

COMMITTEE REPORT
SENATE

FURTHER:

Date _____

Mr. President

The Committee on FINANCE considered CS 11/B 504 (Fin)

establishing the teacher-scholarship loan program and

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt SCS for CS 11/B 504 (Fin)
- new title
- same title and recommends adoption of House Finance letter of intent
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation 5/1/84
see FID which
accompanied the
bill Committee 3/20/84
- recommends referral to _____

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman
Chairman recommendation

Offered: 5/4/84
Referred: Rules

Original sponsors: Hayes, Hurlbert,
Adams, et al

IN THE SENATE

BY THE FINANCE COMMITTEE

SENATE CS FOR HOUSE BILL NO. 504 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act establishing the teacher scholarship loan program; and providing for an effective date."

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

* Section 1. AS 14.43 is amended by adding new sections to read:

ARTICLE 7. TEACHER SCHOLARSHIP LOAN PROGRAM.

Sec. 14.43.600. FINDINGS AND INTENT. (a) The legislature finds that there is a wide and unacceptable disparity between the distribution of Native teachers and Native students in rural elementary and secondary schools in the state. Many rural schools have virtually no Native teachers and no non-Native students. The undesirable effects of this disparity include the following:

(1) there is a serious weakness in the ability of teaching staffs in rural schools to foster a sense of Native traditions and cultures in the Native students;

(2) many rural students are forced to exist in two entirely separate situations: the essentially traditional atmosphere of many Native homes, and the essentially modern atmosphere of the classroom;

(3) almost no Native students return to rural schools to teach, continuing the imbalance and exacerbating its effects; and

(4) there is an annual turnover of 40 percent among teachers in rural educational attendance areas in the state.

(b) The legislature further finds that existing programs have failed to increase the proportion of Natives teaching in rural schools. Therefore, it is the intent of the legislature to establish

the teacher scholarship loan program to encourage rural high school graduates to return to rural schools as teachers and relieve the conditions described in this section.

Sec. 14.43.610. PROGRAM ESTABLISHED. There is established the teacher scholarship loan program to provide an incentive for rural high school graduates to pursue teaching careers in rural elementary and secondary schools in the state.

Sec. 14.43.620. TEACHER SCHOLARSHIP REVOLVING LOAN FUND. There is created a teacher scholarship revolving loan fund. The fund shall be used to make scholarship loans to students selected under AS 14.-43.600 - 14.43.700. All repayments of principal and interest on teacher scholarship loans shall be paid into the teacher scholarship revolving loan fund and shall be used to make new teacher scholarship loans. If estimated funds available from teacher scholarship loan repayments are inadequate to fully fund estimated teacher scholarship loans for any fiscal year, additional funding from the general fund may be requested and appropriated for that year.

Sec. 14.43.630. ADMINISTRATION. (a) The teacher scholarship loan program shall be administered by the student financial aid committee (AS 14.43.095) in accordance with regulations adopted by the committee. The committee shall

(1) allocate the loan awards available for teacher scholarship loans annually to local school boards giving a preference to rural school districts; and

(2) develop and distribute to the local school boards an application form for teacher scholarship loans; the form shall include a requirement that the applicant supply a high school academic transcript and a statement of intent to enter a teaching career at the elementary or secondary school level in the state.

1 (b) The local school boards shall select the recipients of the
2 teacher scholarship loans according to the criteria in AS 14.43.650.

3 Sec. 14.43.640. CONDITIONS OF LOANS. (a) The conditions pro-
4 vided in AS 14.43.120 apply to teacher scholarship loans except as
5 otherwise provided in this section.

6 (b) If a borrower meets the conditions provided in (a) of this
7 section and is employed as a teacher in a rural elementary or secon-
8 dary school, the portion of the loan that shall be paid by the state,
9 notwithstanding AS 14.43.120(j), is the following percentages of the
10 total loan received plus interest up to a total of 100 percent of the
11 total loan:

- 12 (1) one year employment, 15 percent;
- 13 (2) two years employment, an additional 15 percent;
- 14 (3) three years employment, an additional 15 percent;
- 15 (4) four years employment, an additional 25 percent;
- 16 (5) over four years employment, an additional 30 percent.

17 (c) A loan may not exceed \$10,000 in a school year.

18 (d) Proceeds from a teacher scholarship loan may be used only
19 for undergraduate expenses of books, tuition, required fees, room and
20 board, and the transportation expense for two round trips between the
21 loan recipient's home and school.

22 Sec. 14.43.650. SELECTION CRITERIA. (a) To be eligible for a
23 teacher scholarship loan, a student must

24 (1) be a graduate of a public or private high school in the
25 state, with sufficient credits to be admitted to an accredited college
26 or university;

27 (2) be enrolled in or show evidence of intent to enroll in
28 a degree program directed at a teaching career at the elementary or
29 secondary school level;

1 (3) meet the conditions set by the student's local school
2 board with respect to the district's requirements for teachers in
3 particular subject areas; and

4 (4) submit to the local school board an application pro-
5 vided by the student financial aid committee under AS 14.43.630(a)(3);
6 an application may be submitted six months before graduation from high
7 school.

8 (b) A local school board shall award teacher scholarship loans
9 giving a preference to applicants from rural schools who meet the
10 qualifications for a loan and taking into account the applicants'
11 academic records.

12 (c) A student may not be awarded a scholarship loan under
13 AS 14.43.090 - 14.43.160 and a teacher scholarship loan under AS 14.-
14 43.600 - 14.43.700 for the same school year.

15 Sec. 14.43.700 DEFINITION. In AS 14.43.600 - 14.43.700, "rural"
16 means

17 (1) a community in the second, third, or fourth judicial
18 district of the state with a population of 4,500 or less that is not
19 connected by road or rail to Anchorage or Fairbanks; or

20 (2) a community in the first judicial district of the state
21 with a population of 4,500 or less.

22 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
23 10.070(c).

HOUSE FINANCE COMMITTEE
LETTER OF INTENT
FOR
COMMITTEE SUBSTITUTE FOR HOUSE BILL 504 (FINANCE)

It is the intent of the legislature that rural students who are/were displaced from their communities because of (a) inadequate school facilities, (b) by Division of Family and Youth Services (State of Alaska, Department of Health and Social Services), (c) health reasons, or (d) who have elected to or were required to attend a school in an urban setting, will be given the same preference as indicated in AS 14.43.650(b), added by Section 1 of this bill. The local school board shall select these students on a case-by-case basis.



Al Adams, Chairman
House Finance Committee

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 3-20-84

REQUEST Page 1 of 2
Bill/Resolution No.: CSHB504(Fin)
Title: Teacher Scholarship
Loans
Sponsor: Haves, Hurlbert, et. al.
Requestor: House Finance
Date of Request: 3-20-84

FISCAL DETAIL
Agency Affected: Education
Program Category Affected: Postsecondary
Commission
BRU, Program or Subprogram(s) Affected:
Scholarship Loan Fund

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	N.A.	-0-	-0-	-0-	-0-	-0-
CAPITAL	N.A.	164.5	348.8	554.6	783.7	830.8
REVENUE	N.A.	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND	N.A.	164.5	348.8	554.6	783.7	830.8
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	N.A.	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Kerry D. Romesburg, Executive Director Phone: 465-2854
Division: Alaska Commission on Postsecondary Ed. Date: 3-20-84

Approved by Commissioner: _____ Date: _____
Agency: _____

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

FISCAL ANALYSIS

March 20, 1984

1. Estimated number of teacher scholarship loans available:

FY85	80
FY86	160
FY87	240
FY88	320
FY89	320

2. Since a student may not borrow both a teacher loan and a standard student loan, much of the cost would be off-set. The only add-on, other than travel, would be for those eligible costs exceeding \$6,000. This is estimated to be \$2,500 for 25 students in FY85, and then is carried forward with a 6% inflation in future years. The result for costs, other than travel are:

FY85	\$ 62.5	FY87	\$210.7	FY89	\$315.7
FY86	\$132.5	FY88	\$297.8		

3. Travel estimated costs are compiled upon the assumption that half the students each year will attend in-state, and half will attend out-of-state. Two roundtrip airline trips have been projected from various Alaska sites to the following locations: Anchorage, Fairbanks, Portland, Phoenix, and Los Angeles. The additional travel costs are:

FY85	\$102.2	FY87	\$343.9	FY89	\$515.1
FY86	\$216.3	FY88	\$485.9		

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: CSHB 504 (Hess)
Title: Teacher Scholarship Loans

Sponsor: Hayes, Hurlbert, et.al.
Requestor: House HESS
Date of Request: 1-13-84

FISCAL DETAIL

Agency Affected: Education
Program Category Affected: Postsecondary Commission
BRU, Program or Subprogram(s) Affected: Scholarship Loans

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	N.A.	0	0	0	0	0
CAPITAL	N.A.					
REVENUE	N.A.	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	N.A.	62.5	132.5	210.7	297.8	315.7
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	N.A.	0		0	0	0
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Kerry D. Romesburg Phone: 465-2854
Division: Commission on Postsecondary Education Date: 1-13-84

Approved by Commissioner: _____ Date: _____
Agency: _____

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

HB504: Teacher Scholarship Program

A. Comments

1. Borrower must be a graduate from an Alaskan public high school. There are a number of private high schools which would have no students eligible (Covenant High School - Unalakleet, Monroe High School - Fairbanks, St. Mary's Catholic High School - St. Mary's, for example).
2. Borrower is eligible to borrow up to the total cost of room and board, tuition and fees, and books and supplies, or \$10,000, whichever is lower. Hence, only twenty or thirty students per year would borrow more than the normal \$6,000 student loan maximum.
3. Borrower must maintain good standing to continue receiving loans. ("C" average, enroll and complete 12 hours per term.)
4. Loans may not be awarded for more than 5 years of study.
5. Interest is 5% - repayment is 10 years.
6. Section 14.43.630 requires the commission to actually transfer funds to the school districts. We feel that fund transfer to the district is an unnecessary step and should be eliminated. The funds should go to the student (actually to the school in which the student enrolls) and not to the district and then to the student.
7. Section 14.43.640 (b)(1) means that if a borrower does not teach

public school in Alaska, no loan forgiveness is possible - not even the normal 50% for which other loan borrowers are eligible.

B. Possible Amendments

1. Section 14.43.630 amended to read:

Sec. 14.43.630. ADMINISTRATION. The teacher scholarship loan program shall be administered by the student financial aid committee (AS 14.43.095) in accordance with regulations adopted by the committee. The committee shall allocate [DISTRIBUTE] the loan awards [FUNDS] available for teacher scholarship loans annually to local school boards giving a preference to school districts with a high percentage of students in ethnic minorities and a low percentage of teachers in ethnic minorities. The local school boards shall select the recipients of the teacher scholarship loans.

2. Section 14.43.640 amended to read:

Sec. 14.43.640. CONDITIONS OF LOANS. Each school district shall award teacher scholarship loans subject to the following conditions:

(1) the conditions provided in AS 14.43.120 apply except that no loans may be made to graduate students [AND THE STATE SHALL REPAY A PORTION OF A TEACHER SCHOLARSHIP LOAN UNDER AS 14.43.120 (j) ONLY IF, IN ADDITION TO THE OTHER CRITERIA, THE BORROWER IS ALSO EMPLOYED AS A PUBLIC SCHOOL TEACHER IN THE STATE DURING THE PERIOD FOR WHICH THE LOAN IS FORGIVEN];

(2) if a borrower meets the conditions provided in paragraph (1) of this section and is employed as a public school teacher in the district from which the borrower graduated, AS 14.43.120 (j) does not apply, but rather, the portion of the loan that shall be paid by the state is the following percentages of the total loan received plus interest up to a total of 100 percent of the total loan:

- (A) one year employment, 15 percent;
- (B) two years employment, an additional 15 percent;
- (C) three years employment, an additional 15 percent;
- (D) four years employment, an additional 25 percent;
- (E) over four years employment, an additional 30 percent; and

(3) a loan may not exceed \$10,000 in a school year.

3. Section 14.43.650 amended to read:

Sec. 14.43.650. SELECTION CRITERIA. (a) To be eligible for a teacher scholarship loan, a student must

(1) be a graduate of, or scheduled for graduation within six months from, an Alaskan [A STATE PUBLIC] high school, with sufficient credits to be admitted to an accredited college or university;

(2) be enrolled in or show evidence of intent to enroll in a degree program directed at a teaching career at the elementary or secondary school level; and

(3) meet the conditions set by the student's local school district with respect to the district's requirements for teachers in particular subject areas.

C. Fiscal Analysis

1. Estimated number of teacher scholarship loans available

FY85	80
FY86	160
FY87	240
FY88	320
FY89	320

2. Since a student may not borrow both a teacher loan and a standard student loan, much of the cost would be off-set. The only add-on would be for those eligible costs exceeding \$5,000. This is estimated to be \$2,500 for 25 students in FY85, and then carried forward with a 6% inflation in future years.

HOUSE JOURNAL

HOUSE FINANCE COMMITTEE
LETTER OF INTENT
FOR
COMMITTEE SUBSTITUTE FOR HOUSE BILL 504 (FINANCE)

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Al Adams, Chairman
House Finance Committee

*Passed
5/14/84*

Sec. 44.47.530. Annual report. To further ensure effective budgetary decision making by the legislature, the division shall present a complete accounting of the housing assistance revolving fund to the legislature by January 10 of each year. The accounting shall be audited by an independent outside auditor and shall include a full description of all mortgage loan interest and principal repayments and program receipts, including mortgage loan commitment fees, received by or accrued to the division during the preceding fiscal year, and all income earned on assets of the division during that period. (§ 17 ch 102 SLA 1983)

Effective dates. — Section 29, ch. 102, July 28, 1983, in accordance with AS SLA 1983, makes this section effective 01.10.070(c).

Sec. 44.47.560. Definitions. In AS 44.47.360 — 44.47.560,

- (1) "director" means the director of the division of housing assistance;
- (2) "division" means the division of housing assistance;
- (3) "housing" means owner-occupied, single-family housing and owner-occupied duplexes;
- (4) "nonconforming housing" means housing which does not conform to minimum building standards under any state or federal program that provides loans for housing purchases.
- (5) "rural" means
 - (A) a community in the second, third, or fourth judicial district of the state with a population of 4,500 or less that is not connected by road or rail to Anchorage or Fairbanks; or
 - (B) a community in the first judicial district of the state with a population of 4,500 or less;
- (6) "rural housing" means housing, whether or not it is nonconforming housing, that is located in a rural area of the state. (§ 73 ch 106 SLA 1980; am § 50 ch 113 SLA 1982)

Effect of amendments. — The 1982 amendment added paragraphs (5) and (6).

Article 10. Local Boundary Commission.

Section

565. Local boundary commission

Sec. 44.47.565. Local boundary commission. There is in the Department of Community and Regional Affairs a local boundary commission. The local boundary commission consists of five members appointed by the governor for overlapping five-year terms. One member shall be appointed from each of the four judicial districts described in AS 22.10.010 and one member shall be appointed from the state at

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Sec. 44.47

Stated in Sta
City of Hain
File No. 5067).

Article

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COMMITTEE REPORT
SENATE

FURTHER: FINANCE

3/26/84

Date April 27, 1984

Mr. President

The Committee on JUDICIARY considered CSHB 504 (Fin)
establishing the teacher scholarship loan program; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with ~~or~~ adopt SCS for CSHB 504 (Jud)
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

3 signers

MEMBERS HAVING
OTHER RECOMMENDATIONS

~~1~~ no rec
Joe Josephson. No REC.
Delaney no rec

Bill Ray
Chairman

No Rec
Chairman recommendation

Offered: 4/30/84
Referred: Finance

Original sponsors: Hayes, Hurlbert,
Adams, et al

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE
2 SENATE CS FOR CS FOR HOUSE BILL NO. 504 (Judiciary)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act establishing the teacher scholarship loan
7 program; and providing for an effective date."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. AS 14.43 is amended by adding new sections to read:
10 ARTICLE 7. TEACHER SCHOLARSHIP LOAN PROGRAM.
11 Sec. 14.43.600. FINDINGS AND INTENT. (a) The legislature finds
12 that there is a wide and unacceptable disparity between the distribu-
13 tion of Native teachers and Native students in rural elementary and
14 secondary schools in the state. Many rural schools have virtually no
15 Native teachers and no non-Native students. The undesirable effects
16 of this disparity include the following:
17 (1) there is a serious weakness in the ability of teaching
18 staffs in rural schools to foster a sense of Native traditions and
19 cultures in the Native students;
20 (2) many rural students are forced to exist in two entirely
21 separate situations: the essentially traditional atmosphere of many
22 Native homes, and the essentially modern atmosphere of the classroom;
23 (3) almost no Native students return to rural schools to
24 teach, continuing the imbalance and exacerbating its effects; and
25 (4) there is an annual turnover of 40 percent among teach-
26 ers in rural educational attendance areas in the state.
27 (b) The legislature further finds that existing programs have
28 failed to increase the proportion of Natives teaching in rural
29 schools. Therefore, it is the intent of the legislature to establish

1 the teacher scholarship loan program to encourage rural high school
2 graduates to return to rural schools as teachers and relieve the
3 conditions described in this section.

4 Sec. 14.43.610. PROGRAM ESTABLISHED. There is established the
5 teacher scholarship loan program to provide an incentive for rural
6 high school graduates to pursue teaching careers in public rural
7 elementary and secondary schools in the state.

8 Sec. 14.43.620. TEACHER SCHOLARSHIP REVOLVING LOAN FUND. There
9 is created a teacher scholarship revolving loan fund. The fund shall
10 be used to make scholarship loans to students selected under AS 14.-
11 43.600 - 14.43.700. All repayments of principal and interest on
12 teacher scholarship loans shall be paid into the teacher scholarship
13 revolving loan fund and shall be used to make new teacher scholarship
14 loans. If estimated funds available from teacher scholarship loan
15 repayments are inadequate to fully fund estimated teacher scholarship
16 loans for any fiscal year, additional funding from the general fund
17 may be requested and appropriated for that year.

18 Sec. 14.43.630. ADMINISTRATION. (a) The teacher scholarship
19 loan program shall be administered by the student financial aid com-
20 mittee (AS 14.43.095) in accordance with regulations adopted by the
21 committee. The committee shall

22 (1) allocate the loan awards available for teacher scholar-
23 ship loans annually to local school boards giving a preference to
24 rural school districts; and

25 (2) develop and distribute to the local school boards an
26 application form for teacher scholarship loans; the form shall include
27 a requirement that the applicant supply a high school academic trans-
28 cript and a statement of intent to enter a teaching career in public
29 schools at the elementary or secondary school level in the state.

1 (b) The local school boards shall select the recipients of the
2 teacher scholarship loans according to the criteria in AS 14.43.650.

3 Sec. 14.43.640. CONDITIONS OF LOANS. (a) The conditions pro-
4 vided in AS 14.43.120 apply to teacher scholarship loans except as
5 otherwise provided in this section.

6 (b) If a borrower meets the conditions provided in (a) of this
7 section and is employed as a teacher in a public rural elementary or
8 secondary school, the portion of the loan that shall be paid by the
9 state, notwithstanding AS 14.43.120(j), is the following percentages
10 of the total loan received plus interest up to a total of 50 percent
11 of the total loan:

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28 a degree program directed at a teaching career at the elementary or
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2 board with respect to the district's requirements for teachers in
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11 academic records.

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13 AS 14.43.090 - 14.43.160 and a teacher scholarship loan under AS 14.-
14 43.600 - 14.43.700 for the same school year.

15 Sec. 14.43.700. DEFINITION. In AS 14.43.600 - 14.43.700,
16 "rural" means a community in the state with a population of 4,500 or
17 less.

18 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
19 10.070(c).

Offered: 3/21/84
Referred: Rules

Original sponsors: Hayes, Hurlbert,
Adams, et al

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 CS FOR HOUSE BILL NO. 504 (Finance)
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21 committee. The committee shall

22 (1) allocate the loan awards available for teacher scholar-
23 ship loans annually to local school boards giving a preference to
24 rural school districts; and

25 (2) develop and distribute to the local school boards an
26 application form for teacher scholarship loans; the form shall include
27 a requirement that the applicant supply a high school academic trans-
28 cript and a statement of intent to enter a teaching career at the
29 elementary or secondary school level in the state.

1 (b) The local school boards shall select the recipients of the
2 teacher scholarship loans according to the criteria in AS 14.43.650.

3 Sec. 14.43.640. CONDITIONS OF LOANS. (a) The conditions pro-
4 vided in AS 14.43.120 apply to teacher scholarship loans except as
5 otherwise provided in this section.

6 (b) If a borrower meets the conditions provided in (a) of this
7 section and is employed as a teacher in a rural elementary or secon-
8 dary school, the portion of the loan that shall be paid by the state,
9 notwithstanding AS 14.43.120(j), is the following percentages of the
10 total loan received plus interest up to a total of 100 percent of the
11 total loan:

- 12 (1) one year employment, 15 percent;
- 13 (2) two years employment, an additional 15 percent;
- 14 (3) three years employment, an additional 15 percent;
- 15 (4) four years employment, an additional 25 percent;
- 16 (5) over four years employment, an additional 30 percent.

17 (c) A loan may not exceed \$10,000 in a school year.

18 (d) Proceeds from a teacher scholarship loan may be used only
19 for undergraduate expenses of books, tuition, required fees, room and
20 board, and the transportation expense for two round trips between the
21 loan recipient's home and school.

22 Sec. 14.43.650. SELECTION CRITERIA. (a) To be eligible for a
23 teacher scholarship loan, a student must

24 (1) be a graduate of a public or private high school in the
25 state, with sufficient credits to be admitted to an accredited college
26 or university;

27 (2) be enrolled in or show evidence of intent to enroll in
28 a degree program directed at a teaching career at the elementary or
29 secondary school level;

1 (3) meet the conditions set by the student's local school
2 board with respect to the district's requirements for teachers in
3 particular subject areas; and

4 (4) submit to the local school board an application pro-
5 vided by the student financial aid committee under AS 14.43.630(a)(3);
6 an application may be submitted six months before graduation from high
7 school.

8 (b) A local school board shall award teacher scholarship loans
9 giving a preference to applicants from rural schools who meet the
10 qualifications for a loan and taking into account the applicants'
11 academic records.

12 (c) A student may not be awarded a scholarship loan under
13 AS 14.43.090 - 14.43.160 and a teacher scholarship loan under AS 14.-
14 43.600 - 14.43.700 for the same school year.

15 Sec. 14.43.700 DEFINITION. In AS 14.43.600 - 14.43.700, "rural"
16 means a community in the state with a population of 4,500 or less.

17 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
18 10.070(c).

FISCAL ANALYSIS
SCSCSHB504

May 1, 1984

1. Estimated number of teacher scholarship loans available:

FY85	80
FY86	160
FY87	240
FY88	320
FY89	320

2. Since a student may not borrow both a teacher loan and a standard student loan, much of the cost would be off-set. The only add-on other than travel, would be for those eligible costs exceeding \$6,000. This is estimated to be \$1,500 for 25 students in FY85, and then is carried forward with a 5% inflation in future years. The result for costs, other than travel are:

FY85	\$37.5	FY87	\$126.4	FY89	\$189.4
FY86	\$79.5	FY88	\$178.7		

3. Travel estimated costs are compiled upon the assumption that half the students each year will attend in-state, and half will attend out-of-state. Two roundtrip airline trips have been projected from various Alaska sites to the following locations: Anchorage, Fairbanks, Portland, Phoenix, and Los Angeles. The additional travel costs are:

FY85	\$ 52.6	FY87	\$183.8	FY89	\$276.9
FY86	\$111.5	FY88	\$ 61.2		

CONFERENCE COMMITTEE REPORT

DATE: 5/29/84

Mr. President:
Mr. Speaker:

The _____ Conference Committee which has had
CSHB 504(Fin) (establishing the teacher scholarship loan program; efd)
and
SCS CSHB 504(Jud) (same title)

under consideration, recommends that

Conference CS for House Bill No. 504 (An Act establishing the
teacher scholarship loan program; efd)

be adopted.

Senate Members:

John P. Sackett

Senator Sackett, Chairman

Bill Ray

Senator Ray *NO REC*

Joe Josephson

Senator Josephson

House Members:

Tom Hurlbert

Representative Hurlbert, Chairman

Al Adams

Representative Adams

Mike Davis *NO REC*

Representative Davis

Original sponsors: Hayes, Hurlbert,
Adams, et al

1 IN THE HOUSE

BY THE CONFERENCE COMMITTEE

2 CONFERENCE CS FOR HOUSE BILL NO. 504

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

9 * Section 1. AS 14.43 is amended by adding new sections to read:

10 ARTICLE 7. TEACHER SCHOLARSHIP LOAN PROGRAM.

11 Sec. 14.43.600. FINDINGS AND INTENT. (a) The legislature finds
12 that there is a wide and unacceptable disparity between the distribu-
13 tion of Native teachers and Native students in rural elementary and
14 secondary schools in the state. Many rural schools have virtually no
15 Native teachers and no non-Native students. The undesirable effects
16 of this disparity include the following:

17 (1) there is a serious weakness in the ability of teaching
18 staffs in rural schools to foster a sense of Native traditions and
19 cultures in the Native students;

20 (2) many rural students are forced to exist in two entirely
21 separate situations: the essentially traditional atmosphere of many
22 Native homes, and the essentially modern atmosphere of the classroom;

23 (3) almost no Native students return to rural schools to
24 teach, continuing the imbalance and exacerbating its effects; and

25 (4) there is an annual turnover of 40 percent among teach-
26 ers in rural educational attendance areas in the state.

27 (b) The legislature further finds that existing programs have
28 failed to increase the proportion of Natives teaching in rural
29 schools. Therefore, it is the intent of the legislature to establish

1 the teacher scholarship loan program to encourage rural high school
2 graduates to return to rural schools as teachers and relieve the
3 conditions described in this section.

4 Sec. 14.43.610. PROGRAM ESTABLISHED. There is established the
5 teacher scholarship loan program to provide an incentive for rural
6 high school graduates to pursue teaching careers in rural elementary
7 and secondary schools in the state.

8 Sec. 14.43.620. TEACHER SCHOLARSHIP REVOLVING LOAN FUND. There
9 is created a teacher scholarship revolving loan fund. The fund shall
10 be used to make scholarship loans to students selected under AS 14.-
11 43.600 - 14.43.700. All repayments of principal and interest on
12 teacher scholarship loans shall be paid into the teacher scholarship
13 revolving loan fund and shall be used to make new teacher scholarship
14 loans. If estimated funds available from teacher scholarship loan
15 repayments are inadequate to fully fund estimated teacher scholarship
16 loans for any fiscal year, additional funding from the general fund
17 may be requested and appropriated for that year.

18 Sec. 14.43.630. ADMINISTRATION. (a) The teacher scholarship
19 loan program shall be administered by the student financial aid com-
20 mittee (AS 14.43.095) in accordance with regulations adopted by the
21 committee. The committee shall

22 (1) allocate the loan awards available for teacher scholar-
23 ship loans annually to local school boards giving a preference to
24 rural school districts; and

25 (2) develop and distribute to the local school boards an
26 application form for teacher scholarship loans; the form shall include
27 a requirement that the applicant supply a high school academic trans-
28 cript and a statement of intent to enter a teaching career at the
29 elementary or secondary school level in the state.

1 (b) The local school boards shall select the recipients of the
2 teacher scholarship loans according to the criteria in AS 14.43.650.

3 Sec. 14.43.640. CONDITIONS OF LOANS. (a) The conditions pro-
4 vided in AS 14.43.120 apply to teacher scholarship loans except as
5 otherwise provided in this section.

6 (b) If a borrower meets the conditions provided in (a) of this
7 section and is employed as a teacher in a rural elementary or secon-
8 dary school, the portion of the loan that shall be paid by the state,
9 notwithstanding AS 14.43.120(j), is the following percentages of the
10 total loan received plus interest up to a total of 100 percent of the
11 total loan:

- 12 (1) one year employment, 15 percent;
- 13 (2) two years employment, an additional 15 percent;
- 14 (3) three years employment, an additional 15 percent;
- 15 (4) four years employment, an additional 25 percent;
- 16 (5) over four years employment, an additional 30 percent.

17 (c) A loan may not exceed \$7,500 in a school year.

18 (d) Proceeds from a teacher scholarship loan may be used only
19 for undergraduate expenses of books, tuition, required fees, room and
20 board, and the transportation expense for two round trips between the
21 loan recipient's home and school.

22 Sec. 14.43.650. SELECTION CRITERIA. (a) To be eligible for a
23 teacher scholarship loan, a student must

24 (1) be a graduate of a public or private high school in the
25 state, with sufficient credits to be admitted to an accredited college
26 or university;

27 (2) be enrolled in or show evidence of intent to enroll in
28 a degree program directed at a teaching career at the elementary or
29 secondary school level;

1 (3) meet the conditions set by the student's local school
2 board with respect to the district's requirements for teachers in
3 particular subject areas; and

4 (4) submit to the local school board an application pro-
5 vided by the student financial aid committee under AS 14.43.630(a)(3);
6 an application may be submitted six months before graduation from high
7 school.

8 (b) A local school board shall award teacher scholarship loans
9 giving a preference to applicants from rural schools who meet the
10 qualifications for a loan and taking into account the applicants'
11 academic records.

12 (c) A student may not be awarded a scholarship loan under AS 14.-
13 43.090 - 14.43.160 and a teacher scholarship loan under AS 14.43.600 -
14 14.43.700 for the same school year.

15 Sec. 14.43.700. DEFINITION. In AS 14.43.600 - 14.43.700,
16 "rural" means

17 (1) a community in the second, third, or fourth judicial
18 district of the state with a population of 4,500 or less that is not
19 connected by road or rail to Anchorage or Fairbanks; or

20 (2) a community in the first judicial district of the state
21 with a population of 4,500 or less.

22 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
23 10.070(c).