to pursue as rigorous an academic preparation as they are able to handle. Trite as it sounds, these are Alaska's future leaders.

Again, thanks to you and the bill's co-sponsors for supporting the scholarship loan program. I am taking the liberty of sending copies of this letter to them and to the members of the two HESS committees urging favorable early action on SB 120 and/or SSHB 32, along with SB 88.

Best personal regards,

Very truly yours,



Pete Argetsinger

PA/lw

Enclosure

cc: The Honorable Jalmar M. Kerttula  
The Honorable Mike Colletta  
The Honorable M. E. Dankworth  
The Honorable Vic Fischer  
The Honorable Tim Kelly  
The Honorable Terry Stimson  
The Honorable Jim Duncan  
The Honorable M. P. Beirne  
The Honorable Thelma Buchholdt  
The Honorable Bette M. Cato  
The Honorable Donald E. Clocksin  
The Honorable Terry Gardiner  
The Honorable Ben F. Grussendorf  
The Honorable Terry Martin  
The Honorable Mike Miller  
The Honorable Randy E. Phillips  
The Honorable Brian D. Rogers

spoilers. Voters have made it clear they want Reagan to get a fair chance. If they help Reagan and his plan stops inflation and revitalizes the American economy, the Republicans could be the dominant party for decades.

Big question: Will Reagan's economic policies work? Nothing like it has been tried before. Many economists, citizens fear Reagan's program will heat up the economy, fan ever higher prices. Critics note these built-in risks:

Individuals will spend their tax cuts on consumer goods rather than on saving or investing more, as Reagan expects. That would push up prices.

There is nothing in the administration program to moderate wage increases. Hourly earnings in January went up at an annual rate of more than 15 percent. Higher labor costs quickly force higher prices unless productivity jumps.

There is no sign of escape from high imports of oil and increasing energy prices. Despite decontrol of oil prices and more drilling, it is unlikely that U.S. companies can come up with enough domestic crude to reduce imports much.

Says the Petroleum Industry Research Foundation: "The decline in domestic crude-oil production that began in 1971 will continue through the 1980s."

Reagan's proposed jump in defense spending--169.5 billion in six years--will add more heat to the inflation fire. Military spending puts more money into the economy without providing any consumer goods to sop up the funds.

The administration's scenario calls for higher investment to modernize equipment, increase output of goods per worker, thus easing inflation.

The theory will be tested in the months and years ahead.

Back in today's world: America's built-in business prod--tax refunds--are hitting Main Street again. Through February 12, taxpayers got 4.5 million in federal income-tax refunds amounting to 2.7 billion dollars.

They averaged \$607.70, an increase of 4 percent over last year.

Twenty thousand dollars a year for college tuition and room and board? That's what the tab will be in 1990, educators say. By next fall, cost will be \$10,000 plus in top private colleges such as Harvard, Yale and Stanford.

Even state universities with generally lower rates plan to jump tuition 12 percent or more. To make matters worse, Uncle Sam is expected to cut back on tuition-aid funds. Some help in financing gold-plated sheepskins is possible:

Good chance Congress will provide tax credits for tuition costs next year.

The allure of illicit drugs may be dimming. A new study indicates use of the drugs by young people peaked last year. Among high-school seniors

Daily use of marijuana, most widely used substance, was down 12 percent.

Use of hallucinogens, barbiturates and tranquilizers, also down.

Use of cocaine, heroin and LSD remained about stable.

Only increases found were in amphetamines and Quaaludes, sleeping pills.

Why the shift? The youngsters are reading and believing newspaper and magazine reports on scientific evidence documenting bad effects of the drugs.

## College tuition breaks the \$7,000 barrier

By LAURIE JOHNSTON  
The New York Times

NEW YORK — The price of a college education, which hard-pressed parents have long said is going through the roof, has done just that — only there is a parently no longer a roof.

For 1981-82 undergraduates, tuition charges alone are crashing through the \$7,000 barrier for the first time. Total fees, including room and board, are not only shooting past \$10,000, but also emerging strong on the other side at such pace-setting schools as Harvard, Yale, Brown, Bennington, Columbia, the Massachusetts Institute of Technology and Stanford.

At several campuses, they carry such canny price tags as Princeton's \$9,994.

Outstripping the inflation rate by several points, the increases will commonly be 15 percent and often more. A benchmark 20 percent rise has been announced by Boston's Northeastern University for four of its colleges, where freshmen will pay \$4,500 tuition, with a 16.7 percent rise to \$4,200 at the other colleges. Cornell's endowed colleges will go up 18 percent to \$7,000 tuition, with housing and dining increases expected to bring the

total to \$9,864.

The increases come at a time of severe concern over the Reagan administration's announced goal of limiting federal financial aid to students, and many schools are increasing their own budgets for student aid.

At Amherst college, which expects a 13 to 15 percent increase above the present \$8,450 comprehensive fee (compared with \$3,600 just 10 years ago), 70 percent of the students have federally guaranteed student loans. The college has budgeted its own financial help for 15 percent of next year's freshmen, as against 27 percent this year.

"If there's no major reduction in government loans and grants, we're in good shape," said Donald Routh, dean for financial aid. "If there are reductions, then we have some very real problems."

Putting the blame on inflation, college officials cite soaring costs of fuel and insula' n programs, food and equipment, as well as relatively modest faculty and staff salary increases of 9 to 13 percent. Administrators note in passing that income from endowments and other sources is not keep-

ing pace with inflation.

Announcing that Yale's undergraduate bill would be \$10,340, President A. Bartlett Giamatti called it "as low as it can possibly be" in the face of energy costs, a decline in the purchasing power of endowments and Yale's decision to increase salaries.

Columbia and Barnard, which expect to announce increases of at least 12 percent, to about \$10,300 and \$8,840, respectively, are among the schools citing a need for improved security to justify the rises.

Total fees on nearly all campuses have at least doubled in the past decade — a period when the national consumer price index was rising 112 percent — and most picked up speed in the later years. At Brown University, for example, next year's \$10,242 comprehensive fee is up 110 percent from \$4,890 in 1970-71 and 78 percent from \$5,750 in 1975.

Princeton will break its own records with a 15 percent increase in tuition to \$7,250. The total charges come to \$9,994 — a 133 percent increase in the last decade. However, students and their families are urged to count also on an allowance of

\$1,055 (up from this year's \$975 estimate) for such expenses as books and laundry — not to mention the beer-and-skittles part of education — bringing the recognized total to \$11,049.

With a mere 12.3 percent rise in total fees, Bennington College in Vermont may still present the nation's most expensive undergraduate bill: \$10,560 for tuition, room and board. At Wesleyan University in Middletown, Conn., a planned 15 percent increase will bring student fees to \$9,780, of which \$6,850 is for tuition.

Like many other schools, Harvard University cited "steady inflation and rising energy costs" for its \$1,370 increase in undergraduate charges to \$10,540, with tuition alone up 15.5 percent to \$6,900.

# STATE OF ALASKA

JAY S. HAMMOND, Governor

## ALASKA COMMISSION ON POSTSECONDARY EDUCATION

DIVISION OF STUDENT FINANCIAL AID

POUCH. F - STATE OFFICE BUILDING  
JUNEAU ALASKA 99811  
PHONE: (907) 465-2962

Office of the Registrar:

Section 14.40.763(k)(1) of the Alaska Statutes provides for deferment of payments from previous loan recipients under the Alaska Student Loan Program during periods of full-time enrollment in good standing.

Our records indicate that the student listed below has a loan obligation with our office. In order to defer the repayment cycle of the subject student while enrolled on a full-time basis, your assistance is requested in certifying full-time status.

We are especially interested in any full-time attendance since: \_\_\_\_\_

*For loan purposes Dept. should require that*

Student: \_\_\_\_\_ SSN: \_\_\_\_\_

- Semester system  
 Quarter system  
 Other, specify dates: \_\_\_\_\_

PLEASE INDICATE FULL-TIME ATTENDANCE  
WITH AN "F" AND PART-TIME ATTENDANCE  
WITH A "P"

School Year	FALL TERM	(n/a if sem. sys.) WINTER TERM	SPRING TERM	SUMMER TERM
1973-74				
1974-75				
1975-76				
1976-77				
1977-78				
1978-79				
1979-80				
1980-81				
1981-82				

Basis for tuition charges:  Resident  Non-resident  
 Private, no differential

I certify that the information stated above is true and correct.

Sign: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_

Name of School: \_\_\_\_\_

Address of School: \_\_\_\_\_



UNIVERSITY OF ALASKA  
FAIRBANKS, ALASKA 99701

January 26, 1982

TESTIMONY BEFORE THE HOUSE FINANCE SUB COMMITTEE, JANUARY 26, 1982

"The College of Arts & Sciences, U. of A. Fairbanks, budget request"

Walter Benesch, Professor of Philosophy speaking:

I should like to take the opportunity this public hearing by tele-conference presents to discuss the instructional budget request of the College of Arts & Sciences. As the largest teaching unit on campus, offering well over 50% of all the credit hours that the Fairbanks branch of the University produces, the College of Arts and Sciences has been hit particularly hard by enrollment increases over the past three years. We realize this is a year of tight budgets and we have certainly tried to hold our request to the barest minimum that would enable us to continue to teach what we teach to ever larger numbers of students. The College of Arts and Sciences is asking for support in three different aspects of its instructional program:

I. We need State help in continuing to make the Concert Hall available for cultural activities on the campus and in the Fairbanks community. The Dept. of Music's "Concert Hall Manager" position had been funded out of now eliminated CETA funds. We hope to continue this position and add to it the support services of a clerk, as well as basic technical equipment and commodities tied directly to public use of the hall. The Concert Hall is a very important part of the Fairbanks cultural community.

II. We are seeking to add or improve critical learning laboratory facilities in some of our central liberal arts programs, in order to make available to our undergraduates in Arts and Sciences an opportunity to get the most out of their classroom instruction. In this category we need (a) basic art history slides for the Departments of Art and Humanities, (b) equipment and tapes in foreign languages for the language laboratory in the Department of Linguistics and Foreign Languages, (c) a student lab assistant, a storekeeper, and lab supplies in Physics, (d) audio visual materials and documents for history courses in the History Department. These requests are all tied to the quality of existing instructional programs.

III. Finally, we are requesting three full-time positions and one part-time position in instruction in Arts and Sciences. (a) In Chemistry we need additional faculty salary and teaching assistant salary money in order to add the courses and lab in chemistry that will make it possible to offer the "satellite" Nursing Program in Fairbanks in conformity with the parent program in Anchorage.

(b) In the Art Department we are seeking a full-time additional position. The



## UNIVERSITY OF ALASKA

COLLEGE ALASKA 99701

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seven member art faculty of the Department of Art at the UAF, or six in terms of full-time members, provides an art program for approximately 130 art majors who are seeking BA or BFA degrees in art. Each semester over 800 students enroll to participate in one or more of thirty art courses. The annual enrollment growth in the Department is approximately 8%. The new position requested will allow the art program to improve the teaching of foundation courses in basic design, and related graphic arts, and free the studio teachers to more fully develop their specialized and advanced art courses with upper division students. In terms of long range planning, the art program must grow to at least 8 full-time art faculty in order to meet the National Association for Schools of Art guidelines, and to prepare for eventual development of a masters level program for Alaska. Currently, there is no masters degree in art program in Alaska.

(c) In the Political Science Department we are requesting another teacher for the program in Justice. The Justice program at the UAF is a liberal arts oriented program located with the Dept. of Political Science. It offers a BA degree. From a federally funded beginning in 1968, the Justice program has steadily grown from an Associate Degree in Police Administration to a complete BA program in 1976. The faculty has maintained a very conservative posture on expansion---allowing the job market and student demand to dictate program growth. In terms of majors it is the 5th largest of the 32 degree granting program in the College of Arts and Sciences. It has only two faculty members. They are solely responsible for the Justice education of over 60 majors, including their advising, teaching, and supervision of research projects. The course of study demands expertise in several distinct areas including police, courts, corrections, criminology, management, research methodology and statistics, law, and the sociology of law. It is totally unrealistic and a disservice to our students to expect two faculty to possess and adequately transmit knowledge in all of these varied areas. Additionally, the areas of public service and research---traditional and legitimate functions of the University---are not being adequately accommodated due to the demand placed on limited faculty resources. And yet, the geographical area most influenced by the University of Alaska at Fairbanks has continuously shown a desire and need for the expertise offered by the Justice faculty. The addition of a new member would allow the level of interaction in the community and the professional research needed to make the Justice Program at the UAF professionally viable.

(d) And finally, we are requesting a position in the Department of Philosophy and Humanities. The Department still has only the two full-time permanent faculty members that it had 15 years ago, but its enrollments are many times greater, as well as its responsibilities. The philosophy faculty teaches, in addition to basic introductory philosophy courses, all of the "philosophy of science" and the "history of science" that are offered on a campus with a strong science orientation. The basic introduction to philosophy of science course this semester has 40 students enrolled in it. The Department also offers all of the basic logic courses which



UNIVERSITY OF ALASKA  
FAIRBANKS, ALASKA 99701

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have now become one of the degree requirements for all BA degrees. Introductory sections have up to 40 and 50 students---and to spend 30 minutes a week reading a single paper from each student and an additional 10 minutes a week talking to each student is an impossibility, though basic to good education in logic and the philosophy of science. The Department has been using part-time faculty when they could be found, and teaching up to five course per faculty member when they could not...and the Department has put its entire upper-division program on an every-other-year basis in order to accommodate the lower-division requests. This means that upper-division courses are offered once every second year.

Again, I want to thank you for this chance to talk to you as a full time faculty member at the UAF. I have been at the UAF for 19 years now, and never in all of that time have I seen the situation as critical as it is now in instruction. I firmly believe that the University and State are going to have to make some very critical decisions this year.

A handwritten signature in cursive script that reads "Walter Benesch".

Walter Benesch,  
Department of Philosophy & Humanities  
University of Alaska  
Fairbanks, Alaska  
99701

**UNDERGRADUATE STUDENT COST-OF-LIVING**  
**Alaska**

University	Room	Board	Books & Supplies	Transportation	Personal Expenses	Total excluding Tuition & Fees	Tuition & Fees	TOTAL
<b>UNIVERSITY OF ALASKA</b>								
UAF--on-campus 80-81	\$560 A	\$1,430 A	\$250 E	\$480 E	\$530 E	\$3,250 E	\$410 A	\$3,660 E
off-campus 80-81	\$2,400 E	\$1,200 E	\$250 E	\$480 E	\$530 E	\$4,860 E	\$410 A	\$5,270 E
on-campus 81-82	\$630 A	\$1,470 A	\$250 E	\$800 E*	\$600 E	\$3,750 E		
off-campus 81-82	\$2,400 E	\$1,600 E	\$250 E	\$800 E*	\$600 E	\$5,650 E		
UAA--off-campus 80-81	\$2,475 E	\$1,575 E	\$250 E	\$495 E	\$675 E	\$5,470 E	\$410 A	\$5,880 E
off-campus 81-82	\$2,475 E	\$1,836 E	\$250 E	\$660 E	\$810 E	\$6,031 E		
UAJ--off-campus 80-81	\$4,100 E		\$250 E	\$500 E	\$675 E	\$5,525	\$410 A	\$5,935 E

A = Actual costs  
E = Estimated costs

UAF: Ida Greiner, Financial Aid 479-7255  
UAA: Eleanor Brown, Financial Aid 263-1000  
UAJ: JoAnn Yamada, Financial Aid 789-2101

UNDERGRADUATE STUDENT COST-OF-LIVING  
Alaska

University	Room	Board	Books & Supplies	Transportation	Personal Expenses	Total Excluding Tuition & Fees	Tuition & Fees	TOTAL
<b>ALASKA PACIFIC UNIVERSITY</b>								
on-campus 80-81	\$1,200 A	\$1,400 A	\$250 E		\$680 E	\$3,530 E	\$2,350A	\$5,880 E
off-campus 80-81	\$1,800 E	\$1,350 E	\$250 E		\$680 E	\$4,080 E	\$2,350A	\$6,430 E
on-campus 81-82	\$1,300 A	\$1,500 A* \$1,750 A*	\$250 E	\$80 E** \$400 E**	\$720 E	\$3,850-\$4,420E		
off-campus 81-82	\$2,200 E	\$1,632 E	\$250 E	\$80 E** \$592 E**	\$720 E	\$4,882-\$5,114E		
<b>SHELDON JACKSON</b>								
on-campus 80-81	\$1,000 A	\$1,500 A	\$200 E	2round trips to Sitka from home	\$530 E	\$3,230+Trans E	\$2,650A	\$5,880 + Trans. E
off-campus 80-81		\$3,600 E	\$200	same as above	\$530 E	\$4,330+Trans E	\$2,650A	\$6,980 + Trans. E
on-campus 81-82		\$2,700	\$200	same as above	\$575 E			

A = Actual costs  
E = Estimated costs

AK Pacific: Ellen Stiles, Financial Aid 276-8181. Estimates derived from surveys, various costs indexes, and Anchorage Association of Financial Advisors data.  
Sheldon Jackson: Duke Gersema, Financial Aid Director 747-5220

- \* There will be two meal options during the 81-82 school year. The \$1,500 option consists of 14 meals/week (no breakfast, with brunch and dinner on the weekends); the \$1,750 options consists of 19 meals/week (breakfast is included)
- \*\*Transportation is broken down here with \$80 estimated for costs to and from school for off-campus commuting and \$400 estimated for airfare to and from their permanent place of residence.

**UNDERGRADUATE STUDENT COST-OF-LIVING**  
**Oregon**

University	Room	Board	Books & Supplies	Transportation	Personal Expenses	Total excluding Tuition & Fees	Tuition & Fees	TOTAL
<b>UNIVERSITY OF OREGON</b>								
On-campus 80-81	\$1,749 E		\$255 E	\$310 E	\$900 E	\$3,214 E	\$3,214 A	\$6,496 E
On-campus 81-82	\$2,025 A		\$285 E	\$491 E	\$990 E	\$3,791 E		
Off-campus 81-82	\$2,475 A		\$285 E	\$491 E	\$990 E	\$4,241 E		
<b>OREGON STATE</b>								
On-campus 80-81	\$1,750 A		\$300 E	\$360 E	\$1,350E Rec. \$200 Clothes \$200 Insur. \$150 Personal \$800	\$3,760 E	\$3,327 A	\$7,087 E
<b>PORTLAND STATE</b>								
Off-Campus	\$2,662 E		\$279 E	\$504E	\$720 E	\$4,165	\$3,261 A	\$7,426 E

A = Actual costs  
E = Estimated costs

University of Oregon: Terry Hofeld Church, Administrative Assistant, Financial Aid, 503/686-3221  
Oregon State: Cheryl Judson, Assistant Director of Financial Aid 503/754-2241. Estimates are derived from campus surveys of costs, and comparisons with the consumer price index and other schools in the area.  
Portland State: Corbitt Gottfield, Financial Aid 503/244-6711, Estimates are based on comparisons school budgets in the metropolitan area and surveys.

**UNDERGRADUATE STUDENT COST-OF-LIVING**  
**Washington**

University	Room	Board	Books & Supplies	Transportation	Personal Expenses	Total Excluding Tuition & Fees	Tuition & Fees	TOTAL
<b>UNIVERSITY OF WASHINGTON</b>								
On-Campus 80-81	\$1,200 A	\$900 A	\$300 E	\$350 E	\$793 E	\$3,543 E	\$2,394 A	\$5,937 E
Off-Campus Apartment	\$1,575 E	\$900 E	\$300 E	\$375 E	\$1,228 E	\$4,378 E	\$2,394 A	\$6,772 E
<b>CENTRAL WASHINGTON</b>								
On-Campus 80-81	\$1,700 A		\$300 E	\$600	\$750 E	\$3,350 E	\$1,983 A	\$5,333 E
On-Campus 81-82	\$2,000 E*		\$300 E	\$600 E	\$750 E	\$3,650 E		
<b>WESTERN WASHINGTON</b>								
On-Campus 80-81	\$1,880 A		\$230 E	\$590 E	\$660 E	\$3,360 E	\$1,983 A	\$5,343 E
On Campus 81-82	\$2,110 E*		\$270 E	\$600 E	\$720 E	\$3,700 E		

A = Actual costs  
E = Estimated costs

University of Washington: Michelle Handesty. Estimates derived from random surveys, financial advisors and averaging costs.

Central Washington: Kathy Armstrong, Financial Aid, 509/963-1611

Western Washington: Financial Aid 206/676-3470

\* This is an estimated fee for room and board as the 81-82 budget has not yet been approved.

GRADUATE STUDENT COST-OF-LIVING  
Alaska

University	Room	Board	Books & Supplies	Transportation	Personal Expenses	Total excluding Tuition & Fees	Tuition & Fees	TOTAL
UNIVERSITY OF ALASKA								
UAF--on-campus 80-81	\$560 A	\$1,430 A	\$250 E	\$480 E	\$530 E	\$3,250 E	\$640 A	\$3,890 E
off-campus 80-81	\$2,400 E	\$1,200 E	\$250 E	\$480 E	\$530 E	\$4,860 E	\$640 A	\$5,500 E
on-campus 81-82	\$630 A	\$1,470 A	\$250 E	\$800 E*	\$600 E	\$3,750 E		
off-campus 81-82	\$2,400 E	\$1,600 E	\$250 E	\$800 E*	\$600 E	\$5,650 E		
UAA--off-campus 80-81	\$2,475 E	\$1,575 E	\$250 E	\$495 E	\$675 E	\$5,470 E	\$640 A	\$6,110 E
off-campus 81-82	\$2,475 E	\$1,836 E	\$250 E	\$660 E	\$810 E	\$6,031 E		
UAJ--off-campus 80-81	\$4,100 E		\$250 E	\$500 E	\$675 E	\$5,525	\$640 A	\$6,165 E

A = Actual costs  
E = Estimated costs

UAF: Ida Greiner, Financial Aid 479-7256  
UAA: Eleanor Brown, Financial Aid 263-1586  
UAJ: JoAnn Yamada, Financial Aid 789-2101

**GRADUATE STUDENT COST-OF-LIVING**  
**Alaska**

University	Room	Board	Books & Supplies	Transportation	Personal Expenses	Total Excluding Tuition & Fees	Tuition & Fees	TOTAL
<b>ALASKA PACIFIC UNIVERSITY</b>								
on-campus 80-81	\$1,200 A	\$1,400 A	\$250 E		\$680 E	\$3,530 E	\$2,350A	\$5,880 E
off-campus 80-81	\$1,800 E	\$1,350 E	\$250 E		\$680 E	\$4,080 E	\$2,350A	\$6,430 E
on-campus 81-82	\$1,300 A	\$1,500 A* \$1,750 A*	\$250 E	\$80 E** \$400 E**	\$720 E	\$3,850-\$4,420E		
off-campus 81-82	\$2,200 E	\$1,637 E	\$250 E	\$80 E** \$592 E**	\$720 E	\$4,882-\$5,114E		

A = Actual costs  
E = Estimated costs

AK Pacific: Ellen Stiles, Financial Aid 276-8181. Estimates derived from surveys, various costs indexes, and Anchorage Association of Financial Advisors data.

- \* There will be two meal options during the 81-82 school year. The \$1,500 option consists of 14 meals/week (no breakfast, with brunch and dinner on the weekends); the \$1,750 option consists of 19 meals/week (breakfast is included)
- \*\*Transportation is broken down here with \$80 estimated for costs to and from school for off-campus commuting and \$400 estimated for airfare to and from their permanent place of residence.

**GRADUATE STUDENT COST-OF-LIVING**  
**California**

University	Room	Board	Books & Supplies	Transportation	Personal Expenses	Total excluding Tuition & Fees	Tuition & Fees	TOTAL
<b>U.C. BERKELEY</b>								
On-Campus 80-81	\$2,239 A		\$306 E		\$819 E	\$3,364 E	\$2,400 A	\$5,674 E
Off-Campus 80-81	\$3,060 E		\$306 E		\$819 E	\$4,185 E	\$2,400 A	\$6,585 E
<b>SAN DIEGO STATE</b>								
On-Campus 80-81	\$2,070 A		\$270 E	\$270 E	\$570 E	\$3,180 E	\$2,160 A	\$5,340 E
Off-Campus 80-81	\$2,700 E		\$270 E	\$540 E	\$690 E	\$4,200 E	\$2,160 A	\$6,360 E
On-Campus 81-82	\$2,250 A		\$270 E	\$310 E	\$720 E	\$3,550 E		
Off-Campus 81-82	\$3,150 E		\$270 E	\$540 E	\$810 E	\$4,770 E		
<b>STANFORD (private)</b>								
On-Campus 80-81	\$2,636 A		\$465 E		\$690 E	\$3,791 E	\$6,900 A	\$10,691 E
Off-Campus 80-81	\$4,510 (includes personal expenses) E		\$465 E	\$345 E		\$5,320 E	\$6,900 A	\$12,220 E
On-Campus 81-82	\$2,965 E		\$300 E		\$685 E	\$3,950 E		

A = Actual costs  
E = Estimated costs

U.C. Berkeley: Christopher Castorena, Financial Aid 415/642-6000  
San Diego State: Ruth Coffey, Financial Aid 714/265-6323  
Stanford: Cindy Gifford, Financial Aid 415/497-2300

GRADUATE STUDENT COST-OF-LIVING  
Oregon

University	Room	Board	Books & Supplies	Transportation	Personal Expenses	Total excluding Tuition & Fees	Tuition & Fees	TOTAL
<b>UNIVERSITY OF OREGON</b>								
On-campus 80-81	\$1,749 E		\$255 E	\$310 E	\$900 E	\$3,214 E	\$2,433 A	\$5,647 E
On-campus 81-82	\$2,025 A		\$285 E	\$491 E	\$990 E	\$3,791 E		
Off-campus 81-82	\$2,475 A		\$285 E	\$491 E	\$990 E	\$4,241 E		
<b>OREGON STATE</b>								
On-campus 80-81	\$1,750 A		\$300 E	\$360 E	\$1,350E Rec. \$200 Clothes \$200 Insur. \$150 Personal \$800	\$3,760 E	\$2,388 A	\$6,148 E
<b>PORTLAND STATE</b>								
Off-Campus	\$2,662 E		\$279 E	\$504E	\$720 E	\$4,165	\$2,397 A	\$6,562 E

A = Actual costs  
E = Estimated costs

University of Oregon:  
Oregon State:

Terry Hofeld Church, Administrative Assistant, Financial Aid, 503/686-3221  
Cheryl Judson, Assistant Director of Financial Aid 503/754-2241. Estimates are derived from campus surveys of costs, and comparisons with the consumer price index and other schools in the area.

Portland State:

Corbitt Gottfield, Financial Aid 503/244-6711, Estimates are based on comparisons school budgets in the metropolitan area and surveys.

**GRADUATE STUDENT COST-OF-LIVING**  
**Washington**

University	Room	Board	Books & Supplies	Transportation	Personal Expenses	Total Excluding Tuition & Fees	Tuition & Fees	TOTAL
<b>UNIVERSITY OF WASHINGTON</b>								
On-Campus 80-81	\$1,200 A	\$900 A	\$300 E	\$350 E	\$793 E	\$3,543 E	\$3,648 A	\$7,191 E
Off-Campus Apartment	\$1,575 E	\$900 E	\$300 E	\$375 E	\$1,228 E	\$4,378 E	\$3,648 A	\$8,021 E
<b>CENTRAL WASHINGTON</b>								
On-Campus 80-81	\$1,700 A		\$300 E	\$600 E	\$750 E	\$3,350 E	\$2,256 A	\$5,606 E
On-Campus 81-82	\$2,000 E*		\$300 E	\$600 E	\$750 E	\$3,650 E		
<b>WESTERN WASHINGTON</b>								
On-Campus 80-81	\$1,880 A		\$230 E	\$590 E	\$660 E	\$3,360 E	\$2,256 A	\$5,616 E
On Campus 81-82	\$2,110 E*		\$270 E	\$600 E	\$720 E	\$3,700 E		

A = Actual costs  
E = Estimated costs

University of Washington: Michelle Mandesty. Estimates derived from random surveys, financial advisors and averaging costs.

Central Washington: Kathy Armstrong, Financial Aid, 509/963-1611

Western Washington: Financial Aid 206/676-3470

\* This is an estimated fee for room and board as the 81-82 budget has not yet been approved.

9700 Arlene  
Anchorage, AK 99502  
February 26, 1982

Dear Rep. Martin,

As parents of three children who will be attending college outside the state of Alaska next Fall, we urge you to support the present Student Loan Program.

We do not feel that transportation costs should be eliminated as part of the program since this amounts to several hundred dollars. It would limit a student's freedom of college choices and programs if eliminated from the costs.

We do not feel loans should be based on "need." This is discriminatory. The loans should be available to all Alaskan youth.

We still agree with the clause, "student in good standing" rather than a specific grade point average. There is inconsistency among grading at different universities and this would be unfair.

We would like to conclude this letter with a Chinese Proverb that was printed in a recent Reader's Digest:

If you are planning for a year, sow rice....

If you are planning for a decade, plant trees....

If you are planning for a lifetime, educate a person.

Maybe this Proverb could be considered when various programs are before the legislature this session. The future of Alaska depends on our youth.

Sincerely,

*Donald Barta*  
*Irma Jean Barta*

Donald Barta  
Irma Jean Barta

SECTIONAL ANALYSIS SS HB 709

Section 1

Sections 1 and 2

Lowers the maximum loan amount for an undergraduate student from the present \$6,000 to \$4,000 and from \$7,000 to \$6,000 for a graduate student.

Section 3

Current statutes having to do with Conditions of Loans is amended by adding a definition for "full-time" student. In this case, a student must take at least 26 credit hours or an equivalent amount per academic year to qualify for a student loan. In addition, the bill requires that a student maintain a grade point average of at least 2.0. This G.P.A. requirement may however be waived by the Postsecondary Education Commission for "disadvantaged persons".

*per academic year*

Section 4

Students would only be eligible for a student loan for 4 years of undergraduate work and 4 years of graduate work. Current law allows 5 years for each but for no more than a total of 8 years

Section 5

The interest rate on the student loan is increased to 6% and all interest charges accrue from the time the student receive the money. Current law stipulates a 5% rate of interest and all such charges are waived until the student either completes his education or drops out of school.

Section 6

In order to qualify for a loan, all applicants must have been physically present in the state at least 2 years immediately before the date of application.

Section 7

In order to qualify for the loan, a student must submit the application by May 15th. All others received after that date cannot be considered. The student must also submit 4 affidavits signed by individuals attesting to the fact that the applicant is a 2 year resident of the state.

ALASKA STATEWIDE STUDENT ASSOCIATION POSITION PAPER

HB 683-- Even more important than shortening the term of office is limiting the number of terms a regent can serve. We favor a single, five-year term. We support the bill if thus amended.

HB 492-- Parttime student loans--support in principle, but the payback schedule is too short. We favor amending it so that a student would begin payback in one year, finish in two.

SSHB 709-- This substitute is totally different from the original bill on which hearings were held. This new bill cuts back an excellent program substantially. It should be held back for more public hearings or, even better, not passed out of committee at all.



4 February 1982

Representative Terry Martin  
State Capitol  
Pouch V, Mail Stop 3100  
Juneau, AK 99811

Dear Representative Martin:

Thank you for giving me a chance to testify before the House Finance Subcommittee regarding the University of Alaska FY83 Budget Request, Increment Packages Priority Item 2, LANDSAT "QUICK-LOOK" PROJECT. I enclose a copy of my testimony.

As you are aware, Governor Hammond has recommended no increments in the budget for UAF for FY83. In addition to a disastrous impact generally on the academic programs and organized research on the Fairbanks campus, I wish to call your attention to the fact that the Governor is effectively calling for the termination of the LANDSAT QUICK-LOOK PROJECT, because this project was the #2 priority for research on the Fairbanks campus. In particular, please note on the last page of my enclosed testimony text, under the Budget paragraph that, over a period of several years, \$1-million has been invested in the development of a technology, and now just prior to its coming on line to provide some exciting benefits throughout Alaska, we essentially are being asked to turn the equipment off and walk away.

If you agree with me that this makes no sense, please redouble your efforts to provide a sensible level of support to the UAF budget. This is NOT an inflationary, high-cost capital project which would entail massive burdens on future budgets. Instead, it is a most cost-beneficial effort which could favorably impact property and lives in rural areas as well as aid in the management and extraction of our natural resources.

Please oppose this buzz-saw approach to the UAF budget in general and the LANDSAT QUICK LOOK PROJECT in particular.

Sincerely yours,

John M. Miller  
Senior Applications Engineer

JM:hw

Enclosure  
as stated

Geophysical Institute, University of Alaska, C.T. Elvey Building,  
803 Nayukuk Ave. North, Fairbanks, Alaska 99701  
PHONE 907-479-7282 TELEX 35414 GEOPH INST FBK

ALASKA STATEWIDE STUDENT ASSOCIATION POSITION PAPER

HB 683-- Even more important than shortening the term of office is limiting the number of terms a regent can serve. We favor a single, five-year term. We support the bill if thus amended.

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SSHB 709-- This substitute is totally different from the original bill on which hearings were held. This new bill cuts back an excellent program substantially. It should be held back for more public hearings or, even better, not passed out of committee at all.



Official Business

# Alaska State Legislature

## House of Representatives

Committee on

Health, Education & Social Services

Pouch V  
State Capitol  
Juneau, Alaska 99811

March 2, 1982

### Sectional Analysis CSSHB 709

#### Sections 1 and 2

Lowers the maximum loan amount for an undergraduate student from the present \$6,000 to \$4,000 and from \$7,000 to \$6,000 for a graduate student.

#### Section 3

Current statutes having to do with Conditions of Loans is amended by adding a definition of a student in "good standing". It requires that an undergraduate student maintain a G.P.A. of not less than 2.0 and a graduate must have at least a 3.0 G.P.A. In addition, the student shall submit proof at the end of each academic year of the number of credit hours completed and grades received. This requirement may be waived by the commission for a physically or mentally handicapped student.

#### Section 4

This section would limit the number of years a student could obtain a loan to 4 years of undergraduate study and 4 years of graduate study. However, if the particular area of study requires more than 4 years of attendance, the student could obtain an additional year of eligibility for both. In no case shall the total years of eligibility exceed 8 years.

#### Section 5

The interest rate on the student loan is increased to 6% and all interest charges accrue from the time the student receives the first installment. Current law stipulates a 5% rate and all such charges are waived until the student either completes his education or drops out of school.

#### Section 6

Current law allows a borrower to defer repayment of a loan if he is serving on active duty as a member of the armed forces. This section would limit that deferral period to a maximum of 4 years.

#### Section 7

Would disqualify a student from receiving a loan if he or she was in default or delinquent on a previously awarded scholarship loan.

#### Section 8

In order to qualify for a loan, a student must have been physically present in the state at least 2 years immediately before the date of application unless his absence was due to military service or attendance of a college/ university outside the state.

#### Section 9

Applications for a student loan must be received by the commission by the following dates:

- a) July 15 for a semester beginning July 1 to October 31 of that year;
- b) November 15 for a semester beginning November 1 of that year to February 29 of the following year;
- c) March 15 for a semester beginning March 1 to June 30 of that year.

In addition, the student must also submit 4 affidavits signed by individuals attesting to the fact that the applicant is a 2 year resident of the state.

#### Section 10

Current statute would remain the same except for the deletion of the May 15 application deadline.

#### Section 11

Repeals subsection (b) (2) which pertains to the May 15 application deadline.

#### Section 12

This act takes effect July 1, 1982.

FISCAL NOTE

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

II. FISCAL DETAIL  
 Agency Affected Education  
 Program Category Affected Postsecondary Education Commission  
 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-	(4,684.0)	(19,576.0)	(34,580.4)	(40,440.0)
<b>TOTAL</b>	N.A.	-0-	(4,684.0)	(19,576.0)	(34,580.4)	(40,440.0)

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	N.A.	-0-	(4,684.0)	(19,576.0)	(34,580.4)	(40,440.0)
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	,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

IV. DATE March 2, 1982 PREPARED BY Kerry [Signature]  
 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)

February 19, 1982

Representative Terry Martin  
Pouch V  
Juneau, Alaska 99811

Dear Representative Martin:

Thank you for asking students to respond to the possible changes in the student loan program. As a \$1,000 recipient this year, I could not have attended Tufts University without that assistance. I chose Tufts because it had a combined liberal arts and engineering program for the first two years, was in a different part of the country where I could get a different perspective on this country, had four seasons, and because it has a tennis team. I did have a full scholarship offer to go to UA Fairbanks if I would major in petroleum engineering, but most students aren't sure what their major will be until after a couple of years and besides it's too cold up there and they don't have many sports. If you stay in Alaska all the time, you don't really learn anything about the rest of the country, and I think college should be a broadening experience. I do plan to come back to Alaska upon graduation to work; and because there is the incentive of the loan program for forgiveness of some of the loan. Without that incentive, I doubt if many students would come back.

The following are my comments to the alternatives:

1. I approve of alternate one - application deadlines and strictly adhering to them. Although I think June 15 would be better, as most all students know by then where they are going in the fall, and it would give the state more time to get the loans to the schools - as schools bill for the first semester in August. July would be pushing it.
2. Loans and grade point average. I don't care if you raise the g.p.a. to 2.5 or 3.0 as I have a 3.75 average and am planning to study hard to maintain as high an average as possible. However, you must remember that differences between schools and grading has a very wide range - some schools even operate on a pass fail system with no letter grades. A 3.0 average at a school like Harvard, Bates, Amherst is accomplished by very few; while at Univ. of Alaska Fairbanks, Puget Sound, Univ. of Washington etc. there are majors where a 3.0 is not that hard to get. I would suggest that you not consider raising it higher than 2.5 - if that. I realize that the state is trying to save money, but I would remind you that the state's greatest resource is its people and future leaders - not oil, fishing or timber. They are worthless without the people to manage them.
3. If there really is potential abuse regarding residency, I have no problem with obtaining the four references, however, in most cases, documentation from a high school should help prove residency for the majority.
4. I oppose the needs test for the most part as it is too arbitrary. My brother and I are both going to be attending college this next fall and our total cost including transportation, expenses, etc. will be over \$20,000. Another student may attend U of A Fairbanks with expenses of less than \$5,000. How do you determine need fairly with this kind of difference? Some parents have big write offs, others do not - some people earning \$70,000 a year pay

no taxes while others have to go to the bank to borrow money to pay taxes. I don't feel this is the best way to cut back and save on the program, as there are too many variables.

5. Denying loans for foreign study makes no sense at all. The majority of students studying abroad are in bonafied programs where 1 year study abroad is part of their regular college's offering. For those who master a foreign language - the bonus to Alaska is greater as these young people may later represent Alaska in foreign trade or economic negotiations and will be able to speak that language - whether Japanese or French or German.
6. Denying loans to freshmen is not totally fair either, as the costs are just as high for them as they are to upper classmen. It is true, however, that some freshmen do have access to one year scholarships that are given locally by such organizations as ARCO, SOHIO etc., and I suppose a loan could be decreased by the amount a student might receive in a scholarship, but it would be very difficult to enforce and again would be arbitrary as some schools charge so much more than others, so I guess that wouldn't be such a hot idea. I do agree that the student must be enrolled in full time, and that loan could not exceed the costs of the school.
7. I have no problem with restricting the loan to room, books, board tuition and fees. This is fair -- although some students, like me have to pay a lot in air fare to get to school and we don't get home for vacations unless our parents are rich -- which ultimately discriminates against the middle and low income families whose children are far away.
8. Rolling back the minimums when college costs are rising fast would be to force students to attend schools who charge less, and perhaps deny them the best education possible. Again the rich don't need to worry, but the others would be forced to take a college where they might not want to go -- thus denying them freedom of choice.
9. Is the purpose of the loan program to earn money or make it possible for students to get a good education and be productive Alaskans when they graduate? Like home loans now, many of us - with a 5% loan - are going to be faced with huge repayments on graduation and with home prices out of site - the outlook will be dismal. Raising the loan amount will make it worse - although 6 or 7 % might be acceptable.
10. I have no problem with raising the residency requirement to 3 or 4 years, although - it might be unconstitutional and is discriminatory, but if you can do it - I have no problem.
11. Forgiveness - whether 40 or 50% is absolutely necessary if the intent of the program is to retain students in the Alaska work force on graduation. I think it is a necessary price for Alaska to pay. Businesses do things like pick up mortgages, pay COLA allowance, and give free trips outside each year to families because they are in Alaska -- that should tell you something about the problem of keeping people here. Not everyone likes the cold and dark, so some incentive is needed.

12. I have touched on the freedom of choice, experience in another part of the country etc. But, most of all the Universities, although good in Alaska, just do not offer the total college curriculum or well rounded campus experience that many students want. Univ. of Alaska Anchorage this year closed many of their classes before many students had a chance to register, are crowded and are not being allowed to grow equal to the demand in student enrollment..
13. If the intent is to earn a lot of money in interest and saddle new graduates with large monthly payments when they are just entering the job market - then this method would apply. If salaries are going to increase comparably and a new worker could afford the interest - maybe. But if increases in rent and housing keep increasing the way they are, students will have a hard enough time making with the current program.
14. This might be all right if 1. the forgiveness provisions were left in place and 2. the qualification for need included the cost of the college being attended and not totally based on the families income.
15. Staffing should be at a level whereby loans are paid to colleges so that they meet the college deadlines for payment at the bursar's office. When that payment doesn't come in, believe me, we have to go through all kinds of paper work and it is a pain.
16. The revolving base process makes a lot of sense and should help with the staffing work load.
17. Institutional sign off is the one way the State can be assured that the costs the student lists are accurate. Every college publishes costs before each new semester, and a copy of those published costs could be included as proof. Perhaps the state could send the loan forms directly - rather than have the student send them.
18. With a good computer system program, the state should be able to run the collection itself, and save money from hiring someone from outside. A good system should help keep staff at a reasonable level.
19. Agree
20. Scholarships - I was valedictorian of East High School my senior year with a 4.0 average. I am maintaining a 3.75 average in college taking courses like physics, calculus, French, English and Engineering design. Yet, although scholastic excellence is stressed by everyone, I did not receive any scholarship for doing well. If a scholarship were established it would be a real incentive for some young people -- some don't need the incentive, because they have pride in doing the best they can.

Thank you for offering me this opportunity. I'll be sending copies of this to Rep. Barnes and Rep. Anderson, my representatives, and I do hope you will pass my comments on to other members of your committee for their consideration. The question is, how much do you want your future leaders in debt when they start to make their contribution to the state. Is the program an investment in our state, or an income producer? I will gladly pay my debt, but an incentive will make it that much more palatable.

Tufts University  
Miller Hall - Box 202  
Medford, Massachusetts 02155

Sincerely,

*Scott C. Beardsley*  
Scott Beardsley

Representative Terry Martin  
Pouch V, State Capitol  
Juneau, Alaska 99801

Dear Mr. Martin,

Thank you for your letter requesting my input as a student concerning amendments to the ASLP. I have returned the list of alternatives with brief comments along the margins. In addition I would like to offer some general opinions and perceptions about the program.

First of all, I feel that the loan program is and should remain a loan program with qualifications for its use being based on credit worthiness and not financial need. If this means setting up a dual program, eliminating or establishing more stringent academic qualifications for high-risk groups such as entering freshmen then so ~~be~~ be it.

Second, I see the loan program as a long term developmental subsidy or investment in the future of the state. Hence, the loan program should target those students most likely to remain and make a contribution to the future of the state. In-state students should therefore receive priority in your considerations. The forgiveness provision, though perhaps carried to excess last year is a valuable and attractive incentive, especially for students going to school out of state. Further, while the direct costs to the state

may be much lower for out of state students, the future costs ~~in state~~ ~~of~~ ~~not~~ having a strong in-state system of higher education, training and preparing people committed to the future of Alaska, could be awesome. The ASLP has been vital to many in-state students in order to meet the higher living expenses associated with living & studying in Alaska. As you are probably aware, students at UAA have no dormitories or student housing, there are no low rent areas within walking distance of school, and further, students lack the benefit of group health insurance.

Third I would urge some caution in increasing academic requirements for loan qualification purposes.

Although I am an honor student myself, I have observed <sup>no.</sup> many of the most dedicated students are in a no-man's land & not for the ASLP. They do not qualify as financially needy (especially when national formulas are used) and cannot avail themselves of academic scholarships.

~~Fourth~~ <sup>Also</sup>, I would urge that undue emphasis is not placed on the graduating high school student in setting loan or grant priorities. There are many mature adults who have come to work in Alaska with various industries, have committed their future to this great land, and have returned to school to better enable themselves to participate in its development.

In general, I think that scholarship grants, loan programs, and financial need grants/loans should be ~~operated~~ kept as separate and distinct functions. I realize that severe fiscal pressures require a fairly radical amendments

to the ASLP and would personally favor the following actions

1. Enforce the loan application deadline -- student loans should not be an expeditious addition to unemployment.
2. More careful scrutiny of student credit worthiness given the increasing popularity of personal bankruptcy
3. Require residency verification and impose penalties for perjury
4. Deny needs for foreign study
5. Deny loans for freshmen & veterans or other high risk groups, or increase academic qualifications for such groups
6. Roll back the borrowing maximums to \$4000 per year for Undergraduates, \$6000 for graduates
7. Give priority to in-state students
8. Improve administrative efficiency where cost effective
9. Set up separate distinct programs for scholarship grants, financial need grants/loans, and straight low interest student loans based on credit worthiness of the student.

Finally, whatever is done, I sincerely hope that you and your fellow legislators do not lose sight of the importance of educating comm. Mod Alaskans, young and old alike, for a more productive role in the future.

Your constituent,  
Richard Fenchel  
Michael L Fenchel  
3927 East 6<sup>th</sup>  
Anchorage, AK 99504

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## ALASKA COMMISSION ON POSTSECONDARY EDUCATION

POUCH FP  
JUNEAU, ALASKA 99811  
PHONE 71465-2854

February 3, 1982

The Honorable Mike Beirne  
Chairman, House HESS  
Pouch V, State Capitol  
Juneau, Alaska 99811

Dear Representative Beirne:

Thank you for the opportunity of commenting upon the draft of your bill relating to the scholarship loan program. Since the bill contains three changes, I shall address each in order and by reference to line numbers within draft.

1. Redefine full-time student. The bill defines full-time undergraduate attendance as 26 semester credit hours, or the equivalent, per year of study. Currently, full-time undergraduate study is completion of 12 semester credit hours, or the equivalent, per semester (that is, 24 semester credit hours per year). This full-time definition (12 hours) is in keeping with federal programs and is the commonly accepted standard for full-time undergraduate attendance. Placing the restriction upon an annual basis would allow a student to enroll for any combination of hours, such as, 8 hours-Fall and 18 hours-Spring, 10 hours-Fall and 16 hours-Spring, or 13 hours Fall and Spring.

I do not believe this change would achieve the purpose for which it is intended, and I would encourage retention of the 12-hour minimum per semester.

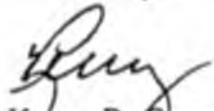
2. Establish 2.0 minimum annual GPA and require transcripts. The 2.0 minimum annual GPA already exists. This is how we defined "good standing" for an undergraduate student. The school is asked, in fact required, to enforce this "good standing" requirement. Placing that responsibility in our offices will greatly increase the flow of documents and correspondence through our agency and could create some administrative difficulties. We prefer having the school sign off on the student status before releasing loan funds. Having this sign-off on file constitutes proof of the student's attendance and academic performance.

The Honorable Mike Beirne  
February 3, 1982  
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3. Proof of residency. We currently do not require proof of residency, but rather have initiated a random audit approach to residency verification. In cooperation with the State Troopers, we are now piloting this verification approach, but have yet to receive results. The Commission agrees that proof or some type of verification is needed. Whether or not the audit approach will suffice is undetermined at present.

A fiscal note is attached, and I would be happy to testify upon the bill when it comes up for hearing.

Sincerely,



Kerry D. Bomesburg  
Executive Director

Enclosure

I. REQUEST

Bill/Resolution No. HB 709  
 Title Act relating to Scholarship Loans  
 Requested by House HESS Date 2/4/82

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		25.8	27.6	29.5	31.6	33.8
200 TRAVEL		-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL		3.7	3.9	4.2	4.4	4.7
400 COMMODITIES		.3	.3	.3	.4	.4
500 EQUIPMENT		4.0	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	N.A.	33.8	31.8	34.0	36.4	38.9

FUNDING (Thousands of Dollars)

	N.A.	33.8	31.8	34.0	36.4	38.9
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	N.A.	1.0	1.0	1.0	1.0	1.0
FULL TIME						
PART TIME						
TEMPORARY						

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

1. Personal Services: Range 10 - Awards Clerk, inflation at 7% for 84-87 (including benefits)
2. Contractual and commodities at inflation of 6%.

IV. DATE February 4, 1982 PREPARED BY Kerry D. Romesburg

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)  
 AGENCY Commission on Postsecondary Education  
 PHONE 465-2854  
 33-001 (Rev. 12/81)

## PART I

## COOPERATIVE OPERATIONAL PLAN FOR EDUCATION

Board of Education  
Board of Regents  
Postsecondary Commission

In this post-industrial age, education is perhaps the most important commitment of State and public resources we can make. The survival of our democracy depends on an informed electorate, and the survival of our economy depends upon knowledgeable people. The development of Alaska depends upon the highest of technologies, therefore, the highest levels of education.

The attainment of quality education for Alaskans is the common agenda of the Board of Education and the Board of Regents. Aided by the Postsecondary Commission, our charge is to develop cooperative programs that will most effectively provide Alaskans with education of the highest quality and as accessible as our resources permit. Together we must develop strategies which improve educational services to Alaskan citizens, and more specifically to rural areas. In order to achieve that goal, it will take the combined efforts of the University of Alaska, the Department of Education, local school systems, and the Postsecondary Commission. This involves coordinated local, regional and statewide planning, educationally sound cooperative agreements, and probably changes in current State statutes. There is a need to involve, as fully as possible, not only educators and the boards, but local community advisory groups. A strong statewide plan can then be developed through the involvement of these persons.

The primary purposes of our cooperative agreement are to distinguish the missions and responsibilities of the Board of Education from those of the Board of Regents and to identify areas of shared responsibility. The agreement will then provide for the development of cooperative and coordinated planning procedures for comprehensive management of the areas of shared responsibility; assign authority for determining delivery systems to that board having primary responsibility for a given area of education; and develop formal mechanisms for insuring continued cooperation between the two educational agencies in the State. The agreement also contemplates certain statutory changes that

will clarify the individual and mutual responsibilities of the two boards.

This is a perspective for the development of a cooperative adult and postsecondary plan for Alaska. It is important to understand that specific details concerned with the nature of the delivery system are not a major point of this plan.

#### GLOSSARY OF TERMS

In order for all to hold common understandings of the terms used in this agreement, the following glossary of terms has been agreed to by the principals.

Academic - Pertaining to or characteristic of courses for which some type of credit is awarded and which can be applied to meet the requirements for achieving a degree or certificate.

Adult Basic Education - Remedial non-credit coursework for adults having less than equivalent high school skills. Three types of educational activities are included:

1. Activities that provide the basic skills for an adult to function in society;
2. Activities that enable adults to continue their education to at least the equivalent of a secondary school education; and
3. Activities that enable adults to secure training necessary for employment.

Adult Preparatory Education - Courses or programs of non-credit instruction which do not necessarily lead to a high school diploma nor to a postsecondary degree. Instruction can include basic academic skills, occupational preparation, upgrading of existing skills, and instruction of special interest.

Certificate - A written assurance, or official representation, that some act has been done, or some event occurred, or some legal formality has been complied with. A document certifying that one has fulfilled the requirements of a program/course.

Community College - An institution of postsecondary education whose mission is to provide education for adults that is consistent with the needs of the community in which the college is a part. By offering the first two years of collegiate work, the institution provides five interrelated activities to its constituency:

1. Transfer curricula
2. Vocational and technical programs
3. Adult education programs (credit and non-credit)
4. Individual supportive services to students
5. Programs and services for cultural, civic, recreational, and other community projects and programs.

Community School Program - The composite of those non-credit educational, cultural, social and recreational services provided the citizens of a community, both children and adults, by a school district, before and after school hours and not provided through the regular instructional program.

Community Interest - Those non-credit activities and courses offered by a postsecondary institution that address the educational, cultural, social and recreational needs of its constituency.

Continuing Education - This term is often used as a synonym for both adult education and lifelong learning. A process of formal or informal learning for adults who have completed or interrupted their schooling and are returning after an interval away from the classroom. Usually refers to those who are building on previous training or education.

Course - A sequence of studies with prescribed objectives. Successful completion may result in awarding of credit.

Credit Course - Courses for which a quantitative measure is assigned, generally stated in semester hours or quarter hours. The measure can be applied to meet the requirements for achieving a degree or certificate at a given institution.

Diploma - An academic award granted for the successful completion of a high school program.

Degree - An academic title awarded by a college or university for the successful completion of a program of study.

General Education Development - A program directed specifically at enabling adults to obtain, by the means of a high school equivalency test, secondary school certificates of completion or diplomas.

Higher Education - Courses or programs of instruction for persons who have completed or left high school and who are enrolled in education activities for which "credit" is given toward an associate or higher degree. The degree program must be recognized by a bona fide State, regional or national professional accrediting association.

Non-credit Course - Those courses that do not carry college credit and, therefore, may not be used as fulfilling requirements for a degree.

Postsecondary Education - Courses or programs of instructional or educational services primarily for persons who have terminated their secondary education or who are beyond the age of compulsory school attendance.

Program - An interrelated sequence of courses for which, upon successful completion, a certificate or degree is awarded.

Vocational Education - Programs which are directly related to the preparation of individuals for paid or unpaid employment or for additional preparation for a career requiring other than a baccalaureate or advanced degree.

## AGREEMENTS

### 1. Agreement on Responsibility for Areas of Education

We agree that the Board of Education with the cooperation of the local boards has primary

responsibility for the following area of education and services: grades kindergarten through twelfth; General Educational Development (GED) testing activities; Community Schools funding program; and Adult Basic Education (ABE) funding program.

We agree that the Board of Regents has primary responsibility for the following areas of education and services: academic education beyond the secondary level; community interest courses and activities; and professional adult continuing education.

We further agree that both the Board of Regents and the Board of Education share responsibility for: vocational education and adult basic education. In many of these areas, the agencies have mutually supportive roles. The matrix on the following page indicates these relationships.

II. Agreement on Cooperative Planning for Areas of Shared Responsibility

In the interests of better education for the people of Alaska and more effective use of our resources, the Board of Regents and the Board of Education will develop a planning process with the following characteristics:

- (1) Cooperative local, regional and statewide planning will be recognized as the essential instrument for developing coordinated educational programs between the public school system, institutions of higher education, local councils, and other agencies.
- (2) Local and regional operational plans must describe the process whereby coordination is being developed or taking place between agencies capable of delivering similar educational services.
- (3) Local and regional planning will encompass the broad spectrum of

AREAS OF RESPONSIBILITY

<u>PROGRAM</u>	<u>PRIMARY</u>	<u>SHARED</u>
1. Community Schools (Funding Program)	Department of Education	
2. Adult Basic Education - ABE (Funding Program)	Department of Education	
3. General Education Development - GED Testing	Department of Education	
4. Vocational Education		University of Alaska (Credit & Noncredit)  Department of Education (Noncredit)
5. Academic Courses & Degrees	University of Alaska	
6. Community Services	University of Alaska	
7. Adult Basic Education		University of Alaska  Department of Education
8. Professional Adult Continuing Education	University of Alaska	

adult preparatory education, community and individual enrichment activities, and postsecondary academic and vocational education services.

- (4) Educational plans will be developed under the auspices of local and regional units and development councils, the membership of which would be local option. However, the membership of the development council must include one person from the University of Alaska and local school board or their appointed representative. These local planning groups should utilize or be comprised of existing groups and councils whenever feasible. In a number of areas of the State good cooperation already exists between school districts and University of Alaska centers or colleges. This cooperation should be expanded upon and emphasized whenever possible.
- (5) Plans of work will be funneled back through the normal operating agencies for incorporation into budget submissions and program requests.
- (6) In the absence of an educational plan, co-signed by local school district representatives and representatives from the University of Alaska, non-formula funding based within the discretionary authority of the Department of Education and certain University of Alaska funding may be withheld.

Though requirements may be added to meet local situations, cooperative plans are to contain at least the following components: program or activity need statements, staffing, budget, accountability, delivery

methods, facilities, equipment and material use.

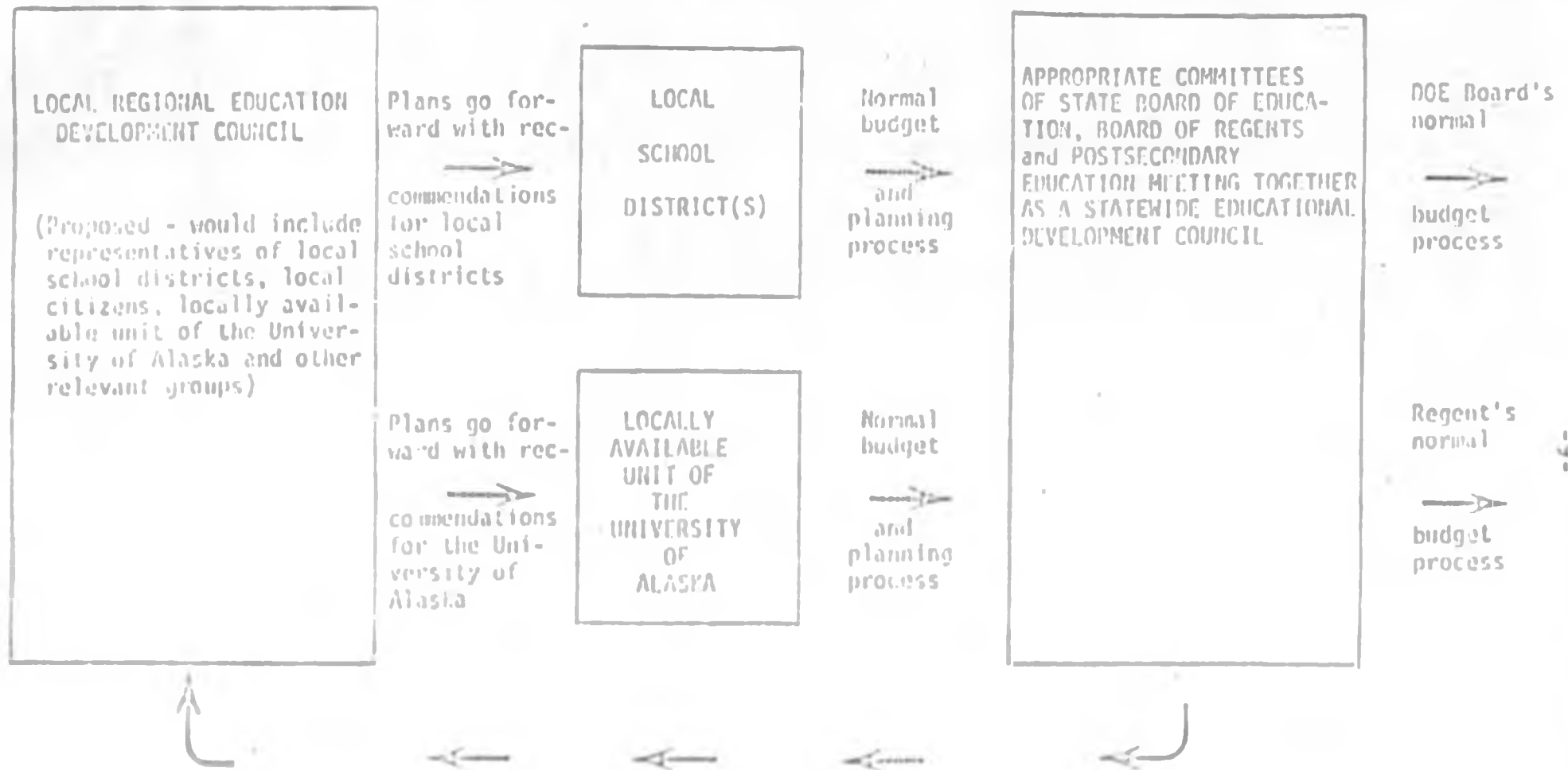
Although some on-going educational programs and courses may not be included in the initial cooperative planning activities, every effort should be made to integrate such programs and courses into future plans.

- (7) At the statewide level, the Commissioner of Education and the President of the University of Alaska will, with their staffs, present such plans to their respective boards in normal budget and planning processes.
- (8) The Board of Regents and the Board of Education, through working committees, will review the final plans covering the areas of shared responsibility and make recommendations to their boards for final recommendation to the Governor.
- (9) The working committees of the Board of Education and the Board of Regents, with representation of the Postsecondary Commission as appropriate, will meet together regularly to develop cooperative plans for quality education - one common agenda. This group will be known as the Educational Development Council. It will give formality to the developing cooperation between the two institutions responsible for excellence in the schools and colleges of Alaska.

The diagrams on the following pages indicate the procedures outlined above.

The described plan is a major step forward in demonstrating a consensus of educational needs

## Cooperative Operational Planning for Education (COPE)



The strength of the proposed cooperative planning process (COPE) is that it (1) would take place at the local level, (2) it would involve both the school districts and the University, and (3) it would dovetail and not interfere with existing budget development processes.

**Local/Regional Education  
Development Council**

**Membership**

1. One representative from each University of Alaska unit.
2. One representative from each school district/REAA.
3. Other members selected by University of Alaska and school district/REAA members, and planning groups whenever feasible.

**Functions**

- I. Identify Shared Areas of Planning
  - A. Duplication and overlap
  - B. Areas for shared delivery
    1. Adult Basic Education
    2. Community Schools/Community Interest Courses
    3. Secondary/Postsecondary Vocational Education
    4. Secondary/Postsecondary Continuing Education
- II. Identify Methodology for Shared Delivery
- III. Prepare a Goal-Oriented 3-5 Year Plan which Outlines these Shared Areas with Respect to the Following Items:
  - A. Program or activity need statements
  - B. Staffing, budget, accountability, delivery methodology, facilities, equipment, and material use
- IV. Prepare Budget Implications of this Plan Specifically for the Next Legislative Budget

# Local/Regional Education Development Council (LREDC)

## Planning Timelines\*

SUMMER, 1982

FALL, 1982

SPRING, 1983

1. Each University of Alaska unit and School District/REAA appoints a member to the LREDC.
2. First meeting of the LREDC scheduled.
1. Chairman elected.
1. Other members of group proposed, contacted and voted on by original LREDC members.
2. Begin identifying shared areas of planning.

### September '82

1. Receive statewide program and activity emphases areas from the Statewide Education Development Council (SEDC).
2. Receive anticipated occupational and professional job needs through the next 3 - 5 year period.

### Oct. - Dec. '82

3. Each School District/REAA and University of Alaska unit prepares its 3 - 5 year period.

### January '83

1. LREDC meets to merge unit plans into regional plan; could include:
  - a. Reduction of duplication;
  - b. Efficient use of shared expertise and resources possibly delivered on a joint or extension basis;
  - c. Contractual/Memorandums of Agreement regarding joint region-wide programs.

### February '83

2. Preparation and specification of the areas of emphasis to be stressed for each region in a 3 - 5 year plan.
3. FY '85 implications of this plan for each unit within the region:
  - a. Operating
    1. New increments
    2. Shared appointments
    3. Shared equipment
  - b. Capital
    1. Shared facilities (new)
    2. Facilities modifications

### March '83

4. Proposed plan circulated to local units for review and eventual endorsement by each unit head.
5. Plans submitted to SEDC, University MAU's Postsecondary Commission, and Governor's Office for use in later budget preparation.

### April '83

6. Normal budget process for '85 begun. Increments addressing joint plan emphases will be given increased consideration in budget priority assignments.

\*Guidelines for process necessary to meet '85 legislative budget submission.

STATEWIDE EDUCATION PLAN

STATE EDUCATION DEVELOPMENT COUNCIL

STATE ADVISORY & PLANNING GROUPS

1 Regents and Board set requirements for local planning & State priorities

Staffing Function

Community or area plan for joint local education agency & postsecondary sign-off

Staffing Function

4 Regents/State Board mechanism for assuring planning requirements compliance

Regents' Budget

State Board Budget

5 Governor's Program Budget

8 Evaluation

7 Implementation of local plans

6 Legislative Appropriation

Local/Regional Education Development Councils

of the State as they move forward through the system. This process should provide a solution to the need to plan cooperatively in order to coordinate the offering of services in adult and vocational education and to strengthen joint course and curriculum articulation between secondary and postsecondary institutions. The State will be able to gain a picture of statewide educational needs, a composite of long-range plans, and a commonality of a statewide direction. This demonstration of combined programming could come together in a joint budget highlight document developed between the University of Alaska and the Commissioner of Education, and adopted by both boards.

The chart on the following page indicates a recommended composition of contiguous local and regional planning units.

### III. Agreement on Authority for Establishing Delivery Mechanisms and Agencies

Based upon the principle that with responsibility goes proportionate authority and with given primary responsibility for certain areas, each board thereby has the authority to determine the proper ways to deliver such educational programs.

A key to good decision making in educational programming lies in maximizing local involvement so that the services offered are appropriate. This is especially clear in the case of academic programs the University of Alaska may offer in various parts of the State. The program offerings must be planned in cooperation with local participants and with local agencies.

A variety of delivery vehicles are now available ranging from correspondence courses, telecommunications, mobile learning centers, audio conferencing, tutorial work, community colleges' and rural education centers' course work, computer-assisted instruction, itinerant

LOCAL PLANNING UNITS

Local School Districts

Locally Available  
University Units

- |   |   |
|---|---|
| 1. North Slope Borough School District  | Rural Education Dean's Office<br>(services available upon<br>request)   |
| 2. Northwest Arctic REAA<br>Nome City School District<br>Bering Strait REAA                   | Northwest Community College   |
| 3. Lower Yukon REAA<br>Lower Kuskokwim REAA<br>Kuspuk REAA<br>St. Mary's City School District | Kuskokwim Community College   |
| 4. Iditarod REAA  | McGrath Rural Education Center  |
| 5. Galena City School District<br>Yukon-Koyukuk REAA<br>Yukon Flats                           | Galena Rural Education Center<br>Nenana Rural Education Center<br>Ft. Yukon Rural Education<br>Center         |
| 6. Fairbanks North Star Borough<br>School District  | University of Alaska Fairbanks<br>Tanana Valley Community<br>College  |
| 7. Delta/Greely REAA<br><br>Nenana City School<br>Railbelt<br><br>Alaska Gateway REAA         | Delta/Greely Rural Education<br>Center<br><br>Nenana Rural Education Center<br><br>Tok Rural Education Center |
| 8. Valdez City Schools<br>Cordova City Schools<br>Copper River REAA<br>Chugach REAA           | Prince William Sound<br>Community College   |
| 9. Pribilof REAA<br>Adak Region Schools<br><br>Aleutian Chain REAA                            | Adak Rural Education Center<br><br>King Cove Rural Education<br>Center<br>Cold Bay Rural Education<br>Center  |

9. (cont'd.)  
King Cove City School District  
Sand Point City School District  
Unalaska City School District  
Dillingham City Schools  
Southwest REAA  
Bristol Bay Borough School District  
Lake and Peninsula REAA
10. Kodiak Island Borough School District
11. Kenai Borough School District
12. Anchorage Municipality School District
13. Mat-Su Borough School District
14. Juneau Borough School District  
Haines Borough School District  
Skagway City School District  
Yakutat City School District  
Pelican City School District  
Hoonah City School District  
Chatham REAA
15. Sitka Borough School District  
Petersburg City School District  
Kake City School District  
Wrangell City School
16. Ketchikan Borough School District  
Annette Island School District  
Craig City School District  
Hydaburg City School District  
Klawock City School District  
Southeast Island REAA
- King Cove Rural Education Center  
Cold Bay Rural Education Center  
Sand Point Rural Education Center  
Unalaska Rural Education Center  
Bristol Bay Rural Education Center  
Kodiak Community College  
Kenai Peninsula Community College  
Anchorage Community College  
University of Alaska, Anchorage  
Mat-Su Community College  
University of Alaska, Juneau  
Sitka Community College  
Ketchikan Community College

instructors, computer management, self-paced instruction, etc. The high technology areas offer an opportunity to extend the range of offerings of academic programs in Alaska. Today, access to higher education can be maximized more effectively than by traditional teaching strategies.

There are also options on the agency actually delivering the educational programs. The University of Alaska's agreement with the Northwest Association of Colleges and Schools (the regional accrediting agency) on contracting for educational services provides sound guidelines regarding the need for the University of Alaska to certify the instructor involved, the course content, etc. Under this arrangement, the University of Alaska may grant credit awarded for successful completion of course requirements. Given good faith negotiations, these criteria are not hard to meet, and agreements with local schools for offering certain courses or for coordinating and facilitating the high technology of delivery of courses is certainly feasible.

The Department of Education has the authority to evaluate and determine which agencies will offer certain funded adult basic education programs, conduct GED testing, and community schools activities through grant awards.

In areas where a branch of the University of Alaska is located within a school district, that district should contract with the University of Alaska to provide the needed postsecondary services.

Any educational institution or agency may offer "non-credit" courses in the broad field of adult preparatory education. However, only degree granting institutions of higher education may award "credit". If a local board of education desires to contract with outside postsecondary institutions for educational services, it must be reviewed and approved by the Postsecondary Commission. (Sec. 14.48.070 - Authorization to Operate - Alaska Statutes)

In areas where the University of Alaska is operating a facility or a program of study, articulation and coordination (scope and sequence) of appropriate courses of high school and college study is encouraged.

Although the Department of Education is empowered by existing statutory authority to operate certain programs and facilities related to adult preparatory and vocational education, the Department of Education will not deliberately create or cause to create new centers of adult preparatory education or vocational education under the jurisdiction of the State Board of Education. The Department of Education will, with the assistance of the Alaska State Advisory Council on Vocational & Career Education, further develop appropriate criteria for the acceptance of additional responsibilities related to adult, preparatory and continuing education which may be imposed by legislative intent.

A vocational/technical center will not be established within the State unless it meets the requirements established by the State Board of Education. These requirements and criteria for the establishment of a vocational/technical center will then parallel the policy adopted by the Board of Regents regarding criteria for the establishment of a community college.

#### IV. Agreement on Clarifying Certain Statutes

The two boards agree that the statute authorizing one or two grades beyond the twelfth grade do not automatically give the schools authority to enter postsecondary education on the community college or academic level. The boards agree that those areas of postsecondary education in which the schools should and must be involved can be served better by programmatic approaches rather than by structural grade approaches.

At present, the Compiled School Laws of Alaska, Title 14 Section 14.03.060 reads, "...the establishment of one or two grades beyond the twelfth grade is optional with the governing body of the school district".

The Board of Education, the Board of Regents, and the Postsecondary Commission agree to recommend that AS 14.03.060 be amended to read:

AS 14.03.060 (6) A "secondary school consists of grades 7 through 12 or any appropriate combination of grades within this range. The (ESTABLISHMENT OF ONE OR TWO GRADES BEYOND THE TWELFTH GRADE IS OPTIONAL WITH THE GOVERNING BODY OF THE SCHOOL DISTRICT) governing body of a school district may offer 'non-credit' adult preparatory education courses, programs or activities of a non-academic/vocational nature".

STATEMENT TO HOUSE FINANCE SUBCOMMITTEE  
REGARDING UA FY83 BUDGET REQUEST, INCREMENT PACKAGES  
PRIORITY ITEM 2, LANDSAT "QUICK-LOOK" PROJECT

January 26, 1982

I am the Principal Investigator of the Landsat Quick-Look Project. This project is an outgrowth of experiments started in 1978 to evaluate the application of real-time satellite data for the detection and mitigation of various kinds of geophysical hazards.

## I. BACKGROUND OF THE PROJECT

More than any other State, Alaska is subject to many geophysical hazards which pose threats of damage or loss to property and lives as well as hinder the development of resources. Such episodic events include earthquakes, volcanic eruptions, forest and agricultural wildfires, floods, river ice-jams, avalanches, outbursting of glacier-dammed lakes, storm and sea-ice surges, shoal migration in estuaries, glacial surges, and navigation in ice-infested waters. Our experiments have shown that the risks from many of these events can be mitigated by means of routine surveillance by Landsat, provided that immediate access to the satellite images is available.

In FY 1980 the Legislature funded a pilot project in the amount of \$214K to define goals, benefits, and options for further exploitation of space technology applied to the management of natural resources. This effort included workshops for State agency personnel in the techniques of applying remote-sensing data to the operational needs in various professional disciplines. The results from the pilot program justified additional work, and in FY 1981 the Legislature provided \$800K for the design and development of a quick-look system which would accelerate the delivery of high-quality Landsat images of Alaska. The equipment developed with these funds is being installed now and will be ready to operate next month.

## II. APPLICATIONS AND BENEFITS

### Wildfire Surveillance

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An obvious application for real-time Landsat imagery, with its inherent capability to resolve targets as small as a football field, is to monitor the extent and growth of forest fires and agricultural fires. The near-visual infrared sensor of Landsat is capable of "seeing through" the thinner layers of smoke and haze that ordinarily obscure visual perception by aerial observers. Landsat is ideally suited to map the boundaries of burned areas because in this infrared data there is very great contrast between vigorous, nonburned vegetation and even slightly scorched vegetation.

Suppression or management of wildfires in Alaska typically cost from \$20-million to \$30-million annually, with an increasing proportion of these costs accruing to the State as it assumes greater control of its land selections. Because we have lacked an operational Landsat system capable of delivering full-resolution images, the State fire control personnel have made merely token use Landsat to date. However, Forestry Division personnel have continued to ask for Landsat data and support the continuation of the quick-look concept.

We are not inclined to estimate a dollar value of the benefits to the State of quick-look Landsat images to date, but we note that a single fire on state-managed land can occupy an entire summer and run up a bill of \$5-million to \$10-million.

### Flood Surveillance

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The breakup of major river watersheds is an annual event of risk for communities located along the rivers of the Interior, and the Yukon and Kuskokwim Rivers can be monitored for ice jams by Landsat. On May 13, 1981, an ice jam 15-miles downstream from Galena threatened to create flood levels until the jam broke free. The River Forecast Center in Anchorage relied heavily on Landsat quick-look images in preparing their breakup forecasts. Information from daily Landsat coverage of the Yukon during the 1981 breakup also was provided to the villages by radio stations and newspapers in Fairbanks.

### Navigation Hazards

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Quick-look images are planned this spring to support the mission of the icebreaker "Polar Sea" in the North Bering Strait. There is some concern of an expected retreat of Columbia Glacier within the next decade. We expect that enhanced Landsat images could aid in evaluating navigation risks to tanker traffic. We are negotiating with Sohio Research Laboratory to commence surveillance of Columbia Glacier, possibly starting this summer if operating funds permit.

### III. PROJECT MANAGEMENT

The long-range objective of this project is to effect the transfer of a new technology into the operational environment of a State agency suited to manage it. It would be naive to imagine that a laboratory-based, experimental technique can be immediately embraced and operated successfully by the existing staff of a line agency. It may require another year or two to refine the project's operation to the degree that the service it provides outweighs the developmental activities associated with providing the service.

### Budget

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The Landsat Quick-Look Project involves no new staff positions at the Geophysical Institute, and the requested level of funding, \$160K, is only about 60% of the full cost of operation for the coming year. Support in full for FY 1983 has not been requested in response to guidelines from the Governor's Office that a substantial part of the cost of operation should be generated from user fees. A shortfall of projected user fees would not be unlikely in view of the long budgeting process that prevails in all State agencies. A substantial economic base for Landsat quick-look products has yet to be generated. Therefore, a reduction of any amount from the \$160K requested would effectively cripple the project just as it makes initial attempts to become somewhat self-supporting. The long-range effect would be to terminate the program completely and thereby waste the accrued investment and turn away from a promising new technology with excellent promise of cost-beneficial results.

I earnestly solicit your support for the undiminished funding of the Landsat Quick-Look Project for FY 1983. Thank you.

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K—STATE CAPITOL  
JUNEAU, ALASKA 99811

465-3603

May 5, 1981

file  
SB-20  
or  
HB 32

The Honorable Donald E. Clocksin  
House of Representatives  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Re: Constitutionality of  
Durational Residency  
Requirement for  
Scholarship Loans  
Our File: J-66-727-81

Dear Representative Clocksin:

You have asked the Department of Law to review the constitutionality of the durational residency requirement contained in Alaska's scholarship loan program.

AS 14.40.751 establishes a revolving loan fund in order to make scholarship loans to students in postsecondary programs. Under AS 14.40.765 only a student who is a resident of Alaska may apply for a scholarship loan. AS 14.40.806(4) defines "resident" as

. . . a person domiciled in Alaska who has resided in Alaska for at least two years before an application for a grant or loan is made under §§ 751 - 806 of this chapter.

It is our view that the two-year durational residency requirement could not withstand constitutional scrutiny under either state or federal standards.

The initial question is whether Alaska may impose any residency requirement at all for student scholarship loans. There is little doubt on that point. The Supreme Court held in Vlandis v. Kline, 412 U.S. 441, 37 L.Ed.2d 63 (1973), that, in providing education-related benefits, a

2-10-82

state could legitimately distinguish between residents and non-residents. There the Court was asked to rule on whether a Connecticut statute imposing a conclusive presumption that a non-resident student at the time of application remained so for the duration of his studies was constitutional. While striking the irrebuttable presumption, the Court held that a state may protect the right of its residents to attend educational institutions on a preferential tuition basis and can establish reasonable criteria for in-state status in order to make certain that students who are not in fact bonafide residents of the state cannot take advantage of in-state tuition rates.

A majority of the Alaska Supreme Court would not depart from this federal analysis. Williams v. Zobel, 619 P.2d 422 (Alaska 1980) (Zobel I) (concurring and dissenting opinions).

Given that a requirement of residency is permissible, the question is whether a two year durational residency requirement is constitutional. Even under the lower federal standard of scrutiny, it is unlikely that the requirement would be upheld. Under the federal standard, durational residency requirements are subjected to strict scrutiny only when they affect "basic necessities of life" or some "fundamental political right," Memorial Hospital v. Maricopa County, 415 U.S. 250, 39 L.Ed.2d 306 (1974) (one year residency requirement to vote), Shapiro v. Thompson, 394 U.S. 612, 89 S.Ct. 1322, 22 L.Ed.2d 600 (1969) (one year residency for welfare benefits).

In almost all cases, when the Court has applied the strict scrutiny standard, the durational residency requirement has been stricken. The Court did, however, uphold a one-year durational residency requirement as a condition of divorce in Sosna v. Iowa, 419 U.S. 393, 42 L.Ed.2d 532 (1975), and let stand a three-judge district court decision establishing a one-year durational residency requirement as a condition of in-state tuition. Starns v. Malkerson, 326 F.Supp. 234 (D.C. Minn. 1970), aff'd, 401 U.S. 985, 28 L.Ed.2d 527 (1971). In both cases, though, the respective statute imposed only a one-year requirement. In our view, application of the federal analysis would unlikely sustain Alaska's two-year requirement.

The Alaska test is established in State v. Erickson, 574 P.2d 1 (Alaska 1978):

Initially, we must look to the purpose of the statute, viewing the legislation as a whole, and the circumstances surrounding it. It must be determined that this purpose is legitimate, that it falls within the police power of the state. Examining the means used to accomplish the legislative objectives and the reasons advanced therefore, the court must then determine whether the means chosen substantially further the goals of the enactment. Finally, the state interest in the chosen means must be balanced against the nature of the constitutional right involved.

574 P.2d at 12 (footnotes omitted).

Explaining the test as it applies to durational residency, Chief Justice Rabinowitz speaking for the court in Williams v. Zobel, 619 P.2d 448 (Alaska 1980) (Zobel II), declared:

In our view the uniform balancing approach adopted in Erickson is much more appropriate in this context than the two-tier analysis used in our prior cases. Further, we will no longer regard all durational residency requirements as automatically triggering strict scrutiny and requiring a showing that such a classification is absolutely necessary to promote a compelling state interest. Instead, we will balance the nature and extent of the infringement on this right caused by the classification against the state's purpose in enacting the statute and the fairness and substantiality of the relationship between that purpose and the classification.

(footnote omitted). 619 P.2d at 453.

It is clear that a student loan does not constitute a benefit of the highest magnitude. We believe it equally clear that the legitimate government purpose embodied in AS 14.40.751 is to make a portion of Alaska's not-unlimited resources available to Alaskans who are students to further their educational development. Nevertheless, we are of the opinion that an Alaska court applying the Erickson test would strike the two-year bar.

Is there some lesser period of time that could withstand constitutional challenge? While we cannot speak with certainty on this point, a one-year residency requirement is almost certainly the upper limit. The chances of sustaining a durational residency requirement increase as the period of time is reduced.

Having concluded that the two-year requirement is constitutionally suspect does not in itself open the floodgates to any who wish to travel to Alaska merely to reap the benefits of the student loan program. The Alaska legislature may impose restraints as effective as the two-year requirement without the corresponding infirmities, simply by requiring that the student make a showing that he/she is indeed a bona fide resident. A recent federal court decision illustrates such a scheme.

In Michelson v. Cox, 476 F.Supp. 1315 (S.D. Iowa 1979), the court was asked to find that rules of the Iowa Board of Regents operated in a manner that created an irrebuttable presumption against residency. The pertinent rules provided:

A student 18 years of age or over and [a] married student under 18 years of age shall be classified as a resident if (1) the student's parents were residents of the state at the time such student reached majority or was married and the student is not domiciled in another state or (2) . . . after marriage or reaching majority [, the student] has established a bona fide residence in the state for at least 12 consecutive months immediately preceding the beginning of the semester. Bona fide residence in Iowa means that the student is not

in the state primarily to attend a college; that he is in the state for purposes other than to attempt to qualify for resident status.

\* \* \*

Ownership of property in Iowa, or the payment of Iowa taxes, does not in itself establish residence.

\* \* \*

A student from another state who has enrolled for a full program, or substantially a full program in any type of educational institution will be presumed to be in Iowa primarily for educational purposes, and will be considered not to have established residence in Iowa. Continued residence in Iowa during vacation periods . . . does not of itself overcome the presumption.

476 F.Supp. at 1319.

The district court refused to find that the rules had been unconstitutionally applied, noting that virtually identical rules had been previously upheld by a three-judge district court. Clarke v. Redeker, 59 F.Supp. 117 (S.D. Iowa 1966). <sup>2/</sup>

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<sup>2/</sup> The Redeker court, in upholding the regulation, noted its operative effect:

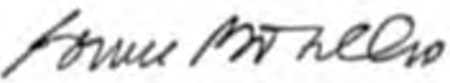
The Iowa tuition regulations are thus not set up in terms of an absolute classification. A student from another state is classified as a nonresident because he is presumed to be in Iowa primarily for educational purposes. If appropriate facts and circumstances arise subsequent to a student's classification as a nonresident, there is nothing in the regulations which would prevent his reclassification as a resident. The student is merely required to present sufficient evidence to overcome the presumption of non-residency.

250 F.Supp. at 122.

It is our view that the scheme set forth in Michelson, supra, would be upheld under the Alaska test. Chief Justice Rabinowitz in Zobel II, supra, tacitly acknowledged the right of a state to distinguish between residents and non-residents for tuition purposes, citing both Vlandis v. Kline, supra, and Starns v. Malkerson, supra. The scheme does not penalize the right of interstate migration. Finally, the scheme bears a fair and substantial relationship to legitimate and sufficiently weighty state purposes: to provide a means of financing higher education for Alaskans and to encourage persons to maintain their residence in Alaska.

Sincerely,

WILSON L. CONDON  
ATTORNEY GENERAL

By:   
Bruce M. Botelho  
Assistant Attorney General

BMB/jal

THE ALASKA STUDENT LOAN PROGRAM

Post  
Zemba  
Edy  
2/22

Introduction

The Alaska Student Loan Program is one of the most successful programs offered by the State of Alaska. Its purpose is to provide low-interest loans to Alaskans wishing to pursue education and training at a post-secondary level. The program has grown from serving just over 1,000 Alaskans in 1971-72, to the current 1981-82 level of serving over 11,000 Alaskans. The true impact of this program is considerable, that is, the financial assistance, not only to the individual, but to the individual's family; the expanded educational opportunities afforded the citizens of the state; the societal benefits of having a more highly trained and educated citizenry; and the benefits to the state and the local communities of having educational institutions and resources available to meet current and future demands. All of these are related, either directly or indirectly, to the availability of student loans. Alaska has chosen to invest in the education of its people. Through these loans, which are in large part repayable to the state, Alaska has committed itself to providing opportunities and access to all those residents seeking post secondary education. The value of this commitment is undeniable, but the time has now come to re-evaluate the state's commitment and the program itself. The program has expanded to the point of placing a significant annual demand upon the state treasury and to creating the need for greatly increased state staffing. The state must now explore options and alternatives related to the program. It must now decide directions for the future.

Legislative History

The current student loan program was created by the 1971 Alaska State Legislature, however, it was based upon a program which originated in 1968. The 1968 Alaska State Legislature established a program of Scholarship Loans (Senate Bill 378). These loans were for undergraduate students studying in Alaska at an accredited institution. The students could borrow up to \$500 per year for up to four years. The loans were non-interest-bearing and could be used only to meet the costs of books, tuition, and required fees (excluding room and board). If the student lived in Alaska after ceasing study, the loans were forgiven at a rate of \$500 of loan indebtedness for each six months spent in Alaska.

This program was amended by the 1970 Alaska State Legislature after a good deal of debate (based upon the bill number for the adopted legislation - FCCS SCS CSHB599). Loans now were for up to \$750; could be used at any accredited college or university, could be used for books, tuition, room and board, and required fees; and were eligible for forgiveness at a rate of \$750 of loan indebtedness for each full year spent in Alaska. The loans were still restricted to undergraduate students and were still non-interest-bearing.

In 1971, the Alaska State Legislature once again looked at student loans and passed CSHB415 (Finance) as S. This bill created the true framework for the present student loan program. Under the 1971 program, student loans could be obtained for undergraduate study, graduate study, and career education programs. Undergraduate students and career education

students could borrow up to \$2,500 per year and graduate students could borrow up to \$5,000 per year. Students could borrow for up to six years of study. Loans were to bear interest at a rate of 5 percent and could be used for books, tuition, room and board, and required fees. Forgiveness was limited to 40 percent of the total borrowed (plus interest), and was accrued in 10 percent increments for each year of employment in Alaska after the grace year.

The loan program experienced minor amendments on a number of occasions, but remained relatively unchanged until the 1976 Alaska State Legislative Session. During that session, FCCSS870 passed. Under this bill, the undergraduate and career education borrowing maximum was raised to \$3,000 per year, but the \$5,000 per year maximum for graduate students was maintained.

Subsequent legislatures continued to make relatively minor adjustments to the program, and then in 1981, the last major change occurred. The 1981 Legislature passed FCCS58120, which raised the borrowing maximums to \$6,000 per year for undergraduate and career education students and to \$7,000 per year for graduate students. The bill also raised the amount of loan forgiveness up to 50 percent of the total borrowed (including interest), and provided that this forgiveness be accrued in 10 percent increments for each year of residence in Alaska after the grace year. Loans under this program could be obtained for up to five years for either undergraduate or graduate study or up to eight years of combined study. This is the program currently being administered by the state.

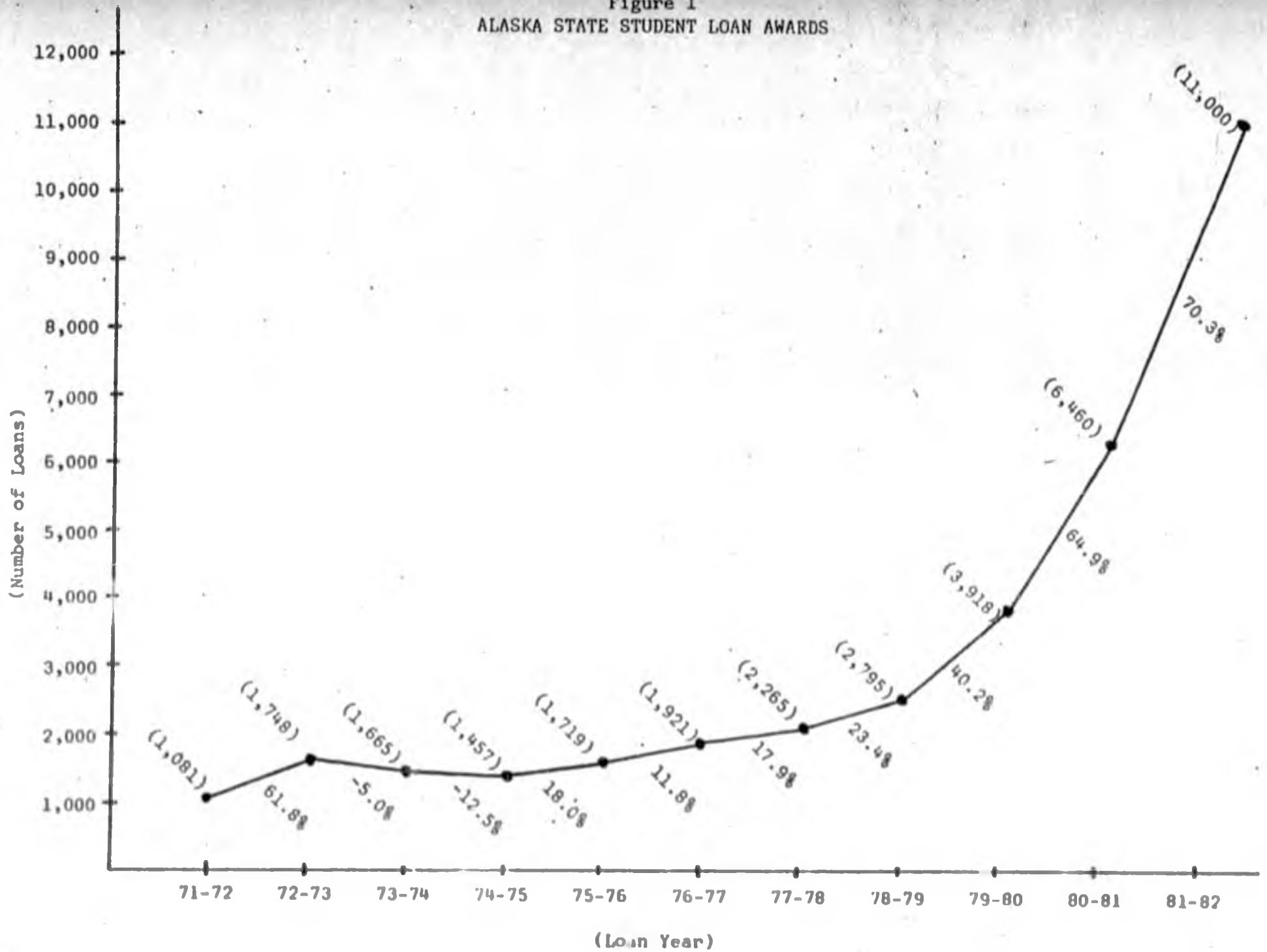
### Student Loan Demand

The demand for state student loans has increased dramatically the last few years. This is the result of a number of inter-related factors, including: the rising cost of attending a postsecondary education institution, the worsening employment market and the accompanying rise in unemployment rates, the increased need for advanced training, particularly in the highly technical fields, the expansion and maturation of the state university and community college system, and the lessening of the availability of federal student financial assistance.

After a relatively stable growth pattern for the first seven years of the program (based upon a beginning date of 1971-72), loan demand has literally exploded the last three years. The number of Alaskans applying for attendance in 1979-80 represented a 40.2 percent increase over those applying in 1978-79, and the increases for 1980-81 and 1981-82 were 64.9 percent and 70.3 percent, respectively. In other words, using 1978-79 as a base, the loan program has experienced nearly 300 percent growth over the last three years. (See Figure 1.)

The dollar demand has risen even more quickly than the loan awards. This is particularly true for the 1981-82 year, due to the increased borrowing maximums. The dollar demand for 1981-82 loans is 196.4 percent higher than it was for 1980-81 loans, and the total amount loaned to students since the program began in 1971-72 will exceed \$100 million with the 1981-82 loans. During the program's first nine years, \$54 million in student loans was awarded, but for 1981-82 alone, the demand will exceed

Figure 1  
ALASKA STATE STUDENT LOAN AWARDS



\$47 million, and for 1982-83, the volume is expected to reach nearly \$70 million. The popularity and need of this program is undeniable. The questions which must now be answered are whether or not the state wishes to continue investing these ever-increasing amounts in student loans, and if not, what alternatives are available for the state and for the students.

#### Position of Alaska Commission on Postsecondary Education

The Alaska Commission on Postsecondary Education is a thirteen-member statewide board which is responsible for the administration of the Alaska Student Loan Program. The Commission and its Student Financial Aid Advisory Committee have recognized the need for a complete loan program re-evaluation and have been exploring a variety of alternatives over the past twelve months.

In order to obtain much needed public input into this decision process, meetings have been held with members of the postsecondary education financial aid community and a statewide conference of high school guidance counselors has been hosted, in cooperation with the Alaska School Counselors Association. Based upon these efforts and the careful study of the financial aid needs of Alaska's students the Commission has adopted the following position which is to be presented the Governor and the 1982 Alaska State Legislature:

The State of Alaska can make no better commitment of resources than investing in the education of its citizens. Direct support of Alaska's public elementary, secondary, and postsecondary school systems is vital to the state's continued growth and development. It is in the best interest of the state to provide access to these educational resources for the citizens of Alaska.

The best method of assuring access and opportunity is through the direct provision of educational services, but this is not always practical or possible, particularly at the postsecondary level. Therefore, the most effective and efficient method of attaining these goals of access and opportunity is through a system of low interest loans which allow the students to choose the educational setting most appropriate for their particular needs.

The Commission endorses and recommends the continuation and full-funding of the Alaska State Student Loan Program. Amendments which restrict access by denying loans to groups of Alaskans, either by design or by default, are vigorously opposed.

February, 1982

Postsec Commission  
Paul Geyses

Student Loan  
returned call

How many <sup>students</sup> outside  
repaying as opposed  
to in. Answer Do not know  
Will find out →

? Where loan requests  
come from. No how e. Will get.

~~300~~ 3,300 students Survey  
2,200 going post secondary

*Terry,  
AAA, Student loan  
input*

MSG 82-00010679 PRY 1 02/26/82 15:01:25 ORIG: LA00 IN= 0014 OUT= 01  
FROM: JEAN, ANCH INFO TO: POM, JUNEAU INFO  
TARGET: LJH2 SUBJ: POM PAGE 00

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TO: SENATORS DANKWORTH, KELLY, KERTTULA AND RODEY  
REPRESENTATIVES ADAMS, ANDERSON, BEIRNE, BETTISWORTH, CATO,  
CHUCKWUK, COTTEN, CUDDY, FULLER, HAUGEI, HAYES, MALONE, MARTIN,  
MEEKINS, MONTGOMERY AND SMITH

FROM: RICK PETERSEN  
2807 VALLEYWOOD DRIVE  
ANCHORAGE 99503 (H) 248-0672

RE STUDENT LOANS

TRY LIVING OFF \$2250 FOR 16 WEEKS (4 MONTHS). THIS COMES TO ABOUT  
\$570 PER MONTH WHILE I AM ENROLLED AT UNIVERSITY OF ALASKA-ANCHORAGE.  
I RENT AND COMMUTE. THIS IS SUBSISTANCE LIVING. ALTHOUGH I AM  
GRATEFUL, IF YOU ELIMINATE PERSONAL AND MISCELLANEOUS YOU ARE  
JEOPARDIZING MY PRIVILEGE TO OBTAIN AN EDUCATION.

61

MSG 81-00012596 PRTY 1 04/15/81 16:27:08 ORIG: LAGG IN= 0008 OUT= 0082  
FROM: LOU TO: JNU INFO PAGE 0001  
TARGET: LJH2 SUBJ: POM

*Keep this for good suggestion*

TO: ALL LEGISLATORS

FROM: MARY FROHNER, SR BOX 247X, ANCHORAGE, AK 99507 344-3826

RE: SENATE BILL 120

I THINK THIS BILL SHOULD BE AMENDED SO STUDENTS WHO PAY THEIR OWN WAY RATHER THAN BORROW MONEY FROM THE STATE CAN HAVE THE SAME BENEFITS AS THOSE WHO DO. IF THE IDEA BEHIND FORGIVING STUDENT LOANS IS TO ENCOURAGE STUDENTS TO REMAIN IN ALASKA AFTER COMPLETING THEIR EDUCATION, THEN HOW ABOUT SOME INCENTIVE FOR THE GOOD, HARDWORKING STUDENTS WHO PAY THEIR OWN WAY? I FEEL THIS IS THE TYPE OF PERSON THAT SHOULD BE ENCOURAGED TO STAY IN ALASKA.

MSG 82-00011186 PRY 1 03/02/82 14:05:18 ORIG: L000 IN= 0006 OUT= 00  
FROM: KODIAK TO: JUNEAU  
TARGET: LJM SUBJ: PUBLIC OPINION MESSAGE PAGE 00

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TO: HOUSE WESS COMMITTEE (MEETING TODAY AT 3:00)  
BEIRNE, MARTIN, CATO, MALONE, SMITH  
SENATOR MULCAHY REPRESENTATIVE ZHAROFF

FROM: GARY JOHNSON  
REPRESENTING KODIAK HIGH SCHOOL SENIORS  
P.O. BOX 886  
KODIAK, ALASKA 99615 PHONE 436-3131

RE: HB 709

I REPRESENT THE SENIORS AT KODIAK HIGH SCHOOL. WE ARE OPPOSED TO HB 709.  
THIS BILL SHOULD ENABLE NEEDY STUDENTS TO ATTEND COLLEGE. IF THE MAXIMUM  
LOAN AVAILABLE IS REDUCED THIS WILL NOT BE ENOUGH FOR MANY STUDENTS TO  
ATTEND COLLEGE. PLEASE AMEND OR DROP THIS SECTION.

Representative Terry Martin  
 Pouch V, State Hospital  
 Juneau, Alaska 99801

Dear Mr. Martin,

Thank you for your letter requesting my input as a student concerning amendments to the ASLP. I have returned the list of alternatives with direct comments along the margins. In addition I would like to offer some general opinions and perceptions about the program.

First of all, I feel that the loan program is and should remain a loan program with qualifications for its use being based on credit worthiness and not financial need. If this means setting up a dual program, eliminating or establishing more stringent academic qualifications for high-risk groups such as entering freshmen then so ~~be~~ it.

Second I see the loan program as a long term developmental subsidy or investment in the future of the state. Hence, the loan program should target those students most likely to remain and make a contribution to the future of the state. In-state students should therefore receive priority in your considerations. The forgiveness provision, though not so covered to excess last year is a valuable and attractive incentive, especially for students going to school out of state. Further, while the direct costs to the state

may be much lower for out of state students, the future costs ~~in terms of~~ ~~committed~~ of not having a strong in-state system of higher education, training and preparing people committed to the future of Alaska, could be awesome. The ASLP has been vital to many in-state students in order to meet the high living expenses associated with living & studying in Alaska. As you are probably aware, students at UAA have no dormitories or student housing, there are no low rent areas within walking distance of school, and further, students lack the benefit of group health insurance.

Third I would urge some caution in increasing academic requirements for loan qualification purposes.

Although I am an honor student myself, I know close & many of the most talented students are in a no man's land & not for the ASLP. They do not qualify as financially needy (especially when national formulas are used) and cannot avail themselves of academic scholarships.

~~Finally~~, I would urge that undue emphasis is not placed on the graduating high school student in setting loan or grant priorities. There are many mature adults who have come to work in Alaska with various industries, have committed their future to this great land, and have returned to school to better enable themselves to participate in its development.

In general, I think that scholarship grants, loan programs, and financial need grants/loans should be ~~separated~~ kept as separate and distinct functions. I realize that severe fiscal pressures require a fairly radical amendment

3  
to the ASLP and would personally favor the following actions

1. Enforce the loan application deadline - student loans should not be an expedient addition to unemployment.
2. More careful scrutiny of student credit worthiness given the increasing popularity of personal bankruptcy
3. Require residency verification and impose penalties for perjury
4. Deny needs for foreign study
5. Deny loans for freshmen borrowers or other high risk groups, or increase academic qualifications for such groups
6. Roll back the borrowing maximums to \$4000 per year for undergraduates, \$6000 for graduates
7. Give priority to in-state students
8. Improve administrative efficiency where cost effective
9. Set up separate distinct programs for scholarship grants, financial need grants/loans, and straight low interest student loans based on credit worthiness of the student.

Finally, whatever is done, I sincerely hope that you and your fellow legislators do not lose sight of the importance of educating committed Alaskans, young and old alike, for a more productive role in the future.

Your respectful,  
Michael L. Fincher  
Michael L. Fincher  
3427 E. 6<sup>th</sup>  
Anchorage, AK 99504

Make Motion on HB 159-

announce Comm Members →

FY83

HB 832 - Fiscal note \$179,000

Terry Dale - Ant to Gov.

Connie Sipe - consumers protection Asst.  
City of Ancl - New Board developing  
Home builders of Ancl T

---

Joe Dentrice → Atty -

Open discussion Tele -

means it -

consider, to pool to save money,

---

Jim McConally - Pres. Jenness Home Builders

March 17

teleconference - set up.

Suggest night lesson -

Mary, & Jeff

Please call Joe Dentrice as a  
atty consultant on work up of HB 832  
Phn 586 - 6250 -

# APPLICATION FOR ADMISSION



## UNIVERSITY OF ALASKA ANCHORAGE

GRADUATE  
UNDERGRADUATE

FULL LEGAL NAME			SOCIAL SECURITY NUMBER		
LAST	FIRST	MIDDLE (MADEN)			
OTHER NAMES (IF ANY) ON PREVIOUS SCHOOL RECORDS					
PLACE OF BIRTH			DATE OF BIRTH		
CITY	STATE		MONTH	DAY	YEAR
PERMANENT MAILING ADDRESS			PHONE & AREA CODE		
CITY			ZIP		
CURRENT MAILING ADDRESS			PHONE & AREA CODE		
CITY			ZIP		
RESIDENT OF WHAT STATE		SINCE		IF LESS THAN 1 YEAR GIVE DATE RESIDENCY BEGAN	
COUNTRY OF CITIZENSHIP			TYPE OF U.S.A. & NOT U.S.A.		
HIGH SCHOOL			DATE OF GRADUATION		
CITY			STATE		
NEXT OF KIN (NAME) FOR APPLICANT 18 YEARS OF AGE OR OLDER					
ADDRESS					
PARENT OR GUARDIAN (NAME) FOR APPLICANT UNDER 18 YEARS OF AGE					
ADDRESS					
PARENT'S RESIDENCY					
STATE		SINCE			

PLEASE COMPLETE OTHER SIDE

APPLICATION FOR ADMISSION TO UAA IN THE SEMESTER OF  
 A FULL-TIME STUDENT (12 OR MORE CREDITS) OR A PART-TIME STUDENT. IF PART-TIME, FOR HOW MANY CREDITS?

DEGREE DESIRED:      MASTER'S      BACHELOR'S      NO DEGREE

MAJOR:      PHYSICS

CURRENTLY ENROLLED IN HIGH SCHOOL?      YES      NO

CURRENTLY ENROLLED IN A COLLEGE OR UNIVERSITY?      YES      NO

IF YES, GIVE NAME OF SCHOOL      NO. CREDITS REG. FOR

ENDING DATE OF LAST TERM (TO BE) ATTENDED BEFORE ENTERING UAA      MONTH      DAY      YEAR

ACT OR SAT TEST TAKEN?      YES      NO

APPLICATION IS FOR ADMISSION AS      A REGULAR STUDENT      A SPECIAL STUDENT \*

\* A SPECIAL STUDENT IS ONE WHO ENROLLS IN SIX OR FEWER CREDIT HOURS, HAS NO DEGREE GOAL OR HAS ACCUMULATED LESS THAN THIRTY SEMESTER HOURS OF COLLEGE CREDIT.

"If you have a disability which might hinder your performance or create a hazard for yourself or others in connection with your attendance at the University and would like the University to provide special accommodations, please describe the nature of the disability and the special accommodations requested." \_\_\_\_\_

**LIST BELOW ALL COLLEGES & UNIVERSITIES ATTENDED INCLUDING U.A.A. /A.C.C.**

NAME OF SCHOOL	CITY & STATE	DATES ATTENDED	CREDITS	DEGREE
----------------	--------------	----------------	---------	--------

APPLICANT'S SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

PLEASE INCLUDE PAYMENT OF THE \$100 APPLICATION FEE AND SEND TO → UNIVERSITY OF ALASKA, ANCHORAGE OFFICE OF ADMISSIONS AND RECORDS 801 PREPPERANCE AVENUE ANCHORAGE, ALASKA 99508

**THIS AREA FOR UNIVERSITY USE**

REGULAR	APPL. CARD				APPLICATION FEE			
SPECIAL	PH	T	HS	U	ACCEPT LTR.	REQ.	PROB.	SPEC.
RETURN	TRANSF.		FRESH		MAJOR			
HS TRANS	HS GPA		HS LTRS		UAA GPA			
SCORELESS	NO OR MORE				SCAN CODED		UP DATED	
PREVIOUS COLL. TRANS & GPA					COPY TO DEPT.			
ACT	SAT			BY X				

"It is the policy of the University of Alaska to provide equal educational and employment opportunities, to provide services and benefits to all students and employees without regard to race, color, religion, national origin, sex, or disability in accordance with the laws enforced by the Department of HEW/OCR and OEO/DOL, including Executive Order 11246 as amended, Title VI of the 1964 Civil Rights Act, Title IX of the Educational Amendment of 1972 and Title 41- Parts 60-1, 60-2, 60-3, 60-20, and 60-50 and Sections 799A and 845 of the Public Health Service Act of 1971."

"Optional: The following information on race/ethnicity and sex is requested in order for this Institution to demonstrate to the U.S. Department of Health, Education and Welfare compliance with Title VI of the 1964 Civil Rights Act and Title IX of the Educational Amendments of 1972." This information is to be used for statistical purposes only.

Race/Ethnicity (check one)

- |  |   |
|--|---|
| <input type="checkbox"/> Alaskan Indian            | <input type="checkbox"/> White/Non-Hispanic |
| <input type="checkbox"/> Asian or Pacific Islander | <input type="checkbox"/> American Indian    |
| <input type="checkbox"/> Hispanic                  | <input type="checkbox"/> Aleut              |
| <input type="checkbox"/> Eskimo                    | <input type="checkbox"/> Black/Non-Hispanic |
| <input type="checkbox"/> Other                     |   |

Sex (check one)      Male      Female

Alternatives for Amending the Student Loan Program

The following alternatives for amending the current Alaska Student Loan Program are not meant to be exclusive, nor are they being suggested for adoption. Rather, they are simply those alternatives which have arisen from initial staff and Commission study and discussion. A number will surely be discarded as being impractical or unsatisfactory, but for the present, all must at least receive consideration.

Prior to presentation to the Legislature, the Commission will be establishing positions on each of these alternatives and will be assigning priorities for those being recommended for possible adoption if and when circumstances so warrant.

The order of presentation will be: those alternatives requiring administrative action, usually through regulations; those alternatives requiring legislative actions; and those miscellaneous alternatives dealing with the general administration of the program.

Alternatives Accommodated Through Regulations

1. Enforce a loan application deadline. The current deadline for applying for a student loan is May 15 of each year (20 AAC 15.020 (a)). For most purposes this deadline date is ignored. Persons may apply for a loan at any time throughout the year, with the only restriction being that of 20 AAC 15.020 (d). Under that section of the regulations, a person may not apply for a school term which is one-half or more over.

yes

An alternative is to set new realistic deadlines and then strongly adhere to those dates. Suggested deadlines are:

<u>For attendance</u>	<u>Application deadline</u>
Beginning July 1 - October 31	July 15
Beginning November 1 - February 29	November 15
Beginning March 1 - June 30	March 15

2. Restrict continuing loans to students maintaining certain grade-point averages. In order to receive a student loan, the student must be attending school full-time and be in "good standing". Good standing is defined by the Commission (through regulations) as having a 2.0 cumulative grade point average (g.p.a.) for undergraduate students and a 3.0 cumulative grade point average for graduate students (20 AAC 15.040(j)).

An alternative could be to raise the requirement for maintenance of "good standing". Undergraduate good standing could be defined as a g.p.a. of 2.5 or ~~2.0~~ and graduate could be 3.5. This could greatly reduce the number of eligible borrowers.

It is estimated that raising the requirement to 3.0 and 3.5 would eliminate as many as 50% of the current borrow-ers. This would mean a savings of as much as \$31 million in 1982-83.

*Consider this as many regular borrowers, students, etc. ...  
...  
...  
Commitments of*

TERRY MARTIN

Yes

3. Require residency verification. Student loans are available to eligible borrowers who are at least two-year Alaska residents. There has been a good deal of hypothesizing as to the extent of persons willing to perjure themselves by falsely claiming Alaskan residency in order to obtain a student loan.

The Commission could, by regulation, require that a student obtain four references willing and able to attest to the student's residency claim. This verification would also be under personal oath.

The process could slow down processing somewhat, but it should not require increased staff, and it should eliminate some of the potential for abuse.

Alternatives requiring Legislative Changes

NO!

4. Employ a needs test. The imposition of a needs test is based upon the logic that if funds cannot be provided to fund all Alaskans wishing student loans, then those who are "most needy" are the ones who should receive support. A needs test can be handled in at least two ways. First, a level of available funds could be determined. Then, all applicants could be ranked, based upon need, and awards could be made until funds were exhausted. Second, a minimum level of "need" could be set. All persons meeting the need criteria would be funded, all others denied.

*- Program has and should retain a loan rather than grant emphasis*  
A nationally-known needs test would be employed. The students would be required to fill out the needs analysis form, pay a fee for processing, and send the form to a processing center (probably in California). The center would report results to the student and the Commission.

This would not require increased staffing at the state level, but would slow processing considerably.

A needs test would require a parental contribution based upon family income levels and would penalize the dependent student, as opposed to the independent student.

A substantial amount could be saved annually, depending upon how restrictive either the funding level or the income levels were.

Yes

5. Deny loans for foreign study. Loans can currently be used for study at any approved institution. A small number of students, 20-25 in 1981-82, use these loans for study in foreign countries. These loans could be denied. The savings would amount to \$120,000 - \$165,000 annually.

*- but, wouldn't this mean students need loans for domestic study*

4. Deny loans to freshmen borrowers. Since freshmen tend to be the largest credit risk (after vocational students), the entire group of freshmen borrowers could be denied loans. This currently accounts for 31.8% of the student loans, so the savings for 1981-82 would be \$11.3 million, and for 1982-83, as much as \$21.3 million.

Yes

*Any lending relationship should require some form of demonstrated commitment on part of borrower*

NO!

7. Restrict loan use to only tuition, fees, and books, or tuition, fees, books, room, and board. The current practice is to loan for tuition, fees, books, room, board, and other educational expenses. These "other expenses" include personal expenses, child care, travel, etc. At the University of Alaska, these expenses account for 22 to 35% of the standard student budget. If room and board were also eliminated, the savings would be another 40 to 65%. Hence, the savings of eliminating all expenses other than tuition, fees, and books would be from 60 to 90% of the current loan levels.

*- will discriminate unfairly against in-state students*

In 1982-83, eliminating "other expenses" could save from \$15 to \$24 million. Eliminating all expenses but tuition, fees, and books, could save as much as \$40 to \$60 million. It should also be noted that such restrictions in borrowing eligibility would also result in forcing some students not to attend school. In fact, those that need the funds the most would be those most likely to be forced out of school.

Yes  
(regrettably)

8. Roll back the borrowing maximums. The 1981 Legislature increased the undergraduate borrowing maximum from \$3,000 per year to \$6,000 per year, and the graduate maximum from \$5,000 to \$7,000 per year. The program then experienced a 70% increase in borrowers, and a 288% increase in funds requested. While other factors undoubtedly contribute to this increase, the principal element is the new borrowing limit.

Reducing the loan maximum could profoundly affect the cost of the program. Rolling back to \$3,000 and \$5,000 would save as much as \$30 million in 1982-83, but it would also mean some students could not attend school. If the large increase in borrowing is in part attributable to the increased maximums, a reduction would mean forcing some students back out of the educational system.

9. Raise the interest rate charged on loans. The current interest rate on Alaska student loans is 5%. Federal student loans are now at 9%. The interest rate charged to students could be raised to 7%, 8%, 9%, or even 10%. Raising the rate could make the loans less attractive and thereby discourage some borrowers, but probably very few. The effect would be negligible for the first few years, but raising the interest from 5% to 9%, for example, could result in as much as \$1.3 million in 1986-87.

*NO - AK students need a large subsidy in form of low int rates than Fed rate provide*

In order to prevent the necessity of legislative action every few years, the interest could also be based upon current interest rates for federal student loans. Therefore, when federal student loan interest rates change, the state's rates would also change.

10. Increase residency requirements for loans. To qualify for a student loan, a borrower must be at least a two-year Alaska resident. This could be increased to three, five, or ten years. All would save considerably over the present system; for example, raising to a five-year requirement would eliminate approximately 32% of the borrowers. In 1982-83, this could mean as much as \$20 million. However, it should be noted that the Attorney General has previously advised against such residency restrictions.

NO

No!

11. Eliminate forgiveness. If a borrower resides in Alaska after completion of study, up to 50% of the loan, including interest, may be forgiven (cancelled). This partial cancellation is earned at a rate of 10% per year of residence after completion of study, for up to five such cancellations.

If this provision were eliminated, a great deal of money would be saved eventually. It could not and would not affect the \$97 million already loaned under the program. Although the effect would be negligible for the next few years, there would be an increasing savings realized that would be at an annual level of \$2 to \$5 million by 1986-87.

There may be an impact which would not be desirable if this action were taken. The forgiveness, currently at 50%, is believed to be a significant inducement for persons to live in Alaska after completing study. Removal of that inducement would lessen the number of educated Alaskans remaining or returning to work in Alaska after schooling.

- would eliminate many of the longer term benefits to the state for which

A second point should be made, and that is that the 1981 Legislature just took action raising the forgiveness from 40% to 50%.

*the program is purpose*

Quoted

12. Restrict loans to in-state students. Student loans could be made available only to those persons attending in-state educational institutions. This would save a considerable amount, since about 60% of all student loans are for study out-of-state. Some of those students would be forced to attend in-state if the loan program were not available, others would go out anyway, and still others would not go to school at all. The savings could easily be 40% over current levels. For 1980-81, that would be \$18.8 million, and for 1981-82, as much as \$26.8 million.

*would have to allow for time & expense to expand in-state facilities, curriculum, etc.*

Previous legislative attempts at adopting this type of restriction were not very well received. Arguments against such a restriction included the absence of certain programs in Alaska, the issue of freedom of choice - particularly with a loan that had to be repaid, the issue of educational quality, the issue of educational diversity, and simply the issue of (being able to leave home and experience life in another part of the country.) - *an educational luxury, not a necessity*

No

13. Eliminate interest waivers during in-school and other deferment periods. Interest and payments are currently deferred while the borrower is a full-time student, in the military, in the peace corps, serving an internship, on medical hardship and disability, and during a one-time unemployment period. Interest could accumulate during these periods. This would greatly increase the amount of interest to be paid and would increase monthly payments when the borrower enters the repayment cycle. The burden of repayment would be increased since the accumulated interest would be disbursed over the normal ten-year repayment period.

14. Establish a two-tier or dual, loan program. The state could continue to emphasize loans as its principal means of providing student assistance, but it could have two programs available. One, called something like, the Alaska Basic Student Loan program, could be available only to those students able to demonstrate substantial "need". The loans could be varying amounts, dependent upon the level of need verified by a standard needs analysis, and should carry a low interest rate, such as 5%.

*needs consideration, but would need more details to commit*

The second loan program, called something like the State Standard Student Loan Program, the State Supplemental Student Loan Program, or simply the State Student Loan Program, could be available to all those unable or unwilling to demonstrate the need required to qualify for a "basic" loan. This program could carry high interest rates, such as 10% or 11%.

Costs to the state would be decreased under such a plan, because of the higher income generated from the second program and also because a number of persons currently borrowing might choose not to borrow if the terms are less attractive. Forgiveness features would be at the discretion of the Legislature, but if these were eliminated, even greater savings would be realized.

### General Administration Alternatives

A. The Commission has been quite concerned about the timely handling and processing of loan awards. Some suggestions and alternatives have been identified which could improve this processing time.

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Yes - if admin. eff. and rental will be enhanced. It should not be expected to happen in a vacuum already known to be impossible.

16. Maintain a revolving base for loan processing. The 1981 Legislature created a \$10 million revolving base for the program. This was to enable the processing of loans during February, March, April, and May. Unfortunately this benefit of the base was negated by the delay in program start-up this past year, but the concept of a revolving base is sound and would greatly improve loan processing by leveling the work load. The base, with the increased borrowing limits and volume of applicants, would need to be about \$25 million to be effective.

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NO

The trade-off here is that the loan division would then have no check on the appropriateness of what the applicant says it will cost to attend a particular school. Budgets could be exaggerated to assure the qualification for a maximum loan.

at least in the student's opinion

B. The Commission has also expressed concern over administrative costs and growth of staff. Hence, a few alternatives to current practices have been explored.

18. Contract for loan collection with an outside agency. The current program only contracts out the basic receipt of payments. Coupon booklets are ordered and sent to loan recipients entering the repayment cycle. The monthly payments are then mailed to a "lock-box" contracted through a commercial bank. The bank receives the funds and transfers them to the state. The rest of the administration is handled in-house.

The increased loan volumes and the maturation of the program are creating large demands for increased staff. Using the adopted staffing formula, the current staff of 24.0 full-time persons will increase to 56.0 in 1982-83, 82.0 in 1983-84, and 106 in 1984-85. If state government is not to expand, alternatives need to be examined.

Loan collections actually consist of loan repayments and loan collections. Loan repayment is the routine repayment of loans, and loan collection is the collection of delinquent and default accounts. In exploring the use of an outside contractor, three approaches were explored: a nationwide loan management service, a commercial banking service, and a private collections agency.

(a) Loan management service. Three nationwide loan management services were contacted on behalf of the loan program. All three specialize in the collection of student loans and handle accounts for a number of institutions and states - usually federally guaranteed student loans. Since the Alaska program is so different from the federal program, one company would not submit a bid for servicing the Alaska loans, one did submit a bid, and a third has not responded definitively. The sound bid is from Wachovia Student Loan Management Services of Winston-Salem, North Carolina. Wachovia indicated a willingness to alter existing data processing software to handle Alaska's program. The costs, submitted October 27, 1981, are:

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Based upon current figures and estimates, the following cost comparison is made:

<u>Year</u>	<u>Wachovia</u>	<u>State</u>	<u>Difference</u>
1981-82	\$ 895,453	\$ 497,502	\$ (397,951)
1982-83	\$1,461,150	\$ 938,222	\$ (522,928)
1983-84	\$2,036,263	\$1,498,480	\$ (537,783)
1984-85	\$2,552,537	\$2,117,724	\$ (434,813)

Therefore, the cost of contracting these services would be considerably higher than "in-house" processing.

*then why consider it?*

(b) Commercial banking services. Attempts to obtain sound bids from in-state banks have not been very successful. A few banks would be willing to administer all or parts of the loan program, but initial programming costs and staffing costs would be extremely high. Either the state or the borrower would have to absorb those costs and the result would again be increased cost to the state, when compared to maintaining the "in-house" servicing.

If there  
are no real  
savings, then  
why are these  
considered as  
options?

(c) Private collection agency. A number of private collection agencies will attempt to collect our "bad debts", i.e., the delinquent and defaulted loans; however, the charges all are around 50% to 65% of the amount recovered. This charge far exceeds that currently being paid the five persons handling these collections "in-house". The collection rate for the current staff for "bad debts" is averaging over \$200,000 per staff member per year.

19. Combine this loan program with other state loan programs. This alternative has been explored before and has been found to be not a workable alternative. The Legislature made this determination when all loan programs were being re-examined and re-vamped two sessions ago. They found that student loans should not be included in any type of large loan package portfolio, particularly if the bond market is to be involved.

No

Additionally, the transfer of the program to another state agency would not reduce administrative costs, rather it would simply transfer existing costs to another agency and would, in fact, result in increased costs to the state due to inefficiencies which would necessarily occur. The ability now exists to "package" a student's aid. The Commission administers three other programs (besides the loans) which affect a student's need for financial assistance. Currently all four programs are coordinated at the time of award and the problems of over-awarding are avoided. This would not be as easily accomplished with a second agency involved. A certain amount of staff over-lap would be necessary with another agency involved.

#### Additional Financial Assistance Concerns

Alaska currently has a large loan program, a small, nearly non-existent federally-matched grant program, and no state scholarship or state work-study program. Each of these programs, other than loans, will be briefly described or discussed below.

Grants. The state currently participates in the federal/state cooperative State Educational Incentive Grant Program (SEIG). This is a "need-based" grant which requires a needs analysis of all applicants. Grants of up to \$1,500 per year are awarded for undergraduate attendance. In 1981-82 over 2,000 Alaskans applied for these grants, but funds were available to award grants to only 162. This program requires a federal match and is being drastically reduced in the current federal budget cuts.

There is a bill, SB 234, currently in the Legislature which would establish this program as an Alaskan program and would provide grants of up to \$3,000 per year.

Scholarships. Alaska currently has no state-level scholarships for outstanding high school seniors. Two bills currently exist which would establish scholarship programs. SB 310 would establish the Alaska State Scholarship Program and would provide competitive scholarships for in-state attendance. The scholarships would provide \$4,000 per year, and the student would need to maintain a grade-point-average of 3.25 to keep the scholarship. *Av student Age at UAA  $\approx$  27 yrs*

*Yes*  
SB 301 would establish the Alaska Cooperative Scholarship Program which would provide matching funds for private sources of scholarships. The scholarships would be for up to \$5,000 (\$2,500 state) per year, and the student would need to maintain a 3.0 grade average to keep the scholarship. The scholarships would be available for undergraduates attending in-state.

State Work Study. College Work Study, a federally-funded program, exists in Alaska, but only on a very limited basis. Some states, most notably Washington, have created state work-study programs directly designed to provide assistance for their in-state students. Alaska has no such program, but it is a possibility for the future. Under such a program, a student would be eligible to work for up to an average of 20 hours per week with a cooperating employer. The state would pay 65% of the student's wage and the employer would pay the remaining 35% for up to a pre-determined "need" level.

*Yes*  
- Good idea. Could possibly be combined with internships and practical experience programs providing not only financial assistance but valuable work experience and increased community/industry involvement in AK higher education as well.

Alternatives for Amending the Student Loan Program

The following alternatives for amending the current Alaska Student Loan Program are not meant to be exclusive, nor are they being suggested for adoption. Rather, they are simply those alternatives which have arisen from initial staff and Commission study and discussion. A number will surely be discarded as being impractical or unsatisfactory, but for the present, all must at least receive consideration.

Prior to presentation to the Legislature, the Commission will be establishing positions on each of these alternatives and will be assigning priorities for those being recommended for possible adoption if and when circumstances so warrant.

The order of presentation will be: those alternatives requiring administrative action, usually through regulations; those alternatives requiring legislative actions; and those miscellaneous alternatives dealing with the general administration of the program.

Alternatives Accommodated Through Regulations

*yes* 1. Enforce a loan application deadline. The current deadline for applying for a student loan is May 15 of each year (20 AAC 15.020 (a)). For most purposes this deadline date is ignored. Persons may apply for a loan at any time throughout the year, with the only restriction being that of 20 AAC 15.020 (d). Under that section of the regulations, a person may not apply for a school term which is one-half or more over.

An alternative is to set new realistic deadlines and then strongly adhere to those dates. Suggested deadlines are:

<u>For attendance</u>	<u>Application deadline</u>
Beginning July 1 - October 31	July 15
Beginning November 1 - February 29	November 15
Beginning March 1 - June 30	March 15

*yes* 2. Restrict continuing loans to students maintaining certain grade-point averages. In order to receive a student loan, the student must be attending school full-time and be in "good standing". Good standing is defined by the Commission (through regulations) as having a 2.0 cumulative grade point average (g.p.a.) for undergraduate students and a 3.0 cumulative grade point average for graduate students (20 AAC 15.04(d)).

An alternative could be to raise the requirement for maintenance of "good standing". Undergraduate good standing could be defined as a g.p.a. of 2.5 or 3.0, and graduate could be 3.5. This could greatly reduce the number of eligible borrowers.

It is estimated that raising the requirement to 3.0 and 3.5 would eliminate as many as 50% of the current borrowers. This would mean a savings of as much as \$31 million in 1982-83.

*From Mark F Carr  
6369 Citadel Ln  
Anch. - 99-04*

*Comments of  
REP. TERRY MARTIN*

USA!!!  
3. Require residency verification. Student loans are available to eligible borrowers who are at least two-year Alaska residents. There has been a good deal of hypothesizing as to the extent of persons willing to perjure themselves by falsely claiming Alaskan residency in order to obtain a student loan.

The Commission could, by regulation, require that a student obtain four references willing and able to attest to the student's residency claim. This verification would also be under personal oath.

The process could slow down processing somewhat, but it should not require increased staff, and it should eliminate some of the potential for abuse.

#### Alternatives requiring Legislative Changes

no 4. Employ a needs test. The imposition of a needs test is based upon the logic that if funds cannot be provided to fund all Alaskans wishing student loans, then those who are "most needy" are the ones who should receive support. A needs test can be handled in at least two ways. First, a level of available funds could be determined. Then, all applicants could be ranked, based upon need, and awards could be made until funds were exhausted. Second, a minimum level of "need" could be set. All persons meeting the need criteria would be funded, all others denied.

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NO 8. Roll back the borrowing maximums. The 1981 Legislature increased the undergraduate borrowing maximum from \$3,000 per year to \$6,000 per year, and the graduate maximum from \$5,000 to \$7,000 per year. The program then experienced a 70% increase in borrowers, and a 288% increase in funds requested. While other factors undoubtedly contribute to this increase, the principal element is the new borrowing limit.

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Therefore, the cost of contracting these services would be considerably higher than "in-house" processing.

(b) Commercial banking services. Attempts to obtain sound bids from in-state banks have not been very successful. A few banks would be willing to administer all or parts of the loan program, but initial programming costs and staffing costs would be extremely high. Either the state or the borrower would have to absorb those costs and the result would again be increased cost to the state, when compared to maintaining the "in-house" servicing.

(c) Private collection agency. A number of private collection agencies will attempt to collect our "bad debts", i.e., the delinquent and defaulted loans; however, the charges all are around 50% to 65% of the amount recovered. This charge far exceeds that currently being paid the five persons handling these collections "in-house". The collection rate for the current staff for "bad debts" is averaging over \$200,000 per staff member per year.

no

19. Combine this loan program with other state loan programs. This alternative has been explored before and has been found to be not a workable alternative. The Legislature made this determination when all loan programs were being re-examined and re-vamped two sessions ago. They found that student loans should not be included in any type of large loan package portfolio, particularly if the bond market is to be involved.

Additionally, the transfer of the program to another state agency would not reduce administrative costs, rather it would simply transfer existing costs to another agency and would, in fact, result in increased cost to the state due to inefficiencies which would necessarily occur. The ability now exists to "package" a student's aid. The Commission administers three other programs (besides the loans) which affect a student's need for financial assistance. Currently all four programs are coordinated at the time of award and the problems of over-awarding are avoided. This would not be as easily accomplished with a second agency involved. A certain amount of staff over-lap would be necessary with another agency involved.

#### Additional Financial Assistance Concerns

Alaska currently has a large loan program, a small, nearly non-existent federally-matched grant program, and no state scholarship or state work-study program. Each of these programs, other than loans, will be briefly described or discussed below.

Grants. The state currently participates in the federal/state cooperative State Educational Incentive Grant Program (SEIG). This is a "need-based" grant which requires a needs analysis of all applicants. Grants of up to \$1,500 per year are awarded for undergraduate attendance. In 1981-82 over 2,000 Alaskans applied for these grants, but funds were available to award grants to only 162. This program requires a federal match and is being drastically reduced in the current federal budget cuts.

There is a bill, SB 254, currently in the Legislature which would establish this program as an Alaskan program and would provide grants of up to \$3,000 per year.

yes

Scholarships. Alaska currently has no state-level scholarships for outstanding high school seniors. Two bills currently exist which would establish scholarship programs. SB 310 would establish the Alaska State Scholarship Program and would provide competitive scholarships for in-state attendance. The scholarships would provide \$4,000 per year, and the student would need to maintain a grade-point-average of 3.25 to keep the scholarship.

SB 301 would establish the Alaska Cooperative Scholarship Program which would provide matching funds for private sources of scholarships. The scholarships would be for up to \$5,000 (\$2,500 state) per year, and the student would need to maintain a 3.0 grade average to keep the scholarship. The scholarships would be available for undergraduates attending in-state.

yes

State Work Study. College Work Study, a federally-funded program, exists in Alaska, but only on a very limited basis. Some states, most notably Washington, have created state work-study programs directly designed to provide assistance for their in-state students. Alaska has no such program, but it is a possibility for the future. Under such a program, a student would be eligible to work for up to an average of 20 hours per week with a cooperating employer. The state would pay 65% of the student's wage and the employer would pay the remaining 35% for up to a pre-determined "need" level.



ALASKA STATE LEGISLATURE  
HOUSE OF REPRESENTATIVES  
RESEARCH AGENCY

Pouch Y, State Capitol  
Juneau, Alaska 99811  
(907) 465-7991

April 8, 1981

MEMORANDUM

TO: Representative Thelma Buchholdt  
ATTN: LuAnn Cutler  
FROM: Deb Pomeroy  
RE: Breakdown of Student Cost-of-Living Estimates  
Research Request 81-97

You requested that we compile further information on data provided by Leslie Longenbaugh in her February 2, 1981 memorandum to Representative Terry Gardiner on the adequacy of student loans (Research Request 81-12).

Specifically, you asked that we answer the following questions:

- 1) What is the breakdown of cost-of-living expenses (excluding tuition and fees)?
- 2) Which of these expenses are actual costs and which are estimates?
- 3) How are the estimated expenses derived?
- 4) How can the loan amounts be annually adjusted for inflation?

The charts on the following pages show a breakdown of the cost-of-living for students living on a off campus at selected schools in Washington, Oregon, California and Alaska. The charts show which universities were called, whether it is on-campus or off-campus living costs, and whether it is the 1980-81 or 1981-82 school year. The remainder of the charts provide the following information:

Room: Actual cost of the dormitory, or an estimated cost for an apartment.

Board: Actual cost of meals if eating at the cafeteria, or the estimated costs of groceries for the school year. In some cases the room and board have not been separately estimated. Two schools, Central Washington and the University of Oregon, estimated that 45% of the room and board cost was for the room and 55% was for meals.

Representative Thelma Buchholdt  
April 8, 1981  
Page 2

Books and Supplies: Estimate of what it will cost to buy books and supplies for one school term (9 months).

Transportation: Estimates of the cost of traveling to and from school.

Personal Expenses: Estimate of what is needed to pay for clothes, laundry, insurance, phone, personal items, and miscellaneous costs that are bound to arise during the course of the school year.

Not all schools were able to tell us the exact way that they came up with these estimates; however, a majority said that they took random campus and area wide surveys, and compared their budgets with other schools in the area .

The source of information for each school is cited underneath the chart, along with any explanation of costs which are marked with an asterisk.

In regard to providing an annual adjustment for inflation, one solution would be to put a provision in the legislation requiring that the loan ceiling be adjusted annually by the percentage increase in the consumer price index (CPI). Because many Alaska students attend colleges out of state, it might be appropriate to use the national consumer price index published by the Bureau of Labor Statistics, U.S. Department of Commerce. However, it would also be possible to look at the CPIs for various cities on the west coast and Anchorage and compute some average percentage.

If we can be of further assistance, please do not hesitate to contact us.

dp

**STUDENT COST-OF-LIVING**  
**Washington**

University	Room	Board	Books & Supplies	Transportation	Personal Expenses	Total Excluding Tuition & Fees
<b>UNIVERSITY OF WASHINGTON</b>						
On-Campus 80-81	\$1,200 A	\$900 A	\$300 E	\$350 E	\$793 E	\$3,543 E
Off-Campus Apartment	\$1,575 E	\$900 E	\$300 E	\$375 E	\$1,228 E	\$4,378 E
<b>CENTRAL WASHINGTON</b>						
On-Campus 80-81		\$1,700 A	\$300 E	\$600 E	\$750 E	\$3,350 E
On-Campus 81-82		\$2,000 E*	\$300 E	\$600 E	\$750 E	\$3,650 E
<b>WESTERN WASHINGTON</b>						
On-Campus 80-81		\$1,880 A	\$230 E	\$590 E	\$660 E	\$3,360 E
On Campus 81-82		\$2,110 E*	\$270 E	\$600 E	\$720 E	\$3,700 E

A = Actual costs  
E = Estimated costs

University of Washington: Michelle Handesty. Estimates derived from random surveys, financial advisors and averaging costs.

Central Washington: Kathy Armstrong, Financial Aid, 509/963-1611

Western Washington: Financial Aid 206/676-3470

\* This is an estimated fee for room and board as the 81-82 budget has not yet been approved.

STUDENT COST-OF-LIVING  
Oregon

University	Room	Board	Books & Supplies	Transportation	Personal Expenses	Total excluding Tuition & Fees
<b>UNIVERSITY OF OREGON</b>						
On-campus 80-81	\$1,749 F*		\$255 E	\$310 E	\$900 E	\$3,214 E
On-campus 81-82	\$2,025 A		\$285 E	\$491 E	\$990 E	\$3,791 E
Off-campus 81-82	\$2,475 A		\$285 E	\$491 E	\$990 E	\$4,241 E
<b>OREGON STATE</b>						
On-campus 80-81	\$1,750 A		\$300 E	\$360 E	\$1,350E Rec. \$200 Clothes \$200 Insur. \$150 Personal \$800	\$3,760 E
<b>PORTLAND STATE</b>						
Off-Campus	\$2,662 E		\$279 E	\$504E	\$720 E	\$4,165

A = Actual costs  
E = Estimated costs

University of Oregon: Terry Hofeld Church, Administrative Assistant, Financial Aid, 503/686-3221  
Oregon State: Cheryl Judson, Assistant Director of Financial Aid 503/754-2241. Estimates are derived from campus surveys of costs, and comparisons with the consumer price index and other schools in the area.  
Portland State: Corbitt Gottfield, Financial Aid 503/244-6711, Estimates are based on comparisons school budgets in the metropolitan area and surveys.

\*For the 80-81 school year, the University of Oregon did not have separate budgets for on and off-campus living. They did use the figure of \$2,250 for an average of room and board for both on and off campus living which would bring the total up to \$3,715 for the cost of living. The \$1,749 was the cost of an on-campus dormitory room.

**STUDENT COST-OF-LIVING**  
**California**

University	Room	Board	Books & Supplies	Transportation	Personal Expenses	Total excluding Tuition & Fees
<b>U.C. BERKELEY</b>						
On-Campus 80-81	\$2,239 A		\$306 E		\$819 E	\$3,364 E
Off-campus 80-81	\$3,060 E		\$306 E		\$819 E	\$4,185 E
<b>SAN DIEGO STATE</b>						
On-Campus 80-81	\$2,070 A		\$270 E	\$270 E	\$570 E	\$3,180 E
Off-Campus 80-81	\$2,700 E		\$270 E	\$540 E	\$690 E	\$4,200 E
On-Campus 81-82	\$2,250 A		\$270 E	\$310 E	\$720 E	\$3,550 E
Off-Campus 81-82	\$3,150 E		\$270 E	\$540 E	\$810 E	\$4,770 E
<b>STANFORD (private)</b>						
On-Campus 80-81	\$2,636 A		\$465 E		\$690 E	\$3,791 E
Off-Campus 80-81	\$4,510 (includes personal expenses) E		\$465 E	\$345 E		\$5,320 E
On-Campus 81-82	\$2,965 E		\$300 E		\$685 E	\$3,950 E

A = Actual costs  
E = Estimated costs

U.C. Berkeley: Christopher Castorena, Financial Aid 415/642-6000  
San Diego State: Ruth Coffey, Financial Aid 714/265-6323  
Stanford: Cindy Gifford, Financial Aid 415/497-2300

STUDENT COST-OF-LIVING  
Alaska

University	Room	Board	Books & Supplies	Transportation	Personal Expenses	Total excluding Tuition & Fees
<b>UNIVERSITY OF ALASKA</b>						
UAF--on-campus 80-81	\$560 A	\$1,430 A	\$250 E	\$480 E	\$530 E	\$3,250 E
off-campus 80-81	\$2,400 E	\$1,200 E	\$250 E	\$480 E	\$530 E	\$4,860 E
on-campus 81-82	\$630 A	\$1,470 A	\$250 E	\$800 E*	\$600 E	\$3,750 E
off-campus 81-82	\$2,400 E	\$1,600 E	\$250 E	\$800 E*	\$600 E	\$5,650 E
UAA--off-campus 80-81	\$2,475 E	\$1,575 E	\$250 E	\$475 E	\$675 E	\$5,470 E
off-campus 81-82	\$2,475 E	\$1,836 E	\$250 E	\$660 E	\$810 E	\$6,031 E
UAJ--off-campus 80-81		\$4,100 E	\$250 E	\$500 E	\$675 E	\$5,525

A = Actual costs  
E = Estimated costs

UAF: Ida Greiner, Financial Aid 479-7256  
 UAA: Eleanor Brown, Financial Aid 263-1586  
 UAJ: JoAnn Yamada, Financial Aid 789-2101

STUDENT COST-OF-LIVING  
Alaska

University	Room	Board	Books & Supplies	Transportation	Personal Expenses	Total Excluding Tuition & Fees
<b>ALASKA PACIFIC UNIVERSITY</b>						
on-campus 80-81	\$1,200 A	\$1,400 A	\$250 E		\$680 E	\$3,530 E
off-campus 80-81	\$1,800 E	\$1,350 E	\$250 E		\$680 E	\$4,080 E
on-campus 81-82	\$1,300 A	\$1,500 A* \$1,750 A*	\$250 E	\$80 E** \$400 E**	\$720 E	\$3,850-\$4,420E
off-campus 81-82	\$2,200 E	\$1,632 E	\$250 E	\$80 E** \$592 E**	\$720 E	\$4,882-\$5,114E
<b>SHELDON JACKSON</b>						
on-campus 80-81	\$1,000 A	\$1,500 A	\$200 E	2 round trips to Sitka from home	\$530 E	
off-campus 80-81		\$3,600 E	\$200	same as above	\$530 E	
on-campus 81-82		\$2,700	\$200	same as above	\$575 E	

Source:

AK Pacific: Ellen Stiles, Financial Aid 276-8181. Estimates derived from surveys, various costs indexes, and Anchorage Association of Financial Advisors data.

Sheldon Jackson: Duke Gersema, Financial Aid Director 747-5220



ALASKA STATE LEGISLATURE  
HOUSE OF REPRESENTATIVES  
RESEARCH AGENCY

Pouch Y, State Capitol  
Juneau, Alaska 99811  
(907) 465-3991

April 9, 1981

MEMORANDUM

TO: Representative Thelma Buchholdt

ATTN: LuAnn Cutler

FROM: Del Pomeroy  
Leslie Longenbaugh

RE: Breakdown of Student Cost-of-Living Estimates  
Research Request 81-97; Additional Material

You asked that we add the costs of tuition and fees to the total cost-of-living expenses which we provided you in our memorandum of April 8, 1981. You further requested that we explain any differences between the estimates of the April 8, 1981 memorandum and the February 2, 1981 memorandum to Representative Gardiner.

The charts on the following pages contain the same information as those you received on April 8, with the addition of tuition and fees for both undergraduate and graduate students. The tuition and fees included are for the 1980-81 school year only; the majority of the schools have not finalized their 1981-82 budgets and, as a result, could not give an actual cost for tuition and fees. We would be happy to provide you with this information later in the session, when the universities will have finalized their budgets.

There are several reasons why the expenses shown in the two memoranda differ. In the cases where the total costs are only slightly different (\$100-\$300), we feel that the differences were caused by the following factors:

- the information was gathered in late January 1981 and again in early April. This two month span means that estimates could very well have been updated by the colleges; and
- the people we contacted in April within the universities were often different staff, from different divisions, from those we spoke with in January. These staff may have obtained the figures used to derive their estimates from different sources.

Representative Thelma Buchholdt  
April 9, 1981  
Page 2

The primary reason for greater variances between cost estimates presented in the two memoranda is that in most cases, the 2/2/81 cost-of-living estimates were only for room and board, whereas the 4/8/81 memorandum included estimated costs for room and board along with transportation, books and supplies, and personal expenses.

We hope that this will clarify the reasons for any differences found in the two memoranda. If we can be of any further assistance, please do not hesitate to contact us.

DP:LL/bf

**UNDERGRADUATE STUDENT COST-OF-LIVING  
Washington**

University	Room	Board	Books & Supplies	Transportation	Personal Expenses	Total Excluding Tuition & Fees	Tuition & Fees	TOTAL
<b>UNIVERSITY OF WASHINGTON</b>								
On-Campus 80-81	\$1,200 A	\$900 A	\$300 E	\$350 E	\$793 E	\$3,543 E	\$2,394 A	\$5,937 E
Off-Campus Apartment	\$1,575 E	\$900 E	\$300 E	\$375 E	\$1,228 E	\$4,378 E	\$2,394 A	\$6,772 E
<b>CENTRAL WASHINGTON</b>								
On-Campus 80-81	\$1,700 A		\$300 E	\$600 E	\$750 E	\$3,350 E	\$1,983 A	\$5,333 E
On-Campus 81-82	\$2,000 E*		\$300 E	\$600 E	\$750 E	\$3,650 E		
<b>WESTERN WASHINGTON</b>								
On-Campus 80-81	\$1,880 A		\$230 E	\$590 E	\$660 E	\$3,360 E	\$1,983 A	\$5,343 E
On Campus 81-82	\$2,110 E		\$270 E	\$600 E	\$720 E	\$3,700 E		

A = Actual costs  
E = Estimated costs

University of Washington: Michelle Handesty. Estimates derived from random surveys, financial advisors and averaging costs.

Central Washington: Kathy Armstrong, Financial Aid, 509/963-1611

Western Washington: Financial Aid 206/676-3470

\* This is an estimated fee for room and board as the 81-82 budget has not yet been approved.

UNDERGRADUATE STUDENT COST-OF-LIVING  
Oregon

University	Room	Board	Books & Supplies	Transportation	Personal Expenses	Total excluding Tuition & Fees	Tuition & Fees	TOTAL
UNIVERSITY OF OREGON								
On-campus 80-81	\$1,749 E		\$255 E	\$310 E	\$900 E	\$3,214 E	\$3,214 A	\$6,496 E
On-campus 81-82	\$2,025 A		\$285 E	\$491 E	\$990 E	\$3,791 E		
Off-campus 81-82	\$2,475 A		\$285 E	\$491 E	\$990 E	\$4,241 E		
OREGON STATE								
On-campus 90-81	\$1,750 A		\$300 E	\$360 E	\$1,350E Rec. \$200 Clothes \$200 Insur. \$150 Personal \$800	\$3,760 E	\$3,327 A	\$7,087 E
PORTLAND STATE								
Off-Campus	\$2,662 E		\$279 E	\$504E	\$720 E	\$4,165	\$3,261 A	\$7,426 E

A = Actual costs  
E = Estimated costs

University of Oregon: Terry Hofeld Church, Administrative Assistant, Financial Aid, 503/686-3221  
Oregon State: Cheryl Judson, Assistant Director of Financial Aid 503/754-2241. Estimates are derived from campus surveys of costs, and comparisons with the consumer price index and other schools in the area.  
Portland State: Corbitt Gottfield, Financial Aid 503/244-6711, Estimates are based on comparisons school budgets in the metropolitan area and surveys.

UNDERGRADUATE STUDENT COST-OF-LIVING  
Alaska

University	Room	Board	Books & Supplies	Transportation	Personal Expenses	Total excluding Tuition & Fees	Tuition & Fees	TOTAL
UNIVERSITY OF ALASKA								
UAF--on-campus 80-81	\$560 A	\$1,430 A	\$250 E	\$480 E	\$530 E	\$3,250 E	\$410 A	\$3,660 E
off-campus 80-81	\$2,100 E	\$1,200 E	\$250 E	\$480 E	\$530 E	\$4,860 E	\$410 A	\$5,270 E
on-campus 81-82	\$630 A	\$1,470 A	\$250 E	\$800 E*	\$600 E	\$3,750 E		
off-campus 81-82	\$2,400 E	\$1,600 E	\$250 E	\$800 E*	\$600 E	\$5,650 E		
UAA--off-campus 80-81	\$2,475 E	\$1,575 E	\$250 E	\$495 E	\$675 E	\$5,470 E	\$410 A	\$5,880 E
off-campus 81-82	\$2,475 E	\$1,836 E	\$250 E	\$660 E	\$810 E	\$6,030 E		
UAJ--off-campus 80-81	\$4,100 E		\$250 E	\$500 E	\$675 E	\$5,525	\$410 A	\$5,935 E

A = Actual costs  
E = Estimated costs

UAF: Ida Greiner, Financial Aid 479-7256  
UAA: Eleanor Brown, Financial Aid 263-1586  
UAJ: JoAnn Yamada, Financial Aid 789-2101

**UNDERGRADUATE STUDENT COST-OF-LIVING**  
**Alaska**

University	Room	Board	Books & Supplies	Transportation	Personal Expenses	Total Excluding Tuition & Fees	Tuition & Fees	TOTAL
<b>ALASKA PACIFIC UNIVERSITY</b>								
on-campus 80-81	\$1,200 A	\$1,400 A	\$250 E		\$680 E	\$3,530 E	\$2,350A	\$5,880 E
off-campus 80-81	\$1,800 E	\$1,350 E	\$250 E		\$680 E	\$4,080 E	\$2,350A	\$6,430 E
on-campus 81-82	\$1,300 A	\$1,500 A* \$1,750 A*	\$250 E	\$80 E** \$400 E**	\$720 E	\$3,850-\$4,420E		
off-campus 81-82	\$2,200 E	\$1,632 E	\$250 E	\$80 E** \$592 E**	\$720 E	\$4,882-\$5,114E		
<b>SHELDON JACKSON</b>								
on-campus 80-81	\$1,000 A	\$1,500 A	\$200 E	2round trips to Sitka from home	\$530 E	\$3,230+Trans E	\$2,650A	\$5,880 + Trans. E
off-campus 80-81		\$3,600 E	\$200	same as above	\$530 E	\$4,330+Trans E	\$2,650A	\$6,980 + Trans. E
on-campus 81-82		\$2,700	\$200	same as above	\$575 E			

A = Actual costs  
E = Estimated costs

AK Pacific: Ellen Stiles, Financial Aid 276-8181. Estimates derived from surveys, various costs indexes, and Anchorage Association of Financial Advisors data.  
Sheldon Jackson: Duke Gersema, Financial Aid Director 747-5220

- \* There will be two meal options during the 81-82 school year. The \$1,500 option consists of 14 meals/week (no breakfast, with brunch and dinner on the weekends); the \$1,750 option consists of 19 meals/week (breakfast is included)
- \*\*Transportation is broken down here with \$80 estimated for costs to and from school for off-campus commuting and \$592 estimated for airfare to and from their permanent place of residence.

**GRADUATE STUDENT COST-OF-LIVING**  
**Washington**

University	Room	Board	Books & Supplies	Transportation	Personal Expenses	Total Excluding Tuition & Fees	Tuition & Fees	TOTAL
<b>UNIVERSITY OF WASHINGTON</b>								
On-Campus 80-81	\$1,200 A	\$900 A	\$300 E	\$350 E	\$793 E	\$3,543 E	\$3,648 A	\$7,191 E
Off-Campus Apartment	\$1,575 E	\$900 E	\$300 E	\$375 E	\$1,228 E	\$4,378 E	\$3,648 A	\$8,021 E
<b>CENTRAL WASHINGTON</b>								
On-Campus 80-81	\$1,700 A		\$300 E	\$600 E	\$750 E	\$3,350 E	\$2,256 A	\$5,606 E
On-Campus 81-82	\$2,000 E*		\$300 E	\$600 E	\$750 E	\$3,650 E		
<b>WESTERN WASHINGTON</b>								
On-Campus 80-81	\$1,880 A		\$230 E	\$590 E	\$660 E	\$3,360 E	\$2,256 A	\$5,616 E
On Campus 81-82	\$2,110 E*		\$270 E	\$600 E	\$720 E	\$3,700 E		

A = Actual costs  
E = Estimated costs

University of Washington: Michelle Handesty. Estimates derived from random surveys, financial advisors and averaging costs.

Central Washington: Kathy Armstrong, Financial Aid, 509/963-1611

Western Washington: Financial Aid 206/676-3470

\* This is an estimated fee for room and board as the 81-82 budget has not yet been approved.

GRADUATE STUDENT COST-OF-LIVING  
Oregon

University	Room	Board	Books & Supplies	Transportation	Personal Expenses	Total excluding Tuition & Fees	Tuition & Fees	TOTAL
UNIVERSITY OF OREGON								
On-campus 80-81	\$1,749 E		\$255 E	\$310 E	\$900 E	\$3,214 E	\$2,433 A	\$5,647 E
On-campus 81-82	\$2,025 A		\$285 E	\$491 E	\$990 E	\$3,791 E		
Off-campus 81-82	\$2,475 A		\$285 E	\$491 E	\$990 E	\$4,241 E		
OREGON STATE								
On-campus 80-81	\$1,750 A		\$300 E	\$360 E	\$1,350E Rec. \$200 Clothes \$200 Insur. \$150 Personal \$800	\$3,760 E	\$2,388 A	\$6,148 E
PORTLAND STATE								
Off-Campus	\$2,662 E		\$279 E	\$504E	\$720 E	\$4,165	\$2,397 A	\$6,562 E

A = Actual costs  
E = Estimated costs

University of Oregon: Terry Hofeld Church, Administrative Assistant, Financial Aid, 503/686-3221  
Oregon State: Cheryl Judson, Assistant Director of Financial Aid 503/754-2241. Estimates are derived from campus surveys of costs, and comparisons with the consumer price index and other schools in the area.  
Portland State: Corbitt Gottfield, Financial Aid 503/244-6711, Estimates are based on comparisons school budgets in the metropolitan area and surveys.

**GRADUATE STUDENT COST-OF-LIVING**  
**California**

University	Room	Board	Books & Supplies	Transportation	Personal Expenses	Total excluding Tuition & Fees	Tuition & Fees	TOTAL
<b>U.C. BERKELEY</b>								
On-Campus 80-81	\$2,239 A		\$306 E		\$819 E	\$3,364 E	\$2,400 A	\$5,674 E
Off-campus 80-81	\$3,060 E		\$306 E		\$819 E	\$4,185 E	\$2,400 A	\$6,585 E
<b>SAN DIEGO STATE</b>								
On-Campus 80-81	\$2,070 A		\$270 E	\$270 E	\$570 E	\$3,180 E	\$2,160 A	\$5,340 E
Off-Campus 80-81	\$2,700 E		\$270 E	\$540 E	\$690 E	\$4,200 E	\$2,160 A	\$6,360 E
On-Campus 81-82	\$2,250 A		\$270 E	\$310 E	\$720 E	\$3,550 E		
Off-Campus 81-82	\$3,150 E		\$270 E	\$540 E	\$810 E	\$4,770 E		
<b>STANFORD (private)</b>								
On-Campus 80-81	\$2,636 A		\$465 E		\$690 E	\$3,791 E	\$6,900 A	\$10,691 E
Off-Campus 80-81	\$4,510 (includes personal expenses)E		\$465 E	\$345 E		\$5,320 E	\$6,900 A	\$12,220 E
On-Campus 81-82	\$2,965 E		\$300 E		\$685 E	\$3,950 E		

A = Actual costs  
E = Estimated costs

U.C. Berkeley: Christopher Castorena, Financial Aid 415/642-6000  
San Diego State: Ruth Coffey, Financial Aid 714/265-6323  
Stanford: Cindy Gifford, Financial Aid 415/497-2300

**GRADUATE STUDENT COST-OF-LIVING**  
**Alaska**

University	Room	Board	Books & Supplies	Transportation	Personal Expenses	Total excluding Tuition & Fees	Tuition & Fees	TOTAL
<b>UNIVERSITY OF ALASKA</b>								
UAF--on-campus 80-81	\$560 A	\$1,430 A	\$250 E	\$480 E	\$530 E	\$3,250 E	\$640 A	\$3,890 E
off-campus 80-81	\$2,400 E	\$1,200 E	\$250 E	\$480 E	\$530 E	\$4,860 E	\$640 A	\$5,500 E
on-campus 81-82	\$630 A	\$1,470 A	\$250 E	\$800 E*	\$600 E	\$3,750 E		
off-campus 81-82	\$2,400 E	\$1,600 E	\$250 E	\$800 E*	\$600 E	\$5,650 E		
UAA--off-campus 80-81	\$2,475 E	\$1,575 E	\$250 E	\$495 E	\$675 E	\$5,470 E	\$640 A	\$6,110 E
off-campus 81-82	\$2,475 E	\$1,836 E	\$250 E	\$660 E	\$810 E	\$6,031 E		
UAJ--off-campus 80-81	\$4,100 E		\$250 E	\$500 E	\$675 E	\$5,525	\$640 A	\$6,165 E

A = Actual costs  
E = Estimated costs

UAF: Ida Greiner, Financial Aid 479-7256  
 UAA: Eleanor Brown, Financial Aid 263-1586  
 UAJ: JoAnn Yamada, Financial Aid 789-2101

**GRADUATE STUDENT COST-OF-LIVING**  
**Alaska**

University	Room	Board	Books & Supplies	Transportation	Personal Expenses	Total Excluding Tuition & Fees	Tuition & Fees	TOTAL
<b>ALASKA PACIFIC UNIVERSITY</b>								
on-campus 80-81	\$1,200 A	\$1,400 A	\$250 E		\$680 E	\$3,530 E	\$2,350A	\$5,880 E
off-campus 80-81	\$1,800 E	\$1,350 E	\$250 E		\$680 E	\$4,080 E	\$2,350A	\$6,430 E
on-campus 81-82	\$1,300 A	\$1,500 A* \$1,750 A*	\$250 E	\$80 E** \$400 E**	\$720 E	\$3,850-\$4,420E		
off-campus 81-82	\$2,200 E	\$1,632 E	\$250 E	\$80 E** \$592 E**	\$720 E	\$4,882-\$5,114E		

A = Actual costs  
E = Estimated costs

AK Pacific: Ellen Stiles, Financial Aid 276-8181. Estimates derived from surveys, various costs indexes, and Anchorage Association of Financial Advisors data.

- \* There will be two meal options during the 81-82 school year. The \$1,500 option consists of 14 meals/week (no breakfast, with brunch and dinner on the weekends); the \$1,750 options consists of 19 meals/week (breakfast is included)
- \*\*Transportation is broken down here with \$80 estimated for costs to and from school for off-campus commuting and \$400 estimated for airfare to and from their permanent place of residence.

20 September 1981

by Doug Buchanan  
3641 Sandvik  
Fairbanks, Alaska 99701  
phone, 479 2149

A STATEMENT URGING THE STATE TO USE CAUTION AND APPLY CERTAIN STIPULATIONS  
TO STATE FUNDING OF GRANTS FOR SCIENCE PROJECTS.

History has shown us that, while usually beneficial, activities conducted in the name of science have, on many occasions, proven detrimental to the people and the land.

It is only rational to impose upon the scientific community the same restrictions (if not more) as are imposed on the average citizen.

There are already too many government agencies and officials acting above the law. Certain elements of the scientific community have been likewise acting above the law. The State government should guard against adding to and supporting these inconsistencies.

A case in point is the Geophysical Institute, associated with the University of Alaska. The Geophysical Institute has gained a public reputation as an ivory tower of elitists who have openly supported severe environmental restrictions on Alaskans. Public distaste for these elitists is not an uncommon topic of conversation. It became heated during the Alaska lands bill fights.

Recently two scientists of the Institute signed a letter requesting the Department of the Interior to interpret the Alaska lands bill in such a way as to restrict air access in National Park lands. These scientists must base their view on their learned knowledge of the environment. Their views are to be highly regarded. But the State simply cannot allow, and even fund, these same scientists to escape the restrictions they find appropriate for the rest of the public. This possibility has in fact been the case in past instances, as Geophysical Institute scientists have ignored the regulations imposed on Alaskan citizens. With the vast areas of restrictively managed land in Alaska we are creating privileged classes of people. State involvement in science grants may increase this divisive impact unless caution is exercised.

If these scientists cannot live under their own findings then their efforts are proven to be of no practical value and certainly not worthy of public funding.

The excuse; "In the name of science...", has been too often abused to any longer allow it as a vehicle to circumvent regulations imposed on the average citizen. If the average citizen cannot get a government

permit for an action conducted; "In the name of a quest for layman's knowledge...", or; "In the name of the freedom of expression...", then that action under permit is too detrimental to be permitted for scientists. We cannot sacrifice the validity of our laws for privileged classes. If the basis for the permit in question is invalid, as many are these days, then the government funded agency is in a better position to expose this than is the unfunded, individual citizen. Unlike typical bureaucrats, many scientists understand priorities of spending, and must judiciously use money. If State funded scientific projects are required to conform to regulations imposed on the citizenry, then costly, bureaucratic "run-arounds" will receive closer scrutiny. Unworthy regulations may be brought to the attention of the public and officials now paying for these "run-arounds" at cost of the public benefit.

Again, the alternative is highly inappropriate. The State funding of privileged classes of people must cease, especially (as in this case) when that privileged class has actively supported the imposition of a needless bureaucratic morass on the citizenry.

Consider how the government stifles the quest for knowledge, then affronts the citizenry with privileged scientists using that same quest as an excuse.

At no expense to the taxpayer, Alaskan mountain climbers have brought back geological rock samples and data from otherwise inaccessible areas, for government geological agencies. This has been no small effort since climbers can rarely afford air access. While Department of the Interior employees geologically map Park Service lands, violating many regulations without hassles; Alaskan mountain climbers are often harrassed and forced to comply with idiot regulations. The contradiction has not been overlooked, and is adding to the growing disgust with our government.

The Geophysical Institute has violated a number of regulations and failed to get appropriate permits for its glacier studies. It has strewn the mountains with literally tons of garbage and "scientific material", without fear of punitive action. Yet, when the Park Service falsely accused Alaskan Alpine Club members (one of the same who has contributed scientific data to the Dept. of the Interior at no charge) with the violation of a littering law when a single 2' x 2' sheet of aluminum was placed on a mountain, the University of Alaska punished the Club by summarily rescinding its University recognition.

These same U of A/Geophysical Institute personnel who vocally condemned the Alaskan Alpine Club now want public funds for their projects that are conducted above the law and strew tons of garbage in the mountains, with expensive air access. The State will demonstrate its lack of regard for its citizens if it funds these scientists and does not bind them to every detail of the law; and disallow any action not permissible for the average citizen.

Leonardo da Vinci was heckled and threatened by the people for what proved to be great technical advancements in his day. Our schools have taught young people to scoff at the ignorance of those people.

Our government has demonstrated a classic and shameful rerun of that same ignorance. The history books will note it, with other examples, to show the shallow nature of the American government.

Man has fantasized about jumping off cliffs and safely descending by parachute since the days of da Vinci. Scientists of various disciplines have often calculated the physics which proved it both possible and impossible. Early attempts were failures. If, for example, a military need arose, millions of dollars would have been spent to accomplish that human aspiration.

In 1978-79, ordinary skydivers undertook the challenge. At no expense to the taxpayer and with no injuries or fatalities, these ordinary citizens finally perfected and repeatedly proved the technique so that basic verbal instruction to an experienced skydiver can assure a safe first jump off a cliff. This is a significant, historic accomplishment made by American citizens in our free nation. Yet, while there was no threat to the public or to any property, all of this was done in violation of the law. The skydivers were arrested by Federal agents, fined and jailed. (By chance, under almost identical regulations that Geophysical Institute scientists have urged to be imposed on Alaskans - except themselves of course). Cliff jumping continues to be refined and advanced in defiance of the law and despite the continued arrests.

Young people are learning to scoff at, and hold in contempt, the ignorance, incompetence and backwardness of our government. Our young people are perceptive. The historians will only pen the print (perhaps under another government).

Had public funds been used to accomplish that historic human aspiration, the aeronautical engineer "scientists" would be heroes. Since it was done as a unfunded initiative of citizens, the innovators are criminals with criminal records.

The potential for the government adding to the growing list of these devisive blunders is too great.

Since the Alaska State Legislature, like other government bodies, has demonstrated its inability to fairly administer programs and funding it has launched; wisdom would be served by the State's avoidance of funding scientific projects that are fraught with inconsistencies. With Alaska's extensive Federal serfdoms and omnipotent regulations, privileged classes will be the most obvious product.

PUBLIC funds should serve the BASIC (I stress: BASIG) needs of the PUBLIC.

Any accomplished scientist or grant writer can make the most frivolous project sound like an immediate imperative to save the world from imminent disaster. Objectively, while geophysical science is one of the several disciplines that has offered great contributions to mankind; it, like some other sciences, is not worthy of a high priority for PUBLIC funding. These sciences have a high proportion of economic and curiosity projects. Such projects are appropriately funded by private groups having interest in the specific projects.

If any State funds for scientific projects are allocated by the Legislature, they should benefit basic needs of the public. Medical research outstrips all other disciplines under that criteria. Since medical research so closely benefits the entire population, and has never been adequately funded, it should be the sole benefactor for PUBLIC funds to science. With the inherent criteria of medical research as the basis for funding, allocations of limited public funds to other sciences becomes highly inappropriate.

As long as the government and its questionably chosen agencies give themselves every financial and authoritarian advantage to avoid their own impositions on the citizens; while ignoring the common citizens they are supposed to serve; disdain for the government will increase. The ultimate price is too great.

\* \* \*

*Doug Buchanan*



ALASKA STATE LEGISLATURE  
HOUSE OF REPRESENTATIVES  
RESEARCH AGENCY

Pouch Y, State Capitol  
Juneau, Alaska 99811  
(907) 465-3991

April 9, 1981

MEMORANDUM

TO: Representative Thelma Buchholdt

ATTN: LuAnn Cutler

FROM: Deb Pomeroy  
Leslie Longenbaugh

RE: Breakdown of Student Cost-of-Living Estimates  
Research Request 81-97; Additional Material

You asked that we add the costs of tuition and fees to the total cost-of-living expenses which we provided you in our memorandum of April 8, 1981. You further requested that we explain any differences between the estimates of the April 8, 1981 memorandum and the February 2, 1981 memorandum to Representative Gardiner.

The charts on the following pages contain the same information as those you received on April 8, with the addition of tuition and fees for both undergraduate and graduate students. The tuition and fees included are for the 1980-81 school year only; the majority of the schools have not finalized their 1981-82 budgets and, as a result, could not give an actual cost for tuition and fees. We would be happy to provide you with this information later in the session, when the universities will have finalized their budgets.

There are several reasons why the expenses shown in the two memoranda differ. In the cases where the total costs are only slightly different (\$100-\$300), we feel that the differences were caused by the following factors:

- the information was gathered in late January 1981 and again in early April. This two month span means that estimates could very well have been updated by the colleges; and
- the people we contacted in April within the universities were often different staff, from different divisions, from those we spoke with in January. These staff may have obtained the figures used to derive their estimates from different sources.

Representative Thelma Buchholdt  
April 9, 1981  
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The primary reason for greater variances between cost estimates presented in the two memoranda is that in most cases, the 2/2/81 cost-of-living estimates were only for room and board, whereas the 4/8/81 memorandum included estimated costs for room and board along with transportation, books and supplies, and personal expenses.

We hope that this will clarify the reasons for any differences found in the two memoranda. If we can be of any further assistance, please do not hesitate to contact us.

DP:LL/bf