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# STATE OF ALASKA

## ALASKA COMMISSION ON POSTSECONDARY EDUCATION

JAY S. HAMMOND, GOVERNOR

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

May 22, 1981

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

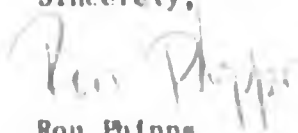
Dear Senator Parr:

This letter is in response to your request concerning Senate Bill 522. During testimony, you asked that our staff offer suggestions for amendments to the bill so that it will provide equity in relation to the loan program as it now exists. Enclosed are the suggested amendments.

A question was raised during testimony concerning the percentage of in-state students receiving a loan. After reviewing our records, we find that approximately 50% of the full-time students currently attending in-state institutions have received state loans.

I hope this information is sufficient; however, if I can be of further service, please do not hesitate to contact me.

Sincerely,

  
Ron Phipps  
Director for Academic  
Planning and Research

Enclosure

cc: The Honorable Terry Stinson  
The Honorable Mike Colletta  
The Honorable Vic Fischer  
The Honorable Tim Kelly

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SB 522

### Suggested Amendments

1. Page 1, Section (b) first sentence

"The Commission may make a grant to a person who has completed a career education program or is a graduate of a college or university approved by the Commission and who qualifies under this section."

2. Page 1, line 24

"...was enrolled as a full-time student before completing a career education program or receiving a [AN UNDERGRADUATE]..."

3. Page 1, line 25

"...the limit established for a [AN UNDERGRADUATE] loan..."

4. Page 2, line 1

"...that academic year, and other state scholarship's and grants; and..."

5. Page 2, Section (d), line 11

"...has, since completing the [ACADEMIC YEAR] course of study in which ..."

6. Page 2, Section (e), lines 14-15

"...may not exceed the number of years for which scholarship loans may be authorized by AS 14.40.763(d)."

7. Page 2, line 21

"...two years after completing a career education program or receiving his [UNDERGRADUATE] degree if he completed his career education program or..."

8. Page 2, line 23

"...three years after completing a career education program or receiving his [UNDERGRADUATE] degree if..."

9. Page 2, line 24

"...he completed a career education program or received that..."

Comment

Page 2, Section (f)(1) provides a new benefit not heretofore offered any student loan recipient. The incentive for in-state attendance was added for the 1979-80 school year and did not apply to any loans prior to the July 1, 1979 date.



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### Data Sheet for SB 522

1. SB 522 provides for grants for Alaskans who attend(ed) and graduate(d) from an accredited college and who work(ed) in Alaska after graduation.
2. Grants are to be percentages (based upon years of working residence and/or in-state attendance) of an adjusted cost allowance (ACA) for college attendance.

The ACA is calculated by taking the smaller of either the appropriate student loan maximum for a given year or the actual amount spent for books, tuition and fees, and room and board and deducting from that figure the amount of any state student loan received for that year.

#### Examples:

(a) Undergraduate, 1972-73		
Cost of books, tuition, etc.	=	\$3,800
Loan maximum	=	2,500
Loan received	=	500

$$\text{ACA} = 2,500 - 500 = \$2,000$$

If the student worked in Alaska, "Ray" grants of up to 40% (\$200 per year for four years) would be possible.

(b) Graduate, 1974-75		
Cost of books, tuition, etc.	=	\$5,400
Loan maximum	=	5,000
Loan received	=	5,000

$$\text{ACA} = 5,000 - 5,000 = \$0$$

No "Ray" grants possible

(c) Undergraduate, 1979-80		
Cost of books, tuition, etc.	=	\$1,800
Loan maximum	=	3,000
Loan received	=	1,800

$$\text{ACA} = 1,800 - 1,800 = 0$$

No "Ray" grants possible

(d) Graduate, 1976-77

Cost of books, tuition, etc.	=	\$6,800
Loan maximum	=	5,000
Loan received	=	-0-

ACA = \$5,000 - 0 = \$5,000

If the student works in Alaska, "Ray" grants of up to 40% (\$500 per year for four years) would be possible.

### 3. Student Loan Maximums

<u>School Year</u>	<u>Undergraduate</u>	<u>Graduate</u>
1971-72	\$2,500	\$5,000
1972-73	2,500	5,000
1973-74	2,500	5,000
1974-75	2,500	5,000
1975-76	2,500	5,000
1976-77	2,500	5,000
1977-78	2,500	5,000
1978-79	3,000	5,000
1979-80	3,000	5,000
1980-81	3,000	5,000
1981-82	Undetermined	Undetermined

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 522  
 Title Scholarship Grants  
 Requested by Senate HESS Date 2/1/81

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		102.7	98.9	60.0	63.6	99.2
200 TRAVEL		-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL		37.0	33.6	37.6	42.1	55.6
400 COMMODITIES		.6	.7	.8	.9	1.1
500 EQUIPMENT		7.0	2.5	-0-	-0-	-0-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		3,980.0	150.0	80.0	110.0	140.0
<b>TOTAL</b>	<b>N.A.</b>	<b>4,127.3</b>	<b>285.7</b>	<b>178.4</b>	<b>216.6</b>	<b>295.9</b>

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND	N.A.	4,127.3	285.7	178.4	216.6	295.9
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME	N.A.	2.0	3.0	2.0	2.0	1.0
PART TIME		4.0	1.0	-0-	-0-	-0-
TEMPORARY						

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

a. estimated eligible participants

40% of \$1,750 for 1,000 persons currently getting forgiveness but borrowed less than maximum  
 40% of \$7,000 for 1,000 persons eligible but did not borrow  
 sub total \$3,500,000 current  
 40% of \$2,000 for 600 persons already through cycle  
 sub total \$480,000  
 Total grants for FY 82 is \$3,980,000

b. personnel services: 1.0 awards clerk Range 10-A \$25.7 4.0 part-time @ \$12.8  
 1.0 fiscal clerk Range 10-A \$25.7  
 contractals: 24.0 D.P. Charge, 6.0 advertisement, 7.0 phones, etc.

IV. DATE May 1, 1981 PREPARED BY Kerry D. [Signature]

AGENCY Commission on Postsecondary Education

Original: Legislative Finance PHONE 465-2054

cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

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### SB 522

#### Suggested Amendments

1. Page 1, line 16

"of [AN ACCREDITED COLLEGE] a college or university approved by the Commission and who ..."

2. Page 2, Section (d), line 11

"...has, since completing the [ACADEMIC YEAR] course of study in which ...

3. Page 2, Section (e), lines 13-15

"...may not exceed the number of years for which scholarship loans may be authorized by AS 14.40.763(d).

#### Comment

Page 2, Section (f)(1) provides a new benefit not heretofore offered any student loan recipient. The incentive for in-state attendance was added for the 1979-80 school year and did not apply to any loans prior to the July 1, 1979 date.

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"...may not exceed the number of years for which scholarship loans may be authorized by AS 14.40.76(d)."

6. Page 2, line 21

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