

S B

254

COMMITTEE REPORT
SENATE

FURTHER: Finance

3/9/81

x

Date: _____

Mr. President:

The Committee on HEALTH, EDUCATION AND SOCIAL SERVICES has had SB 254
Alaska state educational incentive grant program

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) same title
- replace with CS for _____ 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

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]
Tom Kelly
[Signature]
[Signature]

Goletta

[Signature]
 CHAIRMAN

A M E N D M E N T

OFFERED IN THE SENATE:

By: Senate HESS

To: Senate Bill 254 SENATE BILL No. 254

HOUSE BILL No. _____

PAGE: 7

LINE: 20

change \$3,000 to \$2,500

STATE OF ALASKA

SB 254 file

JAY S. HAMMOND, GOVERNOR

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

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

May 6, 1981

The Honorable Mike Colletta
Alaska State Senate
Pouch V
Juneau, Alaska 99811

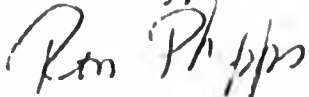
Dear Senator Colletta:

This letter is in response to your request during the hearing for Senate Bill 254, State Educational Incentive Grant Program, concerning the attrition rate of students who have been awarded an SEIG grant.

Since many of the students participating in the SEIG program are attending community colleges, it is appropriate to review their attrition rate for no more than two years. In the fall of 1979, 166 students received an initial grant. In the fall of 1980, 102 (61%) of those students were continuing their education with either a grant or a loan. It is important to note that this compares favorably with attrition rates nationally.

I hope this information is sufficient; however, if you need additional information, please do not hesitate to contact me.

Sincerely,



Ron Phipps
Director for Academic Planning
and Research

cc: \ The Honorable Charles H. Parr
Alaska State Senate

The Honorable Terry Stimson
Alaska State Senate

The Honorable Tim Kelly
Alaska State Senate

The Honorable Vic Fischer
Alaska State Senate

Jane Byers Maynard, Director for Special Programs
Alaska Commission on Postsecondary Education

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

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

January 28, 1981

The Honorable Charles Parr
Chairman, Senate Health, Education
and Social Services Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Charlie:

When we talked last week, you had a number of questions regarding the State Educational Incentive Grants (SEIG) Program. The program was established in 1978 by a bill which you sponsored. The bill provided for "need-based" grants of up to \$1,500 to be awarded to Alaskan undergraduate students enrolled full-time at an eligible institution. The funds appropriated by state were at a level sufficient to match federal funds available for these grants.

The appropriation history for the program has been:

<u>Year</u>	<u>Federal</u>	<u>State</u>	<u>Total (in thousands)</u>
1978-79	76.0	76.0	152.0
1979-80	120.4	120.4	240.0
1980-81	169.5	169.5	339.0
1981-82 (budget)	214.0	214.0	428.0

Each year we have awarded all the funds available and have had a large number of eligible persons left without grants. Since this is a need-based program, all applicants must establish their "need level" through the use of a federally-approved need test. All eligible applicants are then placed in a priority with those demonstrating the most need receiving the highest priority. It should be noted that even though this need level may be \$3,000-\$4,000, or more, the maximum award is still \$1,500. Consequently, all applicants this year received the maximum award of \$1,500 each.

Our awarding history has been:

<u>Year</u>	<u>Grants Awarded</u>	<u>Unfunded Applicants</u>	<u>Over-Subscribed Funds</u>
1978-79	193	7	\$ 5.5 (thousand)
79-80	186	23	29.7
1980-81	233	750	1,050.0
1981-82	285	1,000	1,500.0

The Honorable Charles Parr
January 28, 1981
Page 2

Two areas warrant close consideration this year. One is the maximum level of \$1,500. This should be raised to \$2,500 to accommodate the truly needy students, and the second is the appropriation level. The more we receive, the more students we can help. The problem is, the federal share will not increase, and, in fact, may decrease, so the increases would need to come directly from the General Fund.

Any consideration you would give to these concerns would be most appreciated.

Sincerely,



Kerry D. Comesburg
Executive Director

cc: Ms. Jane Maynard
Director for Special Programs
Alaska Commission on Postsecondary Education

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

March 12, 1981

Charlie:

Are you interested in any of this?

Rocky

*yes - hold for
SB 254
Thank*

MEMORANDUM

Rocky -
Please call
me after
you've looked
at this. Thanks,
Cliff G
4844

TO: Legislators and staff

FROM: Terry Gardiner

DATE: 24 February 1981

RE: Changes in student loan program to aid vocational students

Vocational education seems to be working in Alaska for motivated students who get the training. This can be best seen in the jump 'n incomes reported by students successfully completing programs at Alaska Skill Center at Seward, the state's only training facility strictly for adult vocational education. Tax returns showed that for FY1979, the pre-training average income for Skill Center students was \$4,247; the post-training average was \$10,023. (For FY1978, the figures were \$3,031 and \$11,972; for FY1977, \$4,755 and \$8,628.)

[Redacted] to help
[Redacted] Secondary Education, is not helping
vocational students much. Just over eight per cent (8%) of
the loans awarded in 1980-1981 were for vocational education
(out of 5,232), reports Dr. Kerry Romesburg, executive
director of the Alaska Commission on Postsecondary Education. **

Lack of demand for vocational training seems an unlikely explanat for the small number of loans made for this purpose. Bob Booher, director of the Skill Center, reports that the facility maintains a file of between 400 and 600 individuals who wish to attend but are not doing so, and says that at least half of this group cites lack of money as their major problem. In addition, a 1979 survey of adult vocational students in Fairbanks found that 26 per cent felt that the cost of training might prevent them from completing their education.

Factors apparently reducing the number of vocational students, and suggested changes:

1. ~~Lack of awareness~~ Most Alaskans--including many educational professionals--simply don't know that state student

* Figures provided by the Alaska Department of Revenue to the Skill Center. The Skill Center accounts for less than 25 per cent of all vocational students in Alaska, and the income change for all such students would likely be somewhat less.

** There is some dispute over this figure. Eleanor Brown, director of financial aid at Anchorage Community College, estimates that 450 to 500 vocational students have loans at that institution. There may be a definitional problem here, as some students at community colleges take vocational education courses not to learn job skills, but to improve their personal skills. Romesburg only counts in his 423 students enrolled at vocational institutions, see the skill C

loans are available for vocational education. A respected counselor at a Fairbanks career center says that it took her more than three years on the job before she discovered this.

Suggested changes: More publicity, outreach, and a program name change. Suggested language is being drafted to amend the student loan program to provide for:

a. Increased publicity To make it generally known that student loans are available for vocational students, the commission should arrange for media advertising (radio, TV, newspapers) and the distribution of posters and brochures. These posters and brochures should be available at places frequented by teachers, counselors, and potential vocational students, including secondary schools, colleges and universities, government and private social service agencies.

In addition, the commission should administer a concentrated outreach campaign aimed at disseminating information about the availability of student loans for vocational purposes. The efforts could include itinerant loan information officers, who would travel the state spreading this message (the majority of these officers should be bilingual in English and an Alaska Native language). It could also include contracts with non-profit corporations in the state's various regions which are already engaged in similar counseling activities.

b. Program name change
Finally, the program's name should be changed from the "Alaska Student Loan Program" to the "Alaska Academic and Vocational Student Loan Program."

2. Inappropriate funding cycle. Both vocational and academic students have been affected by the

funding shortfalls and administrative bottlenecks which have plagued the program the past three years. The program's need to wait each year for the budget to become law before awarding the loans has led to hurried disbursements of funds in the late summer and early fall, so that students can start the beginning of each school year. This process sometimes exhausts the funds between late fall and July, although the program has sought supplementals.

This pattern of disbursement can be bothersome for academic students, but it is much more of a problem for vocational education students. Vocational education programs often don't follow the lockstep September-May school year of colleges, but instead operate on an individualized, year-round, "open entry-open

exit" basis. Moreover, vocational education programs are sometimes tied to specific and immediate short-term needs of industry, requiring a turnaround between loan application and loan award (or rejection) as short as 30 days. Finally, for a number of would-be vocational students delaying a loan may end the possibility they will get the training, either because they won't wait (because of low goal orientation) or can't wait (because of pressing economic circumstances).

Suggested change: Create a forward funding mechanism to avoid shortfalls. SB88 provides such a revolving base for this program. This could allow the spreading out of the disbursements throughout the year instead of the current hurried process, which can be irritating for all students and particularly frustrating for those seeking vocational education.

Romesburg says this legislation would allow a two-week turnaround between loan application and loan decision, and-- depending on the mails and the speed of the student's response-- a 30-day turnaround between application and the time the student receives the funds. The legislative change would dovetail well with a new administrative policy announced by Romesburg, who has pledged to have the commission make lump sum payments of loans awarded to students in short-term vocational programs, as opposed to stretching them throughout the regular year.

As with the publicity campaign suggested in (1), the legislature should determine if the commission needs more staff to implement these changes, particularly the speedy *processing*

M E M O

To: Terry Gardiner

From: Cliff Groh 

Date: ~~28~~ 26 February 1981

Re: Update on vocational education and student loans

I talked to Kerry Romesburg and two of his staff at the commission this morning. They are generally agreeable to our plan as outlined in my memo to you.

Specifics:

1. Romesburg says he will produce the memo on practical aspects of ~~SB88~~ SB88 (forward funding-revolving loan base for student loan program) by Friday (tomorrow). Donna Pegues says that legally the revolving base will not be blown because: a. It has no lapse clause--~~XXXX~~ if the fund is not spent in one year, it doesn't ~~XXXX~~ lapse back into the general fund; b. it calls itself a revolving loan fund--this has legal connotations; and c. it has a revolving base--it should ~~XX~~ get funded by the legislature each year.
2. Romesburg and staff freely concede their current ~~XXXXXX~~ publicity is not only inadequate, but nearly non-existent. The program distributes no ~~XXXXXX~~ literature for either ~~XX~~ academic or vocational students; it counts on word of mouth and the availability of its forms. The ~~XXXX~~ program does not even have a public information officer; its chief loan award officer made one trip this year to publicize it (to ~~XXXXXX~~ Skagway, after the locals requested it ~~XXXX~~). Their main effort now is to visit the statewide counselors' meetings twice a ~~XX~~ year.
3. ~~XX~~ Romesburg is drafting a new plan, with a budget included. It should be ready by Friday morning at the latest. It will include the features ~~XXXX~~ outlined in my memo, with a few added twists. Romesburg envisions thick, heavy posters with tear-out sheets on the bottom; they would be posted in the list we agreed on, plus union hiring halls. He also foresees a letter to all vocational education educators in the state, with brochures enclosed. He'll buy newspaper ads, and will also hit the free media--radio and TV PSAs. He'll also arrange for appearances before voc. ed. classes. ~~XXXXXX~~ *we also liked the idea of conferring for outreach counseling as opposed to holding staff.* We agreed that this program should be sunsetted, probably after two years. What we need is long-term penetration of collective consciousness through ~~XXXXXX~~ an intense short-term informational campaign.

4. [redacted] distinguished the name change, but [redacted] the words "vocational education" at the top of the front of the loan application form. My suggested language would be in big print: "THIS IS AN APPLICATION FORM FOR AN ALASKA STUDENT LOAN. IT WILL PAY FOR ACADEMIC OR VOCATIONAL EDUCATION AND CAN BE USED AT SCHOOLS IN ALASKA OR IN OTHER STATES."

5. Romesburg told me that academic students have some additional state financial assistance besides the loans provided to them, and will likely get more assistance programs this session. ~~Assistance~~ Through a federally promoted half state, half federal program, ~~that~~ truly ~~very~~ needy ~~academic~~ academic students can get free money through the State Incentive Education Grant Program. It's for ~~vocational~~ full-time students only, and it's got a \$1,500 maximum.

SB 254
\$255

[redacted] Sen. [redacted] wants to increase the state's participation in this program, ~~and~~ increase the grant limits. I need to find out if the legislation has already been introduced.

~~SEN. [redacted]~~ Besides expanding the grants program for academic students, Romesburg said some Senators also want to create a state scholarship program for academic students. It would be based on academic performance and promise (as measured by grades, ~~and~~ SATs, etc.) and would only be available for Alaska universities.



[redacted] if we can't get vocational students included in both these programs. Voc. ed. students used to be able to get grants at the Alaska Skill Center at Seward, but that ~~was~~ a few years ~~ago~~ ago during the ~~war~~ times. The grants are easily administered, and Romesburg and I will meet with voc. ed. people to devise standards of excellence for voc. ed. students so they can ~~also~~ participate in scholarship programs as well.

We need a ~~some~~ ^{five} point plan for vocational education funding this year. *In order of priority, we should:*

1. Create a revolving loan fund. Clocksin says he wants this bill referred to hb committee, and we need to do it ASAP. I will arrange it as soon as ~~x~~ you and I get a look at Romesburg's memo.
2. Get the money for the vocational student loan publicity and outreach campaign.
3. Fully fund the Skill Center at Seward.
4. Extend the ~~existing~~ grant program to cover voc. ed. students. *we could either create a new one or extend the existing academic student grant program.*

5. Arrange for any scholarship program to cover voc. ed. students.

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

Sec. 14.40.919. Consortia. All parties that are signatory to a consortium agreement between the University of Alaska and a private university or college must abide by a decision rendered by the commission when disagreements arise or exist between the parties. For purposes of this section and AS 14.40.909(b)(6), "consortium" means a cooperative arrangement between two or more public or private institutions of higher education specified in agreements or memoranda of understanding to permit sharing of facilities, instructional opportunities, and other educational services in such a way that the integrity of each institution party to the consortium is preserved while at the same time the institutions cooperatively plan the academic calendar, scheduling, use of personnel and facilities, and educational programs and offerings to the maximum advantage of the students and faculties of the institutions that are parties to a consortium. (§ 8 ch 246 SLA 1976)

Article 13. Alaska State Educational Incentive Grant Program.

Section

930. Purpose; creation
 935. Administration
 940. Distribution of funds
 945. Eligibility; priority

Section

950. Limitation on grants
 955. Confidentiality of certain information
 960. Definitions

Sec. 14.40.930. Purpose; creation. There is established the Alaska state educational incentive grant program to provide financial assistance to eligible students to enable them to attend, or continue their attendance at, postsecondary educational institutions. Funds appropriated for this program shall be used as matching funds for the state's participation in the federal state student incentive grant program (P.L. 92-318; 20 U.S.C. §§ 1070c — 1070c-3). (§ 1 ch 51 SLA 1978)

Sec. 14.40.935. Administration. (a) The educational incentive grant program established under AS 14.40.930 — 14.40.960 shall be administered by the executive secretary of the student financial aid committee under AS 14.40.753 — 14.40.757, subject to review by the committee and to those regulations the committee may prescribe to carry out the purposes of AS 14.40.930 — 14.40.960.

(b) To the extent that they are not in conflict with the provisions of AS 14.40.930 — 14.40.935, the provisions of AS 14.40.751 — 14.40.806 relating to student financial aid are applicable to the grants made under AS 14.40.930 — 14.40.960. (§ 1 ch 51 SLA 1978)

Sec. 14.40.940. Distribution of funds. The funds appropriated for the educational incentive grant program shall be allocated to eligible students in accordance with the provisions of the federal state student

incentive grant program and regulations promulgated under AS 14.40.757 and AS 14.40.935. (§ 1 ch 51 SLA 1978)

Sec. 14.40.945. Eligibility; priority. (a) A student may apply for an educational incentive grant if he

(1) is a resident of Alaska;

(2) is either

(A) enrolled as a full-time undergraduate student in a degree program in an accredited postsecondary educational institution; or

(B) a person eligible to be admitted to an accredited postsecondary educational institution; and

(3) establishes financial need in accordance with standards for determining financial need adopted by the committee under 20 U.S.C. sec. 1070c-2.

(b) The committee shall, by regulation, establish a system of priority in the selection of recipients of grants under AS 14.40.930 — 14.40.960 under which students from "low income" families or whose incomes are considered "low income" shall be given preference in the award of the educational incentive grants. (§ 1 ch 51 SLA 1978)

Sec. 14.40.950. Limitation on grants. (a) No grant made under AS 14.40.930 — 14.40.960 may be in an amount less than \$100 nor more than \$1,500 for each academic year.

(b) A grant awarded under AS 14.40.930 — 14.40.960 may be used by a student only at an accredited postsecondary educational institution. (§ 1 ch 51 SLA 1978)

Sec. 14.40.955. Confidentiality of certain information. All information submitted in support of a determination of financial need as provided in this chapter is confidential. However, an applicant may inspect or copy information from his own application, or records relating to his own application, or authorize release of the application or records to designated individuals or organizations. (§ 1 ch 51 SLA 1978)

Sec. 14.40.960. Definitions. In AS 14.40.930 — 14.40.960

(1) "resident" means a person who, except for brief intervals, military service, attendance at an educational or training institution, or for absences for good cause shown, has resided in Alaska and who has maintained his domicile in Alaska; domicile is the true and permanent home of a person from which he has no present intention of moving and to which he intends to return whenever he is away;

(2) "undergraduate" means a student who has not completed a baccalaureate, graduate or professional degree. (§ 1 ch 51 SLA 1978)

Chapter 47. Reg

Article

1. Diplomas (Repealed)
2. Names of Educational In

Cross reference. — As to postsecondary educational see AS 14.48.

Section

— 60. (Repealed)

Secs. 14.47.010 —
Repealed by § 5 ch

Editor's note. — The derived from § 1, ch. 33, SLA

Article 2. J

Section

100 — 140. (Repealed)

Secs. 14.47.100 —
Repealed by § 5 ch

Editor's note. — The derived from § 2 ch. 44, SLA

Chapter 48

Ed

Section

10. Purposes
20. Authorization and po
30. Exemptions
40. Commission to admin
50. Powers and duties of
60. Minimum standards
70. Authorization to open
80. Agent's permit
90. Fees
100. Bonds
110. Denial