

SCOMM

#50:22

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 3/5/85

REQUEST

Bill/Resolution No.: CSHB 161

Title: Student Loan Interest,
Forgiveness, and Terms

Sponsor: Binkley

Requestor: House Loans Comm.

Date of Request: 3/4/85

FISCAL DETAIL

Agency Affected: Education

Program Category Affected: Postsecondary
Commission

BRU, Program or Subprogram(s) Affected:

Student Loan Program

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES	N.A.					
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				(56.7)	(168.9)	(349.3)
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REVENUE	N.A.	-0-	-0-	56.7	168.9	349.3
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FUNDING: (Thousands of Dollars)

GENERAL FUND	N.A.	-0-	-0-	(56.7)	(168.9)	(349.3)
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

See Attached

Prepared By: Kerry D. Romo, Executive Director Phone: 465-2854

Division: Alaska Commission on Postsecondary Date: 3/6/85

Education

Approved by Commissioner: Date:

Agency:

Distribution (by Agency preparing fiscal note):

Legislative Finance

Legislative Sponsor

Requestor

Office of Management and Budget

Impacted Agency(ies)

7/1/84

HB 161
Analysis of Fiscal Impact

Assumptions

- (1) % of borrowers entering repayment:

<u>Percent</u>	<u>Years after borrowing</u>
0.0	one year
22.4	two years
21.3	three years
21.8	four years
32.3	five years
2.2	six or more years
100.0	

- (2) Borrowing averages will be:

FY86	\$4,775	FY89	\$5,725
FY87	\$5,050	FY90	\$5,900
FY88	\$5,400		

- (3) Loan volumes are at current projection levels and program is fully funded. Adjustments made will be the result of program changes.

Impacts

- (1) Increasing loan interest from 5% to 8% (Section 1 of the bill).

- (a) The increase will not affect loan volume.
(b) Increased interest will impact the fund over time in the following manner:

<u>Year of Impact</u>	<u>Borrowing Year</u>				<u>Total New Revenue</u>
	<u>FY86</u>	<u>FY87</u>	<u>FY88</u>	<u>FY89</u>	
FY86	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
FY87	-0-	-0-	-0-	-0-	-0-
FY88	56.7	-0-	-0-	-0-	56.7
FY89	108.2	60.7	-0-	-0-	168.9
FY90	168.5	118.5	62.3	-0-	349.3
FY91	247.9	177.6	121.6	58.5	605.6
FY92	253.5	265.1	182.3	114.2	815.1
FY93	253.5	271.1	272.2	171.1	967.9
FY94	253.5	271.1	278.3	255.5	1,058.4

(2) Eliminating the forgiveness benefits in 1990 (Section 4 of the bill)

- (a) Elimination of forgiveness will not affect loan volume
- (b) The impact of eliminating forgiveness will be realized over time, however, delaying implementation until 1990, moves the fiscal impact even further into the future.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Additional Revenue</u>
FY86	\$ -0-	\$ -0-	\$ -0-
FY87	-0-	\$ -0-	\$ -0-
FY88	-0-	\$ -0-	\$ -0-
FY89	-0-	\$ -0-	\$ -0-
FY90	-0-	\$ -0-	\$ -0-
FY91	-0-	\$ -0-	\$ -0-

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 10/22/85

REQUEST

Bill/Resolution No.: CSHB 161

Title: Re: Student Loans

Sponsor: Binkley

Requestor: Senate Finance

Date of Request: 10/22/85

FISCAL DETAIL

Agency Affected: Education

Program Category Affected: Postsecondary
Education Commission

BRU, Program or Subprogram(s) Affected:

Student Loan Administration

Student Loan Program

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING				30.3	63.7	67.5
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL			25.0			
400 SUPPLIES				.1	.2	.2
500 EQUIPMENT				1.2	1.2	
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING			25.0	31.6	65.1	67.7

CAPITAL			(46.1)	(2,158.9)	(4,263.8)	(6,510.8)
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	N.A.	N.A.	(21.1)	(2,127.3)	(4,198.7)	(6,443.1)
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	N.A.	N.A.	-0-	1.0	2.0	2.0
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

See attached

Prepared By: Kerry D. Romesby Executive Director Phone: 465-2854
Division: Alaska Commission on Postsecondary Date: 10/22/85
Education
Approved by Commissioner: _____ Date: _____
Agency: _____

Distribution (by Agency preparing fiscal note):

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

7/1/84

Comments:

1. The \$20.0 in contractual is for modifying the existing student loan on-line system to accommodate for individuals with loans carrying varying interest rates.
2. The monthly payments for borrowers would change upward the last seven years of the repayment cycle. Examples of the repayment schedule are:

<u>Loan Amount</u>	<u>Current 5%</u>	<u>Delayed 8%</u>
\$ 1,000	\$ 10.61	\$ 10.61/\$ 12.80
\$24,000	\$254.56	\$254.56/\$306.89

3. Forgiveness would be applied as it is now, with the State paying on behalf of the borrower up to 50% of the principal and interest accrued. Hence, the delayed impact of the 8% interest will actually provide a small additional incentive for forgiveness (about \$26 on a \$24,000 loan).

TABLE 1
PROJECTED REPAYMENT WITH CURRENT
PROGRAM TERMS

Year of Impact	BORROWING YEAR																	
	FY86		FY87		FY88		FY89		FY90		FY91		FY92		FY93		FY94	
	P	I	P	I	P	I	P	I	P	I	P	I	P	I	P	I	P	I
FY86																		
FY87																		
FY88	\$1,769.6	\$ 376.9																
FY89	3,452.3	735.3	\$1,702.1	\$ 362.5														
FY90	5,174.5	1,102.2	3,320.5	707.3	\$1,777.5	\$ 378.6												
FY91	7,726.2	1,645.7	4,977.0	1,060.1	3,467.7	738.6	\$1,853.9	\$ 394.9										
FY92	7,900.0	1,682.7	7,431.3	1,582.9	5,197.6	1,107.1	3,616.7	770.4	\$1,930.6	\$ 411.2								
FY93	7,581.5	1,614.9	7,598.5	1,618.5	7,760.6	1,653.0	5,420.9	1,154.7	3,768.5	802.3	\$2,018.4	\$ 429.9						
FY94	7,278.6	1,550.3	7,292.1	1,553.0	7,935.2	1,690.2	8,027.9	1,709.9	5,645.4	1,202.5	3,937.6	838.7	\$2,110.2	\$ 449.5				
FY95	6,968.6	1,484.3	7,000.8	1,491.2	7,615.3	1,622.1	8,276.2	1,762.8	8,429.3	1,795.4	5,901.9	1,257.1	4,116.7	876.9	\$2,206.2	\$ 469.9		
FY96	6,509.3	1,386.5	6,702.6	1,427.7	7,311.0	1,557.2	7,942.5	2,075.2	8,618.9	1,835.8	8,812.3	1,877.0	6,170.3	1,314.3	4,303.9	916.7	\$ 2,306.5	\$ 491.3
FY97	6,478.0	1,379.8	6,260.9	1,333.6	6,999.6	1,490.9	7,625.2	1,624.2	8,271.4	1,761.8	9,010.5	1,919.2	9,213.1	1,962.4	6,450.9	1,374.0	4,499.6	958.4
FY98	5,026.9	1,070.7	6,210.8	1,327.2	6,538.3	1,392.6	7,300.4	1,555.0	7,940.9	1,691.4	8,647.2	1,841.9	9,420.3	2,006.5	9,632.1	2,051.6	6,744.3	1,436.5
FY99	3,647.1	776.8	4,835.0	1,029.9	6,506.9	1,386.0	6,831.2	1,455.0	7,602.7	1,619.4	8,301.7	1,768.3	9,040.5	1,925.6	9,848.7	2,097.8	10,070.0	2,144.9
FY00	2,234.9	476.0	3,508.0	747.2	5,049.3	1,076.5	6,786.5	1,445.5	7,102.6	1,512.9	7,948.2	1,693.0	8,309.6	1,769.9	9,451.6	2,013.2	10,296.6	2,193.2

Assumptions: 1. General Fund appropriation remains constant at \$60.0 million after FY87.
2. The percentage of borrowers entering repayment, with a 12-month grace period, will be:

Percent	Years After Borrowing
0.0	one year
22.4	two years
21.3	three years
21.8	four years
32.3	five years
2.2	six or more years
100.0	

3. Borrowing rates will not be reduced if interest is increased to 8 percent.

TABLE 2
PROJECTED REPAYMENT WITH
CSHB 161 TERMS

Year of Impact	BORROWING YEAR															
	FY86		FY87		FY88		FY89		FY90		FY91		FY92		FY93	
	P	I	P	I	P	I	P	I	P	I	P	I	P	I	P	I
FY86																
FY87			\$ 38.0	\$ 8.1												
FY88	\$1,769.6	\$ 376.9	1,740.1	370.6	\$ 39.7	\$ 8.5										
FY89	3,452.3	735.3	3,358.5	715.4	1,817.2	387.1	\$ 41.4	\$ 8.8								
FY90	5,174.5	1,102.2	5,015.0	1,068.2	3,507.4	747.1	1,895.2	403.7	\$ 43.1	\$ 15.0						
FY91	7,726.2	1,645.7	7,431.3	1,582.9	5,237.2	1,115.5	3,658.1	779.2	1,973.7	686.8	\$ 45.1	\$ 15.7				
FY92	7,900.0	1,682.7	7,598.5	1,618.5	7,760.6	1,653.0	5,462.3	1,163.5	3,809.6	1,325.7	2,063.4	718.1	\$ 47.1	\$ 16.4		
FY93	7,581.5	1,614.9	7,245.3	1,551.8	7,935.2	1,690.2	8,094.1	1,724.0	5,688.5	1,979.6	3,982.6	1,385.9	2,157.2	750.7	\$ 49.2	\$ 16.8
FY94	7,278.6	1,550.3	6,994.0	1,489.7	7,608.1	1,620.5	8,276.2	1,762.8	8,429.3	2,933.4	5,946.9	2,069.5	4,163.8	1,449.0	2,255.4	784.9
FY95	6,968.6	1,484.3	6,695.8	1,426.2	7,303.9	1,555.7	7,935.1	1,690.2	8,618.9	2,999.4	8,812.3	3,066.7	6,217.4	2,163.7	4,353.1	1,514.9
FY96	6,509.3	1,366.5	6,261.0	1,333.6	6,992.5	1,489.4	7,617.7	1,622.6	8,263.6	2,875.7	9,010.5	3,135.7	9,213.1	3,206.2	6,500.1	2,262.0
FY97	6,478.0	1,379.8	6,230.8	1,327.2	6,538.3	1,392.7	7,293.0	1,553.4	7,933.2	2,760.8	8,639.1	3,006.4	9,420.3	3,278.3	9,632.0	3,351.9
FY98	5,026.9	1,070.7	4,803.9	1,023.2	6,506.9	1,286.6	6,819.3	1,452.5	7,595.0	2,643.1	8,293.6	2,886.2	9,032.0	3,143.1	9,848.7	3,427.3
FY99	3,647.1	776.8	3,476.8	740.6	5,016.8	1,068.6	6,786.5	1,445.5	7,101.6	2,471.4	7,940.1	2,763.2	8,670.8	3,017.4	9,442.7	3,286.1
FY00	2,234.9	476.0	2,118.5	451.2	3,630.8	773.4	5,232.4	1,114.5	7,067.5	2,459.5	7,424.3	2,583.7	7,551.7	2,628.0	9,064.8	3,154.6

Assumptions: 4. The percentage of borrowers entering repayment, with a 6-month grace period, will be:

Percent	Years After Borrowing
0.5	during first year
22.4	one year
21.3	two years
21.8	three years
31.8	four years
2.2	five or more years
100.0	

5. Forgiveness benefits will be received by 18 percent of the borrowers.

6. Default rate is not included.

TABLE 3
FISCAL IMPACT OF
CSHB 161

Year of Impact	BORROWING YEAR																		Total*		
	FY86		FY87		FY88		FY89		FY90		FY91		FY92		FY93		FY94				
	P	I	P	I	P	I	P	I	P	I	P	I	P	I	P	I	P	I			
FY86																					
FY87			\$ 38.0	\$ 8.1															\$ 38.0	\$ 8.1	
FY88			1,740.1	370.6	\$ 39.7	\$ 8.5													1,779.8	379.1	
FY89			1,656.4	352.9	1,817.2	387.1	\$ 41.4	\$ 8.8											3,515.0	748.8	
FY90			1,694.5	360.9	1,729.9	368.5	1,895.2	403.7	\$ 43.1	\$ 15.0									5,362.7	1,148.1	
FY91			2,454.3	522.8	1,769.5	376.9	1,804.2	384.3	1,973.7	686.8	\$ 45.1	\$ 15.7							8,046.8	1,986.5	
FY92			167.2	35.6	2,563.0	545.9	1,845.6	393.1	1,879.0	914.5	2,063.4	718.1	\$ 47.1	\$ 16.4					8,565.3	2,623.6	
FY93			(313.2)	(66.7)	174.6	37.2	2,673.2	569.3	1,922.0	1,177.3	1,964.2	956.0	2,157.2	750.7	\$ 49.2	\$ 16.8			8,627.2	3,440.6	
FY94			(299.1)	(63.5)	(327.1)	(69.7)	248.3	52.9	2,783.9	1,730.9	2,009.3	1,230.8	2,053.6	999.5	2,255.4	784.9	\$ 51.5	\$ 17.9	9,431.0	6,255.9	
FY95			(305.0)	(65.0)	(311.4)	(66.3)	(341.1)	(72.7)	189.6	1,204.0	2,910.4	1,809.6	2,100.7	1,286.8	2,146.9	1,045.0	2,357.9	820.5	8,748.0	5,961.9	
FY96			(441.6)	(94.1)	(318.5)	(67.8)	(324.8)	(69.2)	(355.3)	1,039.9	198.2	1,258.7	3,042.8	1,891.9	2,196.2	1,345.3	2,244.6	1,092.5	6,952.2	6,397.2	
FY97			(30.1)	(6.4)	(461.3)	(98.3)	(332.2)	(70.8)	(338.2)	999.0	(371.4)	1,087.2	207.2	1,315.9	3,181.1	1,977.9	2,296.2	1,406.5	4,151.3	6,611.0	
FY98			(1,426.9)	(303.9)	(31.4)	(6.7)	(481.1)	(102.5)	(345.9)	951.7	(353.6)	1,044.3	(388.3)	1,136.6	216.6	1,375.7	3,325.8	2,067.9	515.2	6,163.1	
FY99			(1,358.2)	(289.3)	(1,490.1)	(317.4)	(44.7)	(9.5)	(501.1)	852.0	(361.6)	994.9	(369.7)	1,091.8	(406.0)	1,188.3	226.6	1,438.3	(4,304.8)	4,949.1	
FY00			(1,389.5)	(296.0)	(1,418.5)	(302.1)	(1,554.1)	(331.0)	(35.1)	946.6	(523.9)	890.7	(757.9)	858.1	(386.8)	1,141.4	(424.4)	1,242.3	(6,490.2)	4,150.0	

*NOTE: Totals after FY94 will be effected by loans made in FY95 and beyond.

TABLE 4
FISCAL IMPACT OF
8% INTEREST

17	BORROWING YEAR																		Total*
	FY86		FY87		FY88		FY89		FY90		FY91		FY92		FY93		FY94		
	P	I	P	I	P	I	P	I	P	I	P	I	P	I	P	I	P	I	
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1E: Totals after FY94 will be effected by loans made in FY95 and beyond.

STATE OF ALASKA 1985 LEGISLATIVE SESSION

FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HB 161

Title: Re: Student Loans

Sponsor: Binkley

Requestor: Binkley

Date of Request: 2/4/85

FISCAL DETAIL

Agency Affected: Education

Program Category Affected: Postsecondary

Education Commission

BRU, Program or Subprogram(s) Affected:

Student Loan Revolving Fund

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	N.A.					
CAPITAL	N.A.	(14,243.8)	(16,202.9)	(19,083.1)	(23,199.8)	(26,602.7)
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	N.A.	(14,243.8)	(16,202.9)	(19,083.1)	(23,199.8)	(26,602.7)
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

See Attached

Prepared By: Kerry D. Romberg, Executive Director Phone: 465-2854

Division: Alaska Commission on Postsecondary
Education

Date: 2/5/85

Approved by Commissioner: _____

Date: _____

Agency: _____

Distribution (by Agency preparing fiscal note):

Legislative Finance

Legislative Sponsor

Requestor

Office of Management and Budget

Impacted Agency(ies)

7/1/84

HB 161
Analysis of Fiscal Impact

Assumptions

- (1) % of borrowers entering repayment:

<u>Percent</u>	<u>Years after borrowing</u>
0.0	one year
22.4	two years
21.3	three years
21.8	four years
32.3	five years
2.2	six or more years
100.0	

- (2) Borrowing averages will be:

FY86	\$4,775	FY89	\$5,725
FY87	\$5,050	FY90	\$5,900
FY88	\$5,400		

- (3) Loan volumes are at current projection levels and program is fully funded. Adjustments made will be the result of program changes.

Impacts

- (1) Increasing loan interest from 5% to 8% (Section 1 of the bill).
 (a) The increase will not affect loan volume.
 (b) Increased interest will impact the fund over time in the following manner:

<u>Year of Impact</u>	<u>Borrowing Year</u>				<u>Total</u>
	<u>FY86</u>	<u>FY87</u>	<u>FY88</u>	<u>FY89</u>	<u>New Revenue</u>
FY86	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
FY87	-0-	-0-	-0-	-0-	-0-
FY88	56.7	-0-	-0-	-0-	56.7
FY89	108.2	60.7	-0-	-0-	168.9
FY90	168.5	118.5	62.3	-0-	349.3
FY91	247.9	177.6	121.6	58.5	605.6
FY92	253.5	265.1	182.3	114.2	815.1
FY93	253.5	271.1	272.2	171.1	967.9
FY94	253.5	271.1	278.3	255.5	1,058.4

(2) Eliminating the forgiveness benefits (Section 6 of the bill)

- (a) Elimination of forgiveness will not affect loan volume
(b) The impact of eliminating forgiveness will be realized over time, in the following manner:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Additional Revenue</u>
FY86	\$ -0-	\$ -0-	\$ -0-
FY87	-0-	-0-	\$ -0-
FY88	378.7	94.7	\$ 473.4
FY89	1,143.2	285.8	\$1,429.0
FY90	1,648.8	412.2	\$2,061.0
FY91	3,814.0	953.5	\$4,767.5

(3) Changing eligibility requirements (Section 2 of the bill)

- (a) Requiring graduation from an Alaska high school would greatly reduce the number of borrowers eligible for the loan program. Based upon high school enrollment projections provided by the Department of Education, and based upon attendance patterns, the potential number of borrowers would be:

<u>Year</u>	<u>Potential New Borrowers</u>	<u>Total Reduction in Borrowers</u>
FY86	3,517	3,977
FY87	3,664	4,278
FY88	3,753	4,581
FY89	4,402	5,031
FY90	4,805	5,288

The fiscal savings of this requirement would be:

<u>Year</u>	<u>Reduction in Borrowers</u>	<u>Savings</u>
FY86	3,977	\$18,990.2
FY87	4,278	\$21,603.9
FY88	4,581	\$24,737.4
FY89	5,031	\$28,802.5
FY90	5,288	\$31,992.2

- (b) Providing aid on a need-based system would allow some borrowers, excluded by the high school requirement, to borrow. We have no good estimate on the number of students qualifying for need on a need-test analysis. The estimate is that only about one in four could qualify. Hence, the reduction in borrowers would be decreased by about 25%.

The fiscal impact of the needs analysis would be:

<u>Year</u>	<u>Qualifying Borrowers</u>	<u>Cost</u>
FY86	994	\$ 4,746.4
FY87	1,070	\$ 5,401.0
FY88	1,145	\$ 6,184.4
FY89	1,258	\$ 7,200.6
FY90	1,322	\$ 7,799.8

(c) Therefore, the total fiscal impact of the two factors (high school graduation and a needs test) would be:

<u>Year</u>	<u>Savings</u>
FY86	\$14,243.8
FY87	\$16,202.9
FY88	\$18,553.0
FY89	\$21,601.9
FY90	\$24,192.4

(4) Combining all changes would result in the following:

<u>Year</u>	<u>Savings (including Revenue)</u>
FY86	\$14,243.8
FY87	\$16,202.9
FY88	\$19,083.1
FY89	\$23,199.8
FY90	\$26,602.7

Additional Notes

- (1) Loan processing would be slowed greatly the first year, due to imposing the new requirements and needing to handle all loans a number of times.
- (2) Grandfathering those current borrowers from the needs test requirement was assumed in the projected fiscal impact.
- (3) Additional staff may be required to administer the needs test verification, but this is unknown until the whole process is actually finalized.

161
AMENDMENTS TO CSHB ~~185~~ (Loans)

(C) has been physically present in the state, or is a dependent of a parent or guardian who has been physically present in the state, for at least two years immediately before the applicant was absent from the state and the absence is due solely to

(i) serving an initial period of up to six years on active duty as a member of the armed forces of the United States;

(ii) serving, for up to three years, as a full-time volunteer under the Peace Corps Act;

(iii) serving, for up to three years, as a full-time volunteer under the Domestic Volunteer Service Act of 1973; VISA

(iv) required medical care for the applicant or the applicant's immediate family;

(v) being a person who otherwise qualifies as a resident and is accompanying a spouse who qualifies as a resident under (i) - (iv) of this paragraph; or

(D) has been physically present in the state, or is a dependent of a parent or guardian who has been physically present in the state, for at least two years immediately before the applicant or the parent or guardian was absent from the state and the absence is due solely to

(i) participating in a foreign exchange student program recognized by the commission;

(ii) attending a school as a full-time student;

(iii) full-time employment by the state;

(iv) being a member of or employed full-time by the state's congressional delegation;

(v) being a person who otherwise qualifies as a resident and is accompanying a spouse who qualifies as a resident under (i) - (iv) of this paragraph.

1 IN THE HOUSE

BY THE HOUSE SPECIAL
COMMITTEE ON STATE LOANS

2 CS FOR HOUSE BILL NO. 161 (Loans)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to student loans; and providing for
7 an effective date."

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

9 * Section 1. AS 14.43.120(f) is amended to read:

10 (f) Interest on a loan given under AS 14.43.090 - 14.43.160 is
11 at the rate of eight [FIVE] percent a year unless the loan is in
12 default. Interest on a loan that is in default is 10 percent a year
13 for the period the loan is in default.

14 * Sec. 2. AS 14.43.125 is repealed and reenacted to read:

15 Sec. 14.43.125. ELIGIBILITY OF STUDENTS. (a) A person may
16 apply for and obtain a scholarship loan if the person

17 (1) is

18 (A) enrolled as a full-time student in a career educa-
19 tion, associate, baccalaureate, or graduate degree program; or

20 (B) a graduate of a high school or the equivalent, or
21 scheduled for graduation from a high school within six months,
22 with sufficient credits to be admitted to a career education
23 program or to an accredited college or university;

24 (2) is not delinquent or in default on a previously awarded
25 scholarship loan; and

26 (3) is a resident of the state at the time of application
27 for the loan; for purposes of this section, a person qualifies as a
28 resident of the state if at the time of application for the loan the
29 person

1 (A) has been physically present in the state for at
2 least two years immediately before the time of application for
3 the loan;

4 (B) is dependent on a parent or guardian for care, the
5 parent or guardian has been present in the state for at least two
6 years immediately before the time of application for the loan and
7 the person has been present in the state for at least one year of
8 the immediately preceding five years; or

9 (C) has been physically present in the state, or is a
10 dependent of a parent or guardian who has been physically present
11 in the state, for at least two years immediately before the
12 applicant was absent from the state and the absence is due solely
13 to

14 (i) military service;

15 (ii) volunteer service under the Peace Corps Act;

16 (iii) volunteer service under the Domestic Volun-
17 teer Service Act of 1973;

18 (iv) participating in a foreign exchange student
19 program recognized by the commission;

20 (v) attending a school as a full-time student;

21 (vi) full-time employment by the state;

22 (vii) being a member of or employed full-time by
23 the state's congressional delegation;

24 (viii) required medical care for the applicant or
25 the applicant's immediate family; or

26 (ix) being a person who otherwise qualifies as a
27 resident and is accompanying a spouse who qualifies as a
28 resident under (i) - (viii) of this paragraph.

29 (b) A person does not qualify as a resident of the state under

1 this section if the person declares or establishes residence in
2 another state during an absence from Alaska.

3 * Sec. 3. Notwithstanding AS 14.43.120(j), the maximum portion of a
4 scholarship loan that may be repaid by the state is 40 percent for a loan
5 made for the school year beginning in 1986, 30 percent for 1987, 20 percent
6 for 1988, and 10 percent for 1989.

7 * Sec. 4. AS 14.43.120(j), (o), and (p) are repealed.

8 * Sec. 5. Section 4 of this Act takes effect September 1, 1990.

9 * Sec. 6. Sections 1 - 3 of this Act take effect July 1, 1985.

10
11 50 % FORGIVENESS 85-86

12
13 86

14 87

15 88

16 89

A M E N D M E N T

Offered in the HOUSE

TO: CSHB 161(Loans)

Page 1, delete section 1 of the bill and insert:

"* Section 1. AS 14.43.120(f) is amended to read:

(f) Interest on a loan given under AS 14.43.090 - 14.43.160 is at the rate of five percent a year for the first three years of repayment, and eight percent a year for the remainder unless the loan is in default. Interest on a loan that is in default is 10 percent a year for the period the loan is in default."

IN-STATE

(PRIORITY)

20 AAC 15.025. PRIORITY RANKING OF APPLICANTS. (a) Upon receipt of a completed application for collegiate study, an applicant will be assigned priority points based upon the schedule set out in (b) of this section.

(b) Each applicant for a loan for a collegiate program will be assigned priority points based upon student status and state of attendance, according to the following schedule:

(1) student status (during loan period):

- (A) continuing undergraduate or graduate students with existing Alaska student loans for the previous school year or term.....6 points
- (B) remaining senior students.....5 points
- (C) remaining junior students.....4 points
- (D) remaining sophomore students.....3 points
- (E) remaining freshman students.....2 points
- (F) remaining graduate students.....1 point
- (2) students attending colleges or universities in Alaska.....1 point

(c) Completed applications for collegiate study received by February 15th will be grouped together. Complete applications received after February 15th will be grouped in monthly lots. The groups will be processed according to priority point accumulation. Those applicants receiving the highest priority point accumulation within a group will be processed first and those receiving the lowest priority point accumulation within a group will be processed last. In the case of equal point accumulation within a group, priority will be based upon the earliest date of receipt of the completed application.

(d) Completed applications for a non-collegiate postsecondary program will be processed in the order of receipt of the application in the loan office. (Eff. 2/3/77, Reg. 61, am 12/7/80, Reg. 76; am 11/19/83, Reg. 88).

Authority: AS 14.43.105

Authority: AS 14.43.130

Introduced: 2/1/85
Referred: House Special Committee
on State Loans, Health, Education &
Social Services and Finance

1 IN THE HOUSE

BY BINKLEY

2

HOUSE BILL NO. 161

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to student loans; and providing for
7 an effective date."

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

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10  (f) Interest on a loan given under AS 14.43.090 - 14.43.160 is
11 at the rate of eight [FIVE] percent a year unless the loan is in
12 default. Interest on a loan that is in default is 10 percent a year
13 for the period the loan is in default.

14 * Sec. 2. AS 14.43.125(a) is repealed and reenacted to read:

15 (a) A person may apply for and obtain a scholarship loan if the
16 person

17 (1) is a resident of the state at the time of application
18 for a scholarship loan;

19 (2) meets the requirements of (b) of this section; and

20 (3) has

21 (A) graduated from high school within one year preced-
22 ing the date of application or is scheduled for graduation from a
23 high school within six months after the date of application, with
24 sufficient credits to be admitted to a career education program
25 or to an accredited college or university; or

26 (B) established financial need in accordance with
27 regulations adopted by the Alaska Commission on Postsecondary
28 Education.

29 * Sec. 3. AS 14.43.125 is amended by adding a new subsection to read:

RETROACTIVE

(c) The recipient of a scholarship loan may continue to apply for and receive scholarship loans during each year in which the recipient remains enrolled as a full-time student in a career education, associate, baccalaureate or graduate degree program. A recipient who, after the date of the initial application, interrupts study as a full-time student for periods totaling more than two years may receive a new loan only if the recipient can establish financial need under (a)(3)(B) of this section.

AS 14.43.640(b) is amended to read:

OK
If a borrower meets the conditions provided in (a) of this section and is employed as a teacher in a rural elementary or secondary school in the state, a portion of the loan shall be repaid by the state. The [THE] portion of the loan that shall be paid by the state [, NOTWITHSTANDING AS 14.43.120(j),] is the following percentages of the total loan received plus interest up to a total of 100 percent of the total loan:

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

* Sec. 5. AS 14.43.640 is amended by adding a new subsection to read:

(e) Notwithstanding AS 14.43.120(f), interest on a loan made under AS 14.43.600 - 14.43.700 is at the rate of five percent a year unless the loan is in default. Interest on a loan that is in default is 10 percent a year for the period the loan is in default.

AS 14.43.120(j), (o), and (p) are repealed. OK

* Sec. 7. A student who received a scholarship loan during the school year before the year this Act takes effect may receive a new loan only if

1 the student

2 (1) initially applied for a loan while in high school or within
3 one year after graduation from high school, and has not interrupted study
4 as a full-time student for periods totaling more than two years; or

5 (2) can establish financial need under AS 14.43.125(a)(3)(B), as
6 amended by sec. 2 of this Act.

7 * Sec. 8. This Act takes effect July 1, 1985.

FINANCIAL
NEED

Alaska State Legislature

House of Representatives

Committee on Loans



POUCH V
JUNEAU, ALASKA 99811

PHONE:
(907) 465-4919
(907) 465-4920

AGENDA

TUESDAY, 2/26/85, 3:30 p.m.

Room 124 (House Judiciary)

THIS MEETING WILL BE A STATE-WIDE TELECONFERENCE re. the following bills and related student loan topics.

- * HB 161 "An Act relating to student loans; and providing for an effective date."
- * HB 185 "An Act relating to student loans; and providing for an effective date."
- * HB 197 "An Act relating to maximum loan amounts under the scholarship loan program; and providing for an effective date."

WEDNESDAY, 2/27/85, 3:30 p.m.

Room 519 (House Finance)

Continued consideration of student loan bills: HB 161, HB 185, and HB 197.

For more information, contact JOHN HARTLE
CAPITOL ROOM 411
465-4919

* Indicates first public hearing.

1 IN THE HOUSE

BY THE HOUSE SPECIAL
COMMITTEE ON STATE LOANS

2 CS FOR HOUSE BILL NO. 161 (Loans)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

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18 (A) enrolled as a full-time student in a career educa-
19 tion, associate, baccalaureate, or graduate degree program; or

20 (B) a graduate of a high school or the equivalent, or
21 scheduled for graduation from a high school within six months,
22 with sufficient credits to be admitted to a career education
23 program or to an accredited college or university;

24 (2) is not delinquent or in default on a previously awarded
25 scholarship loan; and

26 (3) is a resident of the state at the time of application
27 for the loan; for purposes of this section, a person qualifies as a
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29 person

1 (A) has been physically present in the state for at
2 least two years immediately before the time of application for
3 the loan;

4 (B) is dependent on a parent or guardian for care, the
5 parent or guardian has been present in the state for at least two
6 years immediately before the time of application for the loan and
7 the person has been present in the state for at least one year of
8 the immediately preceding five years; or

9 (C) has been physically present in the state, or is a
10 dependent of a parent or guardian who has been physically present
11 in the state, for at least two years immediately before the
12 applicant was absent from the state and the absence is due solely
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14 (i) military service;

15 (ii) volunteer service under the Peace Corps Act;

16 (iii) volunteer service under the Domestic Volun-
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19 program recognized by the commission;

20 (v) attending a school as a full-time student;

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22 (vii) being a member of or employed full-time by
23 the state's congressional delegation;

24 (viii) required medical care for the applicant or
25 the applicant's immediate family; or

26 (ix) being a person who otherwise qualifies as a
27 resident and is accompanying a spouse who qualifies as a
28 resident under (i) - (viii) of this paragraph.

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1 this section if the person declares or establishes residence in
2 another state during an absence from Alaska.

3 * Sec. 3. Notwithstanding AS 14.43.120(j), the maximum portion of a
4 scholarship loan that may be repaid by the state is 40 percent for a loan
5 made for the school year beginning in 1986, 30 percent for 1987, 20 percent
6 for 1988, and 10 percent for 1989.

7 * Sec. 4. AS 14.43.120(j), (o), and (p) are repealed.

8 * Sec. 5. Section 4 of this Act takes effect September 1, 1990 1989

9 * Sec. 6. Sections 1 - 3 of this Act take effect July 1, 1985.



Official Business

Alaska State Legislature

House

Pouch V
State Capitol
Juneau, Alaska 99811

February 1, 1985

TO: Rep. John Sund
Chairman
Special Committees on Loans

FROM: Rep. John Binkley

Re: House Bill 161 "An Act relating to student loans; and providing for an effective date."

Today I have introduced a bill that will amend certain portions of the Post Secondary Commission program that deals with student loans.

The Alaska Student Loan program established in 1971 to provide aid to Alaska residents in the form of low interest loans, is undeniably the most generous such program in the nation. It has provided loans to over 50,000 Alaskans since the inception of the program. It was intended to allow students to leave Alaska to secure an education, and encourage them to return by providing that a portion of the loan would be forgiven for returning and working in the state, which needed trained people in many areas of expertise. Many students in the early days of the program, once they left the state would not return because of lack of opportunities for suitable employment when they returned.

Conditions have changed substantially since then. In a survey done by the Post Secondary Commission of the grant recipients of 1983-84, most students, regardless of whether they had attended school "outside" or not, intended to return to Alaska to live and work for various reasons. Those reasons most often cited by both groups of students were that Alaska was their home and that it provided economic opportunity. Loan forgiveness was not considered a major factor.

The financial climate of the state has changed also. In 1971, Alaskans' incomes ranked fourth in the nation, twenty percent above the per capita national average. Now we rank number one, and our income, per capita, is forty-seven percent above the national average.

There are and will continue to be students in Alaska who will need as much help as we as a state can provide them. In order to help as

many of those needy students as possible, I feel some changes are mandated in the student loan program as it is now constituted.

In this bill, the interest rate on student loans will be raised from its present five percent to eight percent. The rate on defaulted loans will remain the same.

If a student has not applied for admission to the student loan program within six months prior to graduation, or within one year after graduation from high school, the student must show financial need as established by regulation of the Post Secondary Commission. Once a student has applied for a loan, he/she may defer going to school for a cumulative of two years. This allows a student to travel, work one semester while attending school the other, or to respond to some emergency situation that might arise.

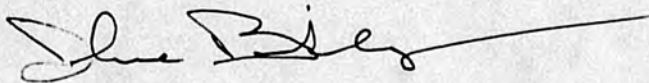
Once students have applied for, and been accepted into the program, they may continue to apply for and receive the loan as long as they remain a full-time student in a career education, associate, baccalaureate or graduate degree program, and will not have to demonstrate need unless they interrupt their studies for more than two cumulative years.

The intent of the change in the statutes is to limit the program to those who are newly graduated as these students usually have not had the opportunity to establish themselves in the work force. It does not seem to be the function of the state to guarantee an education to persons who are financially able to bear the cost of educating themselves.

Eliminating the "forgiveness" portion of the present loan program would allow the Commission to recover more funds that would then be available to provide loans for more Alaskan students, thus assuring that this will truly be a revolving loan program.

I appreciate your consideration of this bill and I will be available to answer questions on it.

Sincerely,



John Binkley
Representative
District 25

Attachments

1. Sectional Analysis House Bill 161
2. Survey of 1983-84 Alaska Student Loan Recipients

SECTIONAL ANALYSIS HOUSE BILL 161

Mary Beth Hilburn

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

Section 1. AS 14.43.120(f) is amended to increase the interest rate on a student loan from five (5) percent to eight (8) percent.

Section 2. AS 14.43.125 (a) is repealed and reenacted changing the eligibility requirements by requiring a student who meets the established criteria for qualifying and desiring a state loan to apply within six months of graduation, or within a year after graduation, or to establish financial need as determined by regulations to be promulgated by the Post Secondary Commission.

Section 3. AS 14.43.125 adds a new subsection (c) which states that a recipient of a loan under (A) may continue without demonstrating need if the recipient does not interrupt the course of study for more than a cumulative of two years.

Section 4. AS 14.43.640(b) inserts some technical changes that clarify the intent of the section.

Section 5. AS 14.43.640 adds a new subsection that keeps the rate of interest on teachers loans at five (5) percent unless that loan is in default, then the interest is ten (10) percent.

Section 6. AS 14.43.120: (j), (o) and (p) of this section are repealed.

(j) is the portion of the statute that "forgives" up to 50% of the loan if the borrower returns to the state as a resident for varying periods of time.

(o) is the portion of the statute that nullifies the "forgiveness" clause if the loan is in default since it will no longer be needed.

(p) sets out the requirements of residency to qualify for "forgiveness" since it will no longer be applicable.

Section 7. Requires students presently receiving a student loan to meet the new qualification standards of initial application, or financial need.



UNIVERSITY OF ALASKA, FAIRBANKS

Fairbanks, Alaska 99701

February 11, 1985

John Hartle
C/O Representative John Sund
Pouch V
Juneau, AK 99811

Dear Mr. Hartle:

Thank you for taking the time to discuss the Alaska Student Loan Program with me. I am currently making the final revisions on the ASUA Alaska Student Loan Position Paper, and will either send you a copy through the mail, or have Ken Knox, my legislative assistant, drop one off to you when he is in Juneau the 12th, 13th and 14th of this month.

I am enclosing a copy of an article taken from The Chronicle of Higher Education as it may be of interest to you. The article discusses the default rates of various loan programs for students.

Once again, thank you for discussing the Alaska Student Loan Program with me.

Sincerely yours,

Darin Hargraves

ASUA Legislative Coordinator

Enclosure

Rate of Default Declines on Loans to Students, Varies Widely Among States

WASHINGTON

Default rates under the Guaranteed Student Loan program vary dramatically from state to state—from a high of 12.8 per cent in the District of Columbia to zero in North Dakota in fiscal 1983. Rates rose in 31 states from 1981 to 1983, but dropped in 17 others, a survey has found.

The default rate is the amount of money owed on delinquent loans divided by the total amount of money loaned.

The overall national default rate decreased from 10.17 per cent in 1981 to 9.16 per cent in 1983, while the dollar volume of loans in default grew 77 per cent, from \$867-million in 1981 to \$1.53-billion in 1983, according to a report by Jerry S. Davis, director of research and policy analysis at the Pennsylvania Higher Education Assistance Agency.

"This increasing default volume was expected, as huge volumes of Guaranteed Student Loans made in fiscal 1979, 1980, and 1981 reached maturity," Mr. Davis said.

Alaska Posts Biggest Decrease

The biggest drop occurred in Alaska, where the default rate went down 5.03 percentage points from 1981 to 1983. States where default rates rose the most in the three-year period include Arizona, California, the District of Columbia, Hawaii, Nebraska, Texas, and West Virginia, with increases ranging from 4 to nearly 13 percentage points.

The survey, which was based on data gathered by the Education Department, is of particular interest because paying off defaults in the Guaranteed Student Loan program costs the government about \$800-million a year.

Budget pressures are forcing increased scrutiny of the causes of, and possible solutions to, the problems of student-loan defaults.

But the survey indicates that the default problem is not as bad as many people believe it to be, said Mr. Davis.

"Discussions of default rates and soaring default volumes and their costs to the Guaranteed Student Loan Program all too often treat these problems as if they were monolithic among all states," he said.

"The default problem is not the same for all states. These differences suggest that remedies for the problem cannot be couched in terms of national or program-wide solutions, but must recognize the different situations among the states," he continued.

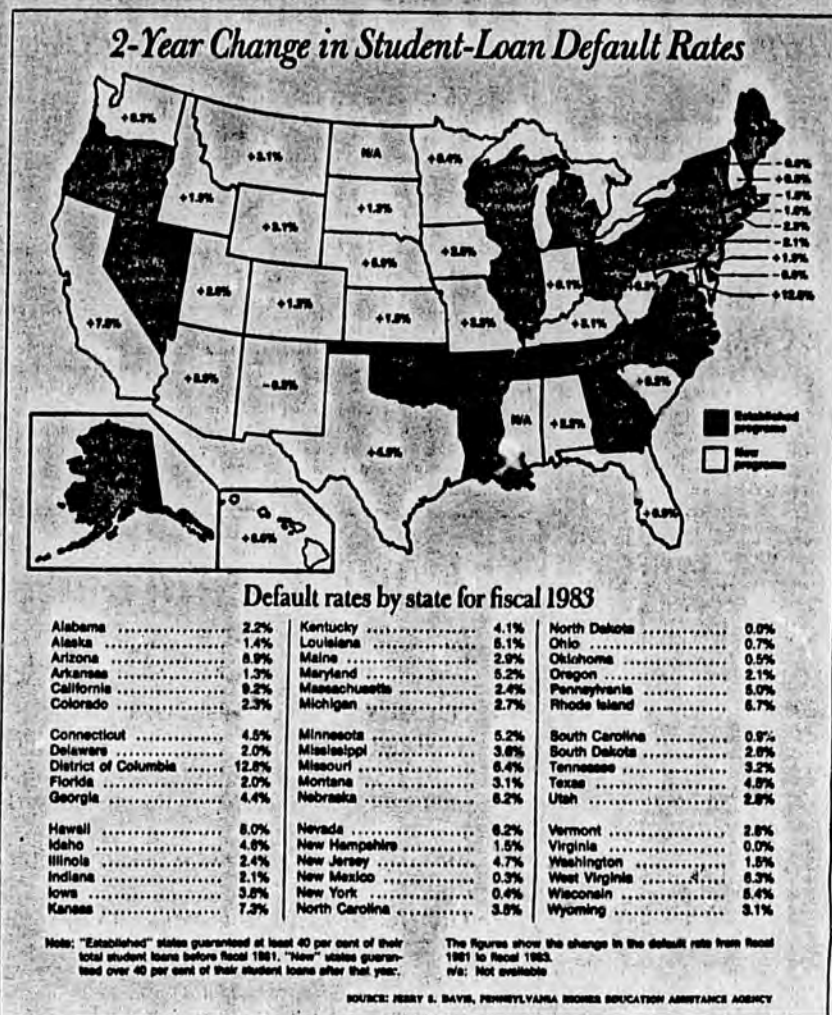
States with long-established student-loan-guarantee agencies generally have better default rates than states with newer agencies. Mr. Davis called agencies "established" if they guaranteed at least 40 per cent of their total loans before fiscal 1981; "new" states guaranteed over 40 per cent since that year.

Default rates dropped in 17 of the 23 states that have "established" guarantee agencies.

Increases in 31 States

State guarantee agencies insure lenders who make Guaranteed Student Loans against default, and the federal government in turn insures state agencies for the loans they back.

Default rates increased in 31 states, largely because they had new



agencies with limited experience insuring student loans, Mr. Davis said.

Mr. Davis said the decline in the overall national default rate was due primarily to lower rates in states that guarantee the largest volumes of loans, including Illinois, Massachu-

setts, New Jersey, New York, and Pennsylvania.

The number and dollar value of loans increased significantly from 1981 to 1983, with a total of \$11.7-billion in such loans made during 1982 and 1983, the report says.

"Thus the recent huge increases in numbers of loan dollars guaranteed and reaching maturity has generated a not unexpected large increase in default loan dollar volumes," Mr. Davis said in his report.

—DONNA ENOELGAU



UNIVERSITY OF ALASKA, FAIRBANKS

Fairbanks, Alaska 99701

A POSITION PAPER: HOUSE BILL NO. 161

As student representatives of the University of Alaska, Fairbanks, the Legislative Council is responsible for bringing the needs of the student body to the state Legislature. An issue of the utmost importance to the students of this university is the introduction of House Bill No. 161, relating to the Alaska Student Loan program. The continuation of the current loan regulations is the primary objective of the Legislative Council this year. We feel we must adamantly oppose this bill for the following reasons:

1. Section (1) of this bill would increase the interest rate of student loans from five to eight percent per year. This in itself is not highly objectionable to the student body, although we are not pleased with the prospect. We do, however, believe that the increased interest rate, when combined with the other proposed changes in this legislation, will place serious financial burdens on many students attending this university. We have no strong objections to the increase in the interest rate to ten percent for defaulters either, but do feel that students intentionally defaulting payment on their student loans will continue to do so, and students in default for financial reasons will only plummet further into debt. We on the Legislative Council do share with the Alaska State Legislature their concerns regarding the default rate of the loan program. We have in the past consistently supported legislation designed to increase the fiscal responsibility of the borrower.

2. Section (2) of this bill would make it mandatory that all loan applicants show financial need to be eligible for an initial student loan. ASUA objects to this because most loan programs base financial need solely upon parental income. Many students with financially secure parents would prefer to put themselves through school, as opposed to having their parents pay their way. These students would be rendered ineligible.

3. Section (5) sets a different rate of interest for rural education loans than for other student loans. This would discriminate against all students not wishing to pursue a career in rural education. We find this unacceptable.

4. Section (6) of this bill repeals the forgiveness clause in the current student loan program. It is this section to which we most strongly object. If passed, this would place a much heavier financial burden upon many students needing the loan to

attend school. The forgiveness clause is the one thing that separates the Alaska program from similar student loan programs in other states. It has attracted many Alaskan students back to the state after graduation. The sponsor's statement that this is indeed occurring is the very reason to maintain the status quo and not abolish this most important clause.

It is our opinion that the rural education loan was created to supplement the current student loan program, not replace it. We simply do not see the advantage in sacrificing the benefits of one loan program for another. The Legislative Council and the student body of the University Alaska, Fairbanks, strongly urge Alaska legislators to seriously consider the objections raised in this document. Again, the continuation of the current student loan program is the primary concern of the council, and most definitely, of students all across the great state of Alaska.

Submitted by: Robert Menard

Governmental relations representative

Student Association for University of Alaska, Anchorage

The intent of House Bill 161 is to put the Post Secondary Commission Student Loan Program on a sound financial basis, making it a truly revolving loan program.

While the intent is courageous and admirable, and while we feel that there is room for adjustments in the program, this bill has some provisions in it which we cannot support.

HB 161 would raise serious questions concerning discrimination between two groups. It divides rural and urban students, and continuing education and "non-traditional" students. For example, HB 161 would raise the interest rate from 5% to 8% for all urban students, but not for rural students. Secondly, the legislation would totally eliminate the forgiveness clause of the program. It does not address the people who are currently involved in the program, and the drastic impact that such a change would cause. Thirdly, the bill would mandate that loan applicants who have been out of high school for more than two years demonstrate financial need. This portion also applies to those who already have student loans--A student who is presently receiving a loan would have to reapply if he or she had been out of high school for more than two years at the time of his or her original application; while continuing

education students (directly from high school to post secondary) would not have to show financial need, resulting in top priority.

We believe the "value" judgements concerning this legislation are totally unethical and undermine the intent and focus of the student loan program. We understand that the House Special Committee on State Loans will be looking at tightening up this program, without in any way destroying its integrity. Creating a strong and fiscally responsible loan program for the future students of tomorrow is the positive direction that the committee should go.

The Student Loan Program is the most generous loan program offered to students in the nation. It is a program that the state should take pride in maintaining and promoting. Due to the ever declining revenues in the state, each program should be evaluated carefully, but due to the current standing of the student loans, many provisions would have a drastic effect on the student's financial burden. A short term remedy for a long term reality would drastically change the educational commitment that the State of Alaska is so proud to support.

Alternatives:

- 1) Forgiveness clause: Implement a reduction of 10% per year over a five year period.
- 2) Interest rates: Compatible with other student loan programs, i.e. 8%.
- 3) Default on loan: The State cannot tolerate persons not responsible for paying back their loan payments. Defaulting on

the loan program is cheating the students of tomorrow of their opportunity for furthering their own dreams of higher education.

Short-term Cuts

After reviewing the Student Loan Program and the effects that HB 161 would have on the program, the Student Body of the University of Alaska-Anchorage is completely opposed to HB 161.

The Student Association of the University of Alaska, Anchorage (SAUAA), recognizes the need for revision of the Alaska Student Loan Program so that it may be available for future generations, but SAUAA completely rejects HB 161 for the following reasons:

- 1- The accessibility of the loan program must not be threatened. The five percent rate of interest encourages many Alaskans to further their educations. A three percent increase would mean on a \$20,000 loan an extra \$27 per month over a 10 year period. The burden of repayment becomes too great. The Postsecondary Education Commission no longer supports this increase and neither do the students of UAA.
- 2- The decrease of the grace period from one year to six months would create unneeded hardships for students. This part of the bill could increase the default rate due to problems encountered directly after graduation. If a student graduates in May, their note would become due in November which is typically a depressed financial time of year. If students take a break in the course of their studies, they will be forced into a repayment schedule. The students should be allowed the time of one year just to get their lives stable after being in school for so long. As many of us know, the federal government loan programs do not endorse six month grace periods either.
- 3- The ramping clause is misleading. It could not only lead to an administrative nightmare, but could lead to massive confusion by the students as well. SAUAA can see no good reason for its inclusion in the bill.
- 4- The Postsecondary Education Commission administers the Alaska Student Loan Program. With the budget cuts to the agency, the staff perform amazingly efficient. The commissioners are prominent, educated

leaders of Alaska. Their expertise and broad experiences should contribute towards a positive direction. On December 14, 1985, The commission passed a regulation that each student recipient of a loan must contribute \$500 to their own education. This will create an additional \$4.3 million into the fund to help other perspective students afford their educations.

We feel the commission has solved the problem Representative Binkley was concerned with in the beginning, the Postsecondary Education Commissioners should be congratulated on their efforts to rescue the Alaska Student Loan Program. Representative Binkley recognized a need and helped stimulate constructive discussions. There is no current need for HB 161 and SAUAA believes it should be taken off the agenda.

ANCHORAGE COMMUNITY COLLEGE STUDENT ASSOCIATION

Resolution No. 86-10
By: Virginia Belknap

OPPOSITION OF HB-161

WHEREAS the proposed changes suggested in HB-161 for the Student Loan Program would have a dramatic effect on the lives of students; and

WHEREAS students have been faced with tuition increases, reduced class time, a cost of living increase, promises of paid parking in the near future; and

WHEREAS the reduction of the grace period from one year to six months would cause financial burdens to the student just entering the work force; and

WHEREAS the U. S. House of Representatives has approved a bill that increases the grace period from six months to nine months for the 5.3 million students who receive guaranteed student loans and other government educational funding and that bill now goes to the U.S. Senate; and

WHEREAS education should be looked on as an investment in the future of our people, not as an expense and burden on society,

BE IT THEREFORE RESOLVED that the Assembly adopt this resolution as an official and formal expression of opposition to HB-161, and

BE IT FURTHER RESOLVED that this resolution be forwarded to the Alaska Legislature, the student member of the Commission on Postsecondary Education, the ASIN representative and other student governments in the state of Alaska.

Bruck Bruckman
Bruck Bruckman, ACCSA President

12/20/85
Date Approved



Anchorage Community College Student Association

2801 PROVIDENCE DRIVE, ANCHORAGE, ALASKA 99508-4670
CAMPUS CENTER ROOM 225, 786-1205 or 786-1220

ANCHORAGE COMMUNITY COLLEGE STUDENT ASSOCIATION

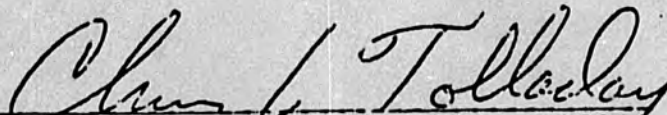
Resolution 85-22
By Chris A. Tolladay

WHEREAS the education of Alaska students is deemed by this assembly to result in a greater potential for return on investment than any other investment currently being considered, and

WHEREAS CS 161 would eliminate the forgiveness clause of the scholarship loan program, thereby increasing the already substantial financial burden placed on Alaska postsecondary students, be it therefore

RESOLVED that this resolution be adopted as an expression of opposition to CS 161. Be it further

RESOLVED that this resolution be forwarded to the House Health, Education, and Social Services Committee, the House Finance Committee, the Anchorage legislative delegation, the Student Regent, the University of Alaska Legislative Liaison, the Alaska Commission on Postsecondary Education, the Statewide Student Information Network, and other student government groups in the state of Alaska.


Chris A. Tolladay, President, ACCSA

22-03-5
Date Approved

STATE OF ALASKA

MEMBER
FINANCE COMMITTEE
SPECIAL COMMITTEE ON FISHERIES



POUCH V
JUNEAU, ALASKA 99811
(907) 485-4737
PO. BOX 1065
BETHEL, ALASKA 99559
(907) 543-2922

REPRESENTATIVE JOHNE BINKLEY

March 25, 1985

Ms. Rebecca Whittlesey
P. O. Box 691
Wrangell, Alaska 99929

Re: House Bill 161 - State Student Loan Program

Dear Ms. Whittlesey:

I was pleased that you took the time to participate in the teleconference on March 12. As a follow-up to the discussions on House Bill 161 I'd like to share just a few comments as to why it is so important that we re-evaluate Student Loan Program regulations now.

The Student Loan Program is the best loan program we have in the State of Alaska today. There is no better way for the State to invest its money than in the education of its people. That is why we must make some changes in the program to protect it for future generations to have the same opportunities. If we don't make changes now to put the program on a sounder financial base it will end up short-funded before too long. All state loan programs this year are looking at reductions in funding, whether or not HB 161 passes, the student loan program included. That will mean that some students who had planned on receiving state student loans may not receive them.

Changes in eligibility requirements would actually work to the benefit of young people just out of high school, like yourself, by giving you first priority regardless of your parents' financial situation. Under the changes I proposed to the regulations you would not have to compete for monies with the older students who have already gone through school and on to good paying jobs and who can truly afford to finance their own education. If choices have to be made, I feel young high school graduates and older students who demonstrate financial need should be given first priority.

March 25, 1985
Page 2

I have received a large number of letters and public opinion messages concerning House Bill 161; I have listened to a substantial amount of testimony at hearings on the bill; I have talked with students on campuses across the State; I have talked with parents; I have talked with many persons who have taken the time to discuss this bill; and I have talked with a number of high school students. Interestingly, it is the high school students who seem to best understand that by making some adjustments in the program regulations now we are in effect strengthening the program and protecting its future.

I thank you for your interest. I hope you will continue to follow House Bill 161 and that you will lend your support to its passage.

Sincerely,

Johne Binkley
Representative

cc: Senator Bob Ziegler
Representative John Sund
Representative Robin Taylor

Ms. Rebecca Whittlesey
P. O. Box 691
Wrangell, Alaska 99929

Mr. Brian Roberts
P. O. Box 1163
Wrangell, Alaska 99929

Ms. Shellie A. Phillips
P. O. Box 1438
Wrangell, Alaska 99929

Ms. Lynda Nore
P. O. Box 366
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Ms. Annette Vincent
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Ms. Renee Sweat
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Wrangell, Alaska 99929

Ms. Tanya Lofftus
P. O. Box 2009
Wrangell, Alaska 99929

Mr. Daniel Jonas
P. O. Box 1288
Wrangell, Alaska 99929

Mr. Gus Brock
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Ms. Tammy Watkins
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Ms. Tiffany Tibbetts
P. O. Box 613
Wrangell, Alaska 99929

Ms. Dorothy Kuntz
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Wrangell, Alaska 99929

Ms. April Oglend
P. O. Box 557
Wrangell, Alaska 99929

Mr. Jay Fitzinger
P. O. Box 1813
Wrangell, Alaska 99929

Ms. Michelle Merritt
P. O. Box 912
Wrangell, Alaska 99929

Mr. Kiply Prescott
P. O. Box 403
Wrangell, Alaska 99929

Mr. Ed Daniels
P. O. Box 1168
Wrangell, Alaska 99929

Ms. LeAnn Joseph
P. O. Box 976
Wrangell, Alaska 99929

Mr. Vern Meissner
P. O. Box 948
Wrangell, Alaska 99929

Mr. Patrick Hartshorn
P. o. Box 735
Wrangell, Alaska 99929

Ms. Brenda Christian
P. O. Box 65
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Ms. DeAnn Churchill
P. O. Box 126
Wrangell, Alaska 99929

Mr. Hoop Wellons
P. O. Box 577
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P. O. Box 855
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Mr. Kevin Fredricksen
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Mr. Karl Hagerman
P. O. Box 214
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Pat Ellis
P. O. Box 1068
Petersburg, Alaska 99833

Mr. Jim Bishop
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Ms. Susan Fryer
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Ms. Diane Otness
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Petersburg, Alaska 99833

Ms. Della Ingle
P. O. box 315
Petersburg, Alaska 99833

Mr. Mike Cottrell
P. O. Box 947
Petersburg, Alaska 99833

Mr. Keith Billi
P. O. Box 1334
Petersburg, Alaska 99833

Mr. Sam Marsh
P. O. Box 606
Petersburg, Alaska 99833

Mr. Kevin Kivisto
P. O. Box 1173
Petersburg, Alaska 99833

Ms. Elisabeth Enge
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Petersburg, Alaska 99833

Mr. Brian Mattson
P. O. Box 1168
Petersburg, Alaska 99833

Ms. Melissa Moss
P. O. Box 165
Petersburg, Alaska 99833

Mr. Ralph Strickland
P. O. Box 1307
Petersburg, Alaska 99833

Mr. Ty Cummins
P. O. Box 1131
Petersburg, Alaska 99833

Mr. Rick Hope
P. O. Box 102
Petersburg, Alaska 99833

Ms. Carol Busby
P. O. Box 5794
Ketchikan, Alaska 99901

Ms. Rhonda Palmer
P. O. Box 6052
Ketchikan, Alaska 99901

Ms. Tina Anderson
P. O. Box 7772
Ketchikan, Alaska 99901

Sacha Kotlarof
507 Cedar
Ketchikan, Alaska 99901

Mr. Jeff Lorton
Rt. 1, Box 306
Ketchikan, Alaska 99901

Ms. Karen Yetka
P. O. Box 928
Ward Cove, Alaska 99928

Ms. Andrea Cusack
P. O. Box 9047
Ketchikan, Alaska 99901

Mr. Will Halstead
P. O. Box 8436
Ketchikan, Alaska 99901

Mr. Tyron Walker
Rt. 1, Box 48
Ketchikan, Alaska 99901

Ms. Jeanne Sande
Rt. 1, Box 1096
Ketchikan, Alaska 99901

letter _____ visit X phone _____ meeting _____ POM _____

DATE: 1/10/86

NAME: Carolyn Minor

SALUTATION: Carolyn

ADDRESS: P.O. Box 9004

PHONE 225-9231

CITY, ZIP: Ketchikan 99901

AGENCY:

OFFICE:

Taken by: Shaw

Assigned to: "

All work completed: ☒

Issue/concern:

Student loan program - appeal to #8161

Action needed:

Letter

Action taken:

Letter written 1/27

ROLLODEX ☒ Filed under Consistent

COMPUTER ☒ Filed under LOANS I

Follow-up letter or phone call: _____

JOHN SUND, REPRESENTATIVE

2505 2nd Avenue
Ketchikan, Alaska 99901
(907) 225-5552

While in Juneau
P. O. Box V
Juneau, Alaska 99811
(907) 465-4919

January 27, 1986

Ms. Carolyn Minor
P.O. Box 9004
Ketchikan, Alaska 99901

Dear Carolyn,

Thanks for stopping in my office earlier this month to discuss the student loan program. I appreciate your concerns.

As you know, House Bill 161 to revamp the student loan program passed out of the House last year and is now in the Senate Health, Education and Social Services Committee. Although I cannot be certain as to what the Senate will do with the bill, I can say with confidence that continuation of the student loan program remains a statewide priority.

Thanks again for your input and feel free to call on me in the future.

Sincerely,



John Sund
Representative

letter____ visit X phone____ meeting____ POM____

DATE: 1/10/86

NAME: Carolyn Minor

SALUTATION: Carolyn

ADDRESS: P.O. Box 7004

PHONE 225-9231

CITY, ZIP: Ketchikan 99901

AGENCY:

OFFICE:

Taken by: Shari

Assigned to: "

All work completed: ☒

Issue/concern:

Student loan program - opposed to HB 161

Action needed:

Letter

Action taken:

Letter written 1/27

ROLLODEX ☒ Filed under Constitution

COMPUTER ☒ Filed under LOANS I

Follow-up letter or phone call: _____

CONTACTS:

COMMENTS:

Name:
Agency:
Office:
Phone:
Address:

Name:
Agency:
Office:
Phone:
Address:

Name:
Agency:
Office:
Phone:
Address:

Additional follow-up required:

JOHN SUND, REPRESENTATIVE

2505 2nd Avenue
Ketchikan, Alaska 99901
(907) 225-5552

While in Juneau
P. O. Box V
Juneau, Alaska 99811
(907) 465-4919

January 27, 1986

Ms. Carolyn Minor
P.O. Box 9004
Ketchikan, Alaska 99901

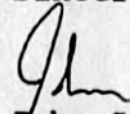
Dear Carolyn,

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As you know, House Bill 161 to revamp the student loan program passed out of the House last year and is now in the Senate Health, Education and Social Services Committee. Although I cannot be certain as to what the Senate will do with the bill, I can say with confidence that continuation of the student loan program remains a statewide priority.

Thanks again for your input and feel free to call on me in the future.

Sincerely,


John Sund
Representative

letter _____ visit X phone _____ meeting _____ POM _____

DATE: 1/10/86

NAME: Richard VanCleave

SALUTATION: Richard

ADDRESS: P.O. Box 9179

PHONE 225-6580

CITY, ZIP: Ketchikan 99901

AGENCY:

OFFICE:

Taken by: Shari

Assigned to:

All work completed: _____

Issue/concern:

Student Loan Program - approved to HB 161

Action needed:

Teacher Scholarship Loan Program info requested - letter

Action taken:

Letter written 1/22

Info requested from student loan program - brochure will be sent when ready (1-2 weeks)

ROLLODEX ✓ Filed under Loans

COMPUTER ✓ Filed under LOANS

Follow-up letter or phone call: _____

CONTACTS:

COMMENTS:

Name:
Agency:
Office:
Phone:
Address:

Name:
Agency:
Office:
Phone:
Address:

Name:
Agency:
Office:
Phone:
Address:

Additional follow-up required:

JOHN SUND, REPRESENTATIVE

2505 2nd Avenue
Ketchikan, Alaska 99901
(907) 225-5552

While in Juneau
P. O. Box V
Juneau, Alaska 99811
(907) 465-4919

January 27, 1986

Mr. Richard VanCleave
P.O. Box 9179
Ketchikan, Alaska 99901

Dear Richard,

Thanks for stopping in my office earlier this month to discuss the student loan program. I appreciate your input.

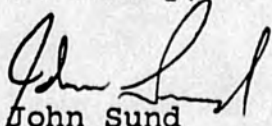
As we discussed, the legislation that addresses the program, House Bill 161, passed out of the House last year after extensive amendments. It is now in the Senate Health, Education and Social Services Committee. I can't say what the Senate will do with the bill, but I can say with some certainty that continuation of the student loan program is a statewide priority.

You also requested information on the teacher scholarship loan program. A new brochure on the program is at the printer and will be forwarded to you when it is ready.

Participation in the program requires an invitation from a school district. If you hope to take advantage of the program soon, it may be worthwhile to begin contacting either the school district from which you graduated or the one in which you hope to work and express your interest.

Let me know if I can help out in any way.

Sincerely,


John Sund
Representative

Plan may foil Kenai fish enhancement project

Associated Press

Kasilof — The U.S. Fish and Wildlife Service may thwart state plans to use hatchery-produced fish to boost red salmon production in the Kasilof River on the Kenai Peninsula.

A soon-to-be-released management plan for the Kenai National Wildlife Refuge prohibits "wilderness" area fishery enhancement projects designed to push salmon production above natural or historic levels.

If that prohibition remains part of the plan, it could end state stocking of Tustumena Lake with hatchery-spawned sockeye fry. Those fry now account for as much as 50 percent

of a growing Kasilof River red salmon run.

The lake was classified a wilderness area in 1980 by Congress.

Federal officials say they fear that continued introduction of hatchery fish will have an adverse effect on wild stocks that spawn in the streams that are part of the Kasilof River system.

The final draft of the refuge management plan is scheduled for release within the next two weeks. After its distribution, state officials will have 60 days to comment. They hope to change the prohibition, but it may be difficult.

"Any enhancement of salmon

in Tustumena Lake has to be at the expense of the natural runs," said Refuge Manager Bob Delaney.

"My job is to protect Tustumena as a living laboratory. I'm more of a guardian than a gardener," he said. "A gardener massages and manipulates the environment to increase production."

But despite misgivings, the federal agency approved and has played a major role in a five-year, experimental stocking program conducted by the state. In 1978, 400,000 fry were released in Tustumena Lake. Last year, the total climbed to more than 15 million.

As a result of the program, more than 14 million stream and hatchery-spawned salmon will leave the Kasilof as smolts this year, said Loren Flagg of the state Department of Fish and Game's Fisheries Rehabilitation, Enhancement and Development Division.

"We feel the (Kasilof River) may be spawning-limited," Flagg said. If so, Tustumena Lake could support far more salmon than the streams that drain into it are capable of producing."

By putting fry in the lake and taking advantage of that excess rearing capacity, salmon production could be boosted far above

the system's natural level, he said.

By monitoring the lake and spawning activity in adjacent streams, biologists can ensure that stocking does not harm the river's natural runs, Flagg said.

The potential dividends are tremendous, he said. If current survival trends continue, more than 1.4 million reds should return to the Kasilof in two to three years.

"The record return was 800,000 so we're looking at almost doubling the largest run ever recorded," Flagg said.

Bob Ochs, manager of the Crooked Creek Hatchery, said he sees the new refuge plan as just

another example of a federal agency denying Alaskans full use of their state's natural resources.

"If we can produce fish without hurting the environment, why not let us do it?" he asked.

For commercial fishermen, the 600,000 additional salmon would be money in the bank, but organized sport fishermen may take a different view.

Large Kasilof River red salmon runs could mean more commercial fishing time on set net sites on the eastern shores of Cook Inlet. That could affect the incidental commercial catch of late-run Kenai River king salmon.

Temper foils robbery

Associated Press

Two armed, masked men fled under a barrage of merchandise hurled by a clerk after the pair tried to rob his convenience store, police said.

When the bandits entered the store late Friday, the clerk, Mark McCoy, 24, was at the rear of the store, police said. McCoy asked if he could help the two, reportedly thinking they were playing a joke.

In response, one of the men brandished a handgun, demanded cash and used his weapon to knock items from a store shelf. The second thief, wielding a knife, stood silently by the front door, police said.

The clerk got angry and started pitching bottles at the two. They immediately dashed out the door, police said, with the clerk in pursuit. He returned to the store to call for help when he remembered one of the

Rural lifestyles ebb in fast-growing Anchorage

by Naomi Klouda
Times Writer

Anchorage Assemblywoman Heather Flynn says it's no longer possible to live the back road country life in Anchorage, and the sooner people realize it the sooner they can settle down to planning a better organized city.

"I sometimes worry we are so busy hanging onto a myth that we won't be able to plan for tomorrow. Not one week goes by that I don't hear the media or some development group marketing the homesteading myth — and I'm not sure that's so honest," Flynn said in a recent interview.

"The rural lifestyle may have existed 20 years ago in Anchorage, but now it would cost a million bucks," said the 17-year Alaskan from Boston.

What is the rural lifestyle? Flynn says it's living in the boondocks with few amenities: A 10 acre spread away from neighbors. It's also lacking city services such as schools, road maintenance and water-sewer hookups.

"The problem is that in the places people think they can live that way — such as the Peters Creek area and on Hillside — it's not possible," Flynn said. "People want the peace and quiet, plus being close to a school, water and sewer systems, and

landowners propose condominium projects and massive subdivisions in undeveloped areas, Flynn said. Assembly members are asked to review between 30 and 40 re-zoning proposals each year. Half of those are fairly large, she said.

"On the one hand you have the landowner-developer who wants to realize profits and thinks he can do what he wants with his land," Flynn said. "On the other hand, you have the people who want to live without being crowded out or having their water-sewer systems threatened."

The problem in many cases boils down to resolving how to get adequate water and sewer hookups. The aquifer in many parts of the Greater Anchorage area cannot sustain increasing numbers of individual septic tanks without damaging water quality. At the same time, there are other areas where it isn't possible to hook up whole subdivisions to one line. "The cost is prohibitive," Flynn said.

Random commercial developments along major roads also dash the hopes for would-be rural neighborhood communities.

"Maybe when we have

created enough disasters like Diamond Boulevard, our tolerance for mixing commercial and residential areas will increase," Flynn said.

Mixing the two is possible if planners nudge the process along through the maze of municipal procedures, she said. Downtown residential areas — sometimes called "yuppie domes" — such as Park Place Condominiums and Cordova Square prove it, Flynn said.

But that sort of planning, called zoning with special limits, requires that developers landscape and buffer residential

buildings from the surrounding commercial areas.

"It's not going to happen overnight, but we can hope for some areas to be straightened out. We're in the middle of re-development now," Flynn said.

"It really comes down to community pride — if people are embarrassed enough they will insist it gets cleaned up," she said. "The attitude that government created it and that government will fix it is hogwash. Personal responsibility has to come in to it."

Sam Man Ahn is making application for a new Restaurant/Eating Place Sec. 04.11.100 liquor license, d/b/a Tokyo Garden located at 930 W. 5th Avenue, Anchorage, Alaska 99501

**Interested persons should submit written comment to their local

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BOOK KEEPING
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THE MUNICIPALITY OF ANCHORAGE
CAREER DEVELOPMENT TRAINING

HB 161
LONG RANGE FISCAL IMPACT

Assumptions

1. Borrowing pattern will not change as a result increased interest or forgiveness elimination.
2. Program growth will follow essentially the same pattern as Alaska's population growth.
3. Repayment patterns will continue essentially as currently experienced.
4. Borrowing averages will continue to rise through 1990 and then will level as a result of loan maximums.
5. All figures are based upon full program funding.

Raising Interest to 8%

<u>Year</u>	<u>New Revenue</u>
FY86	\$ -0-
FY87	-0-
FY88	56.7
FY89	168.9
FY90	349.3
FY91	605.6
FY92	815.1
FY93	967.9
FY94	1,058.4
FY95	1,197.4
FY96	1,309.3
FY97	1,431.8
FY98	1,565.7
FY99	1,712.0
FY2000	1,872.1

Eliminating Forgiveness

<u>Year</u>	<u>Effective FY86</u>	<u>Effective FY91</u>
FY86	\$ -0-	\$ -0-
FY87	-0-	-0-
FY88	473.4	-0-
FY89	1,429.0	-0-
FY90	2,061.0	-0-
FY91	4,767.5	-0-
FY92	5,077.4	-0-
FY93	5,305.8	701.4
FY94	5,661.4	1,924.2
FY95	5,955.8	2,587.6
FY96	6,366.7	5,978.1
FY97	6,519.5	6,486.3
FY98	6,689.0	6,689.0
FY99	7,244.2	7,244.2
FY2000	7,432.5	7,432.5

THE ALASKA STUDENT LOAN PROGRAM

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 postsecondary level. The program has grown from serving just over 1,000 Alaskans in 1971-72, to the current 1984-85 level of serving nearly 17,000 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 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 postsecondary education.

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) am 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, FCCSSB70 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 FCCSSB120, which raised the borrowing maximum 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.

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

STATEMENT ON ALASKA STUDENT LOANS

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 in 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 Student Loan Program. Amendments which restrict access by denying loans to groups of Alaskans, either by design or by default, are vigorously opposed.

Alaska State Legislature

Representative Niilo Koponen

FAIRBANKS
Box 252
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465-4992

MEMORANDUM

TO: Representative Sund
FROM: Representative Niilo Koponen
RE: Student Loans Legislation
DATE: February 5, 1985

You will find a copy of legislation pertaining to the Alaska Student Loan program attached. I intend to introduce this legislation on Friday, February 4. You may wish to co-sponsor this legislation.

This bill deals with two sections of AS 14.43. The first (AS 14.43.120(k)), deals with "Conditions of Loans" - specifically deferral of repayment. The second section (AS 14.43.125) deals with eligibility for the student loan program.

DEFERRAL OF REPAYMENT - This bill defines a maximum length of time (6 years) for which a person can have repayment of their student loan deferred because they are on active duty as a member of the armed forces of the United States.

ELIGIBILITY - Language is added making certain provisions by which a person could have been out of state within the last two years and still be eligible for a student loan. These provisions include required medical care, attendance school outside of Alaska as a fulltime student etc. Currently, military service is the ~~only~~ allowable ~~absence~~.

^{one of only} ^{absences in statute.}

I have included a copy of the referenced existing statutes for your convenience. Please contact my staff person, Lisa McLaren, if you wish to be added as a co-sponsor.



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IN THE HOUSE

BY THE HOUSE SPECIAL
COMMITTEE ON STATE LOANS

CS FOR HOUSE BILL NO. 161 (Loans)

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to student loans; and providing for
an effective date."

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

* Section 1. AS 14.43.120(f) is amended to read:

(f) Interest on a loan given under AS 14.43.090 - 14.43.160 is
at the rate of eight [FIVE] percent a year unless the loan is in
default. Interest on a loan that is in default is 10 percent a year
for the period the loan is in default.

* Sec. 2. AS 14.43.125 is repealed and reenacted to read:

Sec. 14.43.125. ELIGIBILITY OF STUDENTS. (a) A person may
apply for and obtain a scholarship loan if the person

(1) is

(A) enrolled as a full-time student in a career educa-
tion, associate, baccalaureate, or graduate degree program; or

(B) a graduate of a high school or the equivalent, or
scheduled for graduation from a high school within six months,
with sufficient credits to be admitted to a career education
program or to an accredited college or university;

(2) is not delinquent or in default on a previously awarded
scholarship loan; and

(3) is a resident of the state at the time of application
for the loan; for purposes of this section, a person qualifies as a
resident of the state if at the time of application for the loan the
person

1 (A) has been physically present in the state for at
2 least two years immediately before the time of application for
3 the loan;

4 (B) is dependent on a parent or guardian for care, the
5 parent or guardian has been present in the state for at least two
6 years immediately before the time of application for the loan and
7 the person has been present in the state for at least one year of
8 the immediately preceding five years; or

9 (C) has been physically present in the state, or is a
10 dependent of a parent or guardian who has been physically present
11 in the state, for at least two years immediately before the
12 applicant was absent from the state and the absence is due solely
13 to

14 (i) military service;

15 (ii) volunteer service under the Peace Corps Act;

16 (iii) volunteer service under the Domestic Volun-
17 teer Service Act of 1973;

18 (iv) participating in a foreign exchange student
19 program recognized by the commission;

20 (v) attending a school as a full-time student;

21 (vi) full-time employment by the state;

22 (vii) being a member of or employed full-time by
23 the state's congressional delegation;

24 (viii) required medical care for the applicant or
25 the applicant's immediate family; or

26 (ix) being a person who otherwise qualifies as a
27 resident and is accompanying a spouse who qualifies as a
28 resident under (i) - (viii) of this paragraph.

29 (b) A person does not qualify as a resident of the state under

1 this section if the person declares or establishes residence in
2 another state during an absence from Alaska.

3 * Sec. 3. Notwithstanding AS 14.43.120(j), the maximum portion of a
4 scholarship loan that may be repaid by the state is 40 percent for a loan
5 made for the school year beginning in 1986, 30 percent for 1987, 20 percent
6 for 1988, and 10 percent for 1989.

7 * Sec. 4. AS 14.43.120(j), (o), and (p) are repealed.

8 * Sec. 5. Section 4 of this Act takes effect September 1, 1990.

9 * Sec. 6. Sections 1² - 3 of this Act take effect July 1, 1985.
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MEMORANDUM 2/3/83

TO: Rep. Koponen, Rep. Wendte, Minority Caucus members
FROM: Lisa McLaren, Suzanne Mullen
RE: Alaska Student Loan Program

SOME POINTS TO BE CONSIDERED

- * In looking through the statutes, House & Senate Journals, and what committee minutes were available from 1971 when the Alaska Student Loan Program was put into its current form, no intent language could be found. Perhaps creating some intent language for inclusion at the beginning of the statute is in order.
- * The Alaska Student Loan Program is equally accessible to all Alaskans who meet its residency requirements. It affects not only those Alaskans who actually directly use the program, but also their families' well-being. It give young adults the ability to be self-sufficient in obtaining their postsecondary education & training. There is a nationwide trend, duplicated in Alaska, towards the student population becoming older. Currently the average age of someone receiving an Alaska Student Loan is 23.
- * It currently costs the State of Alaska about \$24,500 to keep someone incarcerated in Alaska for a year. In Feb. 1983 Alaska had approximately 1146 persons incarcerated (this figure and the cost figure does not include persons "furloughed" in halfway houses, or in federal institutions in the lower '48. These are an additional 267 persons which AK pays for.) For the State of Alaska to be loaning \$6,000 per person plus administrative costs & interest subsidy could be a very reasonable expenditure for the State to make. It depends in part on what the administrative costs & interest subsidy costs. Those figures should be available in a day or so. The weight may actually fall upon the increasing number of persons seeking that benefit, and whether or not the State has a sufficient pool of funds to have out on loan for such a program and whether or not the State can afford the overall "cost" for a larger number of people.
- * When re-examining the Alaska Student Loan Program, it might be wise to examine the scholarship programs currently in statute. In talking with persons who administer financial aid programs at UAF it sounds as if some of these programs are no longer functioning the way they were intended due to the population growth in the state. A comprehensive system to provide assistance to those seeking postsecondary education and training might prove the most effective and efficient.



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

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(907) 465-3991

May 19, 1983

MEMORANDUM

To: Representative Niilo Koponen

From: Leonard Steinberg, Research Staff *LS.*

Re: Forecasting Student Loan Demand -- Additional information
Research Request 83-157

Attached is a follow-up memorandum from Mr. David Swanson regarding forecasts for student loan demand. Although Mr. Swanson was not able to develop a "life table" type of analysis, his findings led him to ask if the student loan program's participation rate is nearing the saturation point. Furthermore, Mr. Swanson identified the specific types of information that would be necessary to develop a more reliable "life table" type of analysis.

* * * * *

We hope this information is helpful. Please let us know if you would like any additional information.

LS

Attachment

MEMORANDUM

State of Alaska

TO: Leonard Steinberg, Staff Researcher
House Research Agency

DATE: May 16, 1983

FILE NO:

ALC
Thru: Nico Bus, Acting Director
Administrative Services, DOL

TELEPHONE NO: 465-4500

DAS
Thru: Chuck Caldwell, Chief
Research and Analysis, DOL

SUBJECT: Student Loan Information

From: David Swanson, State Demographer
Research and Analysis, DOL

Following an intensive analysis of available data, we offer the following observations on CPE's forecasted number of student loan borrowers.

1. We believe that our preliminary finding (reported in our memo to you on May 12th, 1983) is correct: In order to achieve 24,365 borrowers by 1988-89, substantial increased participation in the loan program would be necessary. Even if our population forecast understates the 1988 population by 100,000 persons, a noticeable increase in participation would still be needed to generate 24,365 borrowers.
2. Is it possible that participation in the student loan program is nearing a "saturation point?" Although the following table (No. 1) presents a rough picture, it shows that in 1982-83, the "crude rate of participation in the student loan program" reached approximate parity with the "crude rate of full-time college participation" found in both Alaska and Washington.

There are several reasons why the participation rate in the student loan program could exceed the rate for full-time participation in public colleges and universities. But will full-time attendance at vocational institutions, in-state private colleges and universities, and public colleges and universities out-of-state be sufficiently high to generate the borrowers by 1988-89 needed to achieve the 24,365 forecasted? Under the Department of Labor forecast of Economic Trends (used in conjunction with our population forecast), the outlook to 1988 shows relatively stable employment with declines occurring only within the construction industry. Under such a scenario, what will generate increased full-time school attendance?

3. After analyzing the data available for forecasting student loan borrowers we found that they were not sufficient to utilize the "life table" approach we desired. Consequently, we are unable to capture some of the dynamics underlying the program that we thought could assist the forecasting process.

Using the data that are available, we can, under different assumptions, generate forecasts that are: less than those generated by CPE; higher than CPE's or about the same as CPE's. The crucial question - assumption - that needs to be answered is the level of participation in the program.

For example, if participation remains constant (29.43 per 1000), a population increase of 71,640 persons between 1982 and 1988 will generate only about 15,670 borrowers in 1988. On the other hand, if the trend in the rate of participation found between 1981 and 1982 (22.74 and 29.43, respectively) continued to 1988, the crude participation rate would be 63.80. At a population increase of 71,640, this would generate 33,970 borrowers. Taking a simple average of these two values, 15,670 and 33,970, would result in 24,823 borrowers in 1988-89.

From the preceding examples, you can see why we believe that the assumption regarding the level of participation is crucial. This relates to the two major points that were made earlier: Given that participation must increase substantially in order to generate 24,365 borrowers by 1988-89, is it likely that it will if the rate of participation is currently reaching a "saturation point?"

4. As mentioned above, the "life table" type of analysis could not be accomplished because the CPE data were insufficient. This type of analysis, which would be very useful in developing a demographic-based forecast system, would require the following:
 - a. Clear identification of first-time borrowers by age, type of program, etc.
 - b. A tracking system to follow each first time borrower, in order to show:
 1. Terminations due to completion of an educational program;
 2. Terminations due to withdrawal before completion; and
 3. Borrowers who may have interrupted periods of attendance in a program.

This type of information system would allow the creation of two important models: one giving the probability of 1st time participants by age, type program, etc.; the other showing flows through the program. Together these could be used with demographic data to help identify the number of people in the population who are eligible, the number using the program, and the number of people in the population who have exhausted benefits and are not part of the group eligible for entry in the program.

TABLE 1

Crude Participation Rate (Per 1000 Persons)

Year	Student Loan Borrowers in Alaska ^{1/}	Public 4 and 2 Year Full-time (10 hours and over) in Alaska ^{2/}	Public 4 and 2 Year Full-time (10 hours and over) in Washington State ^{3/}
1971	3.38	N/A	N/A
1972	5.30	N/A	N/A
1973	4.95	N/A	32.71
1974	4.19	N/A	32.38
1975	4.48	N/A	34.01
1976	4.69	N/A	31.55
1977	5.42	N/A	30.91
1978	6.79	N/A	29.41
1979	9.47	N/A	29.69
1980	15.39	27.74	27.51
1981	22.74	29.82	N/A
1982	29.43	29.03	N/A

Forecast 1983	31.58	N/A	N/A
1984	36.51	N/A	N/A
1985	38.22	N/A	N/A
1986	41.48	N/A	N/A
1987	43.21	N/A	N/A
1988	45.76	N/A	N/A

- 1/ Student loan data are from page 13, "Alaska Student Loans: Background and Discussion Materials for the House Special Committee on State Loans," Alaska Commission on Postsecondary Education (no date). Population data used to compute rates for 1971-82 are from Table II.1 in Alaska Population Overview 1982, Alaska Department of Labor; Population Data for 1983-88 are from a forecast used for the "Plan of Service," Alaska Department of Labor.
- 2/ Statewide University of Alaska data used to develop full-time participation estimates for 1980-82 are from "Summary of closing Fall Semester Credit Enrollment and Credit Hour Data by Institution 1980-82," office of Institutional Planning, University of Alaska, February 25, 1983. These data only displayed total credit enrollment headcount. The full-time (10 or more hours) enrollment headcounts were estimated using data for Washington state, which show headcount enrollment by credits taken. ("Higher Education Enrollment Forecasts for the 1981-83 Biennium Budget, Office of Financial Management, State of Washington, December, 1980).

Approximately 66 percent of all students at four-year public institutions in Washington take 10 or more hours; approximately 33% of all students at two-year public institutions take 10 or more hours. The population data used to develop the rates are from Table II.1, Alaska Population Overview 1982, cited above.

- 3/ The enrollment data for Washington are taken from "Higher Education Enrollment Forecasts for the 1981-83 Biennium Budget, Office of Financial Management, State of Washington, December, 1980. The population data for Washington are taken from Table 12, Population Trends for Washington State, Office of Financial Management, State of Washington, August, 1981.

MEMORANDUM

State of Alaska

TO: Leonard Steinberg, Staff Researcher
House Research Agency

DATE: May 12, 1983

FILE NO:

Thru: Nico Bus, Acting Director
Administrative Services Division

TELEPHONE NO: 465-4500

Thru: Chuck Caldwell, Chief
Research and Analysis

SUBJECT: Progress on Student
Loan Forecast Project

From: David Swanson, State Demographer
Research and Analysis

Here are some preliminary findings from our work on the student loan project. At this point our analysis is incomplete and utilizes some rough approximations but some points worth possible consideration have emerged.

It appears that CPE's forecasted increase in student loan borrowers is primarily due to an implied increase of participation in the program. Using, for example, CPE's forecast of 24,365 by 1988, our analysis shows that if age-specific participation rates remain at the levels reported for 1983, our civilian population forecast will generate only 14,875 borrowers in 1988.

Given that our forecasted civilian population for 1988 is accurate, age-specific participation rates would have to show the following increases by 1988 in order to generate 24,365 borrowers:

Age-specific participation rate of student loan borrowers (Per 1000 civilian persons)

Age	1983	1988	Percent Change 1983-1988
15-19 years	47.24	77.39	63.8%
20-29 years	81.42	133.36	63.8
30-39 years	28.64	46.90	63.8
40-49 years	12.73	20.85	63.8
50-59 years	5.17	8.45	63.4
60 years and over	1.00	1.66	66.0
15 years and over	40.83	65.16	59.6%

Alternatively, if the age-specific participation rates for 1983 remained constant, the implied errors in our forecasted civilian population by age for 1988 would be as follows:

<u>1988 Civilian Population</u>				
<u>Age</u>	<u>DOL Forecast</u>	<u>Implied Under</u>	<u>Implied Error in DOL Forecast</u>	
		<u>CPE Loan Total</u>	<u>Absolute</u>	<u>Percent</u>
15-19 years	34,796	57,007	-22,211	-38.96
20-29 years	115,417	189,044	-73,627	-38.95
30-39 years	99,905	163,617	-63,712	-38.94
40-49 years	60,011	98,272	-38,261	-38.93
50-59 years	34,898	57,060	-22,162	-38.84
60 years and over	28,908	48,000	-19,092	-39.78
15 years and over	373,935	613,000	-239,065	-39.00

Our population forecasts do not provide an error-free description of the actual population that will be in Alaska in the future. Further, we cannot provide an error-free forecast of the participation rates that will occur in the future. However, our initial analysis suggests the following two related points.

1. It may be helpful to use our forecasting procedure as a means of identifying implicit assumptions contained within CPE's forecasts. For example, our analysis strongly indicates that CPE's implicit participation rates will have to increase between now and 1988 to achieve the 24,365 figure even if our forecasted civilian population is increased by over 215,160 persons. The "crude participation" rate needed to generate 24,365 borrowers in 1988 at increasing levels of population illustrates this implicit feature in the CPE forecast:

<u>If Forecasted</u> <u>1988 Population</u> <u>is increased by:</u>	<u>1988 Crude Participation</u> <u>rate needed to generate</u> <u>24,365 borrowers</u>	<u>Difference Between</u> <u>Crude Participation Rate</u> <u>Needed in 1988 and the</u> <u>Current Rate of 40.83</u>
0 persons	65.16	+24.33
23,907 persons	61.24	+20.41
47,812 persons	57.77	+16.94
71,720 persons	54.67	+13.84
95,627 persons	51.89	+11.06
119,533 persons	49.30	+ 8.47
143,440 persons	47.09	+ 6.26
167,346 persons	45.01	+ 4.18
191,253 persons	43.11	+ 2.28
215,160 persons	41.36	+ 0.53

May 12, 1983

In our view it is unlikely that our forecast for 1988 would be in error to the degree indicated by -239,065 civilian persons 15 years and over. To generate these "missing persons" the volume of migration into the state between now and 1988 would have to be over three times the volume experienced during the 5 year period associated with the pipeline boom. On the other hand, our forecast for 1988 could easily understate the population that will be here by 70,000 persons.

2. It may be worthwhile to focus more attention on participation rates. The CPE Methodology for forecasting has inherent assumptions on participation even though participation rates are not explicitly used. Variability in rates used for estimation purposes is generally the primary cause of variation (or error) in the resulting estimates. By explicitly looking at the implied range of participation rates contained within a given CPE forecast and a given population forecast, perhaps a clearer picture of participation and its correlates would emerge.

As stated in the beginning of this memo, our analysis is incomplete. Consequently, no attempt has been made at a detailed description of the conceptual and data problems that could potentially affect our approach to the student loan forecast project. We have developed a list of potential problems and will examine them as work progresses.

We will pursue a course of analysis similar to the one outlined here upon receiving the data that CPE is generating for us. Conceptually, this course will be superior to the "participation rate" analysis but it requires the derivation of additional data -- which may not be available. As we reach either critical or interesting points in our continued work, we will provide you with the results.



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

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March 25, 1983

MEMORANDUM

To: Representative Niilo Koponen
From: Leonard Steinberg, Research Staff *LS*
Re: Cost Breakdown of Student Loans
Research Request 83-114

Lisa McLaren of your office requested information about the subsidy inherent in an Alaska student loan. We were asked to analyze the costs to the State for at least two scenarios: first, a one-time, one-year loan of \$4,500, and second, four consecutive one-year loans of \$4,500. We were also requested to provide a projection of the number of Alaska high school seniors that will attend college in Alaska in the next five years. Last, Ms. McLaren requested information about who receives student loans and how the Commission on Postsecondary Education projects student loan demand.

Findings

A one-time, one-year student loan of \$4,500 at 5 percent interest has a present value cost to the State of \$2,357, not including the cost of forgiveness. The cost can increase up to \$3,064 if the borrower takes advantage of the maximum (50 percent) forgiveness. Four consecutive \$4,500 loans have a present value cost of \$8,367, not including the cost of forgiveness, and up to \$11,923 if the full 50 percent forgiveness allowance is used. The cost of student loans is not as sensitive to repayment interest rates as might be expected because of the high cost of deferring interest and principal repayment. Increasing the interest rate from 5 to 9 percent would save the State approximately \$585 on a 1-year loan and \$2,026 on a 4-year loan, not including the cost of forgiveness. The present value cost of the forgiveness provision is less than the nominal cost because the forgiveness occurs in the future when the value of money is substantially less. For a 1-year loan of \$4,500, eliminating the forgiveness provisions would save the State up to \$707 and for a 4-year loan, would save the State up to \$3,556. However, the cost of student loans is sensitive to market interest rates (which determine the opportunity cost of money) precisely because of the high cost of deferment.

Projecting the number of Alaska high school seniors that will attend college in Alaska during the next five years is difficult because of a lack of adequate data. These projections have not been made by the Department of Education, the Commission on Postsecondary Education, nor the University of Alaska. The Department of Education's Office of Planning and Research recently published projections of the number of Alaska high school seniors through the remainder of the decade, and the Commission on Postsecondary Education annually conducts a survey of Alaska high school seniors that reports the plans of this group for postsecondary education. On the basis of this information, we estimate that between 1,434 and 1,589 Alaska high school seniors will attend college in Alaska in FY 1984, rising to between 1,525 and 2,442 Alaska high school seniors attending college in Alaska in FY 1988.

Student loans are used mostly by undergraduate students in Alaska; in January 1983, the Commission on Postsecondary Education estimated that 49 percent of all student loans in FY83 would go to this group. The Commission's demand projections for student loans are based on correlating the projected number of seniors and the number of individuals in the 18-45 age group with the past demand for student loans, and projecting forward on the basis of the expected number of each group. A comparison of past demand projections and real demand shows that there has been substantial variation between projected and actual demand.

Student Loan Subsidy

Methodology. The cost of a student loan has been determined by using the net present value method of analysis. Other analytical techniques would yield slightly different answers to the question of how much a student loan costs. The net present value form of analysis was chosen specifically because it presents a single figure for the net gain or loss of a stream of benefits and costs over time.

Through discounting, net present value analysis (also known as discounted cash flow analysis) accounts for the fact that a given amount of money today is worth more than that same in future years. The discount rate used is an estimation of how much difference there will be between today's dollars and future dollars. For this analysis we chose a discount rate of 10 percent. The discount rate for any analysis is established by the rate of return which would be obtained by an alternative investment of similar duration and risk. We assumed that funds not spent on the student loan program and not spent on alternative government services would be invested in a low-risk asset such as

Representative Niilo Koponen
March 25, 1983
Page Three

a Treasury Bill. Current yields on 10-15 year Treasury Bills are 10-10.5 percent; as long-term interest rates appear to be declining, we chose to use a discount rate of 10 percent. Changes in long-term interest rates can substantially modify the answers produced by this analysis.

Student loans are generally distributed at the beginning of each academic semester or quarter, not all at once. For this analysis, we assumed that half the money would be distributed in September and half four months later in January. Both interest payments and repayment of principal are deferred during the time a student is in school and for one year thereafter. In analyzing the financial impacts of the forgiveness provisions we assumed that forgiveness will occur by eliminating payments at the end of the repayment period. The Postsecondary Commission has already approved this change from the current method of providing cash rebates throughout the repayment period. New regulations reflecting this change are in the process of being adopted.

The one-time administrative cost for each loan was estimated on the basis of a March 10, 1983 memo (attached as Appendix A) on administrative costs from Dr. Kerry Romesburg, Executive Director of the Commission on Postsecondary Education, to Representative Mae Tischler. According to Dr. Romesburg, the cost of finalizing a loan award in FY 83 is approximately \$84 and the cost of each loan account in repayment is \$89. To determine the cost per loan we summed the appropriate number of loan award costs and loan repayment years for each cost estimate. Depending on the length of the repayment period, the administrative cost per one-year loan is estimated to be between \$978 and \$511. Similarly, the administrative cost for four consecutive loans is estimated to be between \$1,231 and \$784.

The default rate is currently around 9 percent. The cost of collecting on loans in default is included in the administrative costs. Approximately 0.6 percent (\$300,000) of the amount of money that should be in repayment as of March 16 will never be collected because of death, disability, or disappearance of the borrower, and has been written off by the Commission. Loan write-offs, though part of the real cost of a student loan, have not been included in this analysis because of the small cost per loan.

Discussion. The cost of a single \$4,500 student loan at 5 percent is shown in Table 1 below. The first row indicates the total cost to the State under different forgiveness conditions. The remaining rows in the table indicate the breakdown of costs among the different cost components.

As indicated in Table 1, a single \$4,500 loan at 5 percent interest costs the State \$2,357 not including the cost of forgiveness. Forty-two percent of this cost is administrative expenses, 37 percent of the cost is the interest subsidy, and 21 percent of the cost is required to pay for the deferment of interest repayment. The total cost grows to \$3,064 with full 50 percent forgiveness and the relative size of the cost components cited above declines as the forgiveness subsidy rises to 38 percent of the total cost.

Table 1

Present Value Cost Breakdown Of A Single (1-Year) \$4,500 Loan At 5 Percent

Cost Component	No Forgiveness	Amount of Loan Forgiven				
		10%	20%	30%	40%	50%
Total	\$2,357.43 (100%)	\$2,455.40 (100%)	\$2,572.90 (100%)	\$2,711.96 (100%)	\$2,874.85 (100%)	\$3,064.03 (100%)
Admin. Costs	977.68 (42%)	888.34 (36%)	799.00 (31%)	709.66 (26%)	620.32 (22%)	530.98 (17%)
Interest Subsidy	875.33 (37%)	875.33 (36%)	875.33 (34%)	875.33 (32%)	875.33 (30%)	875.33 (29%)
Deferment Subsidy	504.42 (21%)	504.42 (20%)	504.42 (20%)	504.42 (19%)	504.42 (18%)	504.42 (16%)
Forgiveness Subsidy*	0.00 (0%)	187.31 (8%)	394.15 (15%)	622.55 (23%)	874.78 (30%)	1,153.30 (38%)

* Note: Eliminating the forgiveness provisions will not reduce the cost to the State by the full amount of the forgiveness subsidy because of increased administrative costs in handling the loan over a longer period of time.

Table 2 presents the total cost and a breakdown of the cost structure for four consecutive loans of \$4,500 at a 5 percent interest rate. Total costs for four consecutive loans range from \$8,367 with no forgiveness to \$11,923 with full 50 percent forgiveness. With four consecutive loans, the relative importance of the various cost components is different from a single loan; because of the time factor, the deferment subsidy is the most important cost component in every scenario except 50 percent forgiveness.

Table 2

Cost Breakdown Of Four Consecutive \$4,500 Loans At 5 Percent

Cost Component	No Forgiveness	Amount of Loan Forgiven				
		10%	20%	30%	40%	50%
Total	\$8,366.89 (100%)	\$8,930.08 (100%)	\$9,558.11 (100%)	\$10,260.94 (100%)	\$11,046.38 (100%)	\$11,922.98 (100%)
Admin. Costs	1,230.52 (15%)	1,141.18 (13%)	1,051.84 (11%)	962.50 (9%)	873.16 (8%)	783.82 (7%)
Interest Subsidy	3,501.32 (42%)	3,501.32 (39%)	3,501.32 (37%)	3,501.32 (34%)	3,501.32 (32%)	3,501.32 (29%)
Deferment Subsidy	3,635.05 (43%)	3,635.05 (41%)	3,635.05 (38%)	3,635.05 (36%)	3,635.05 (33%)	3,635.05 (30%)
Forgiveness Subsidy*	0.00 (0%)	652.52 (7%)	1,369.90 (14%)	2,162.07 (21%)	3,036.85 (27%)	4,002.84 (34%)

* Note: See note on forgiveness subsidy for Table 1.

In addition to clarifying the relative value of the deferment subsidy, the cost component breakdown also indicates the relative costs of the forgiveness program. However, the savings realized from eliminating the forgiveness program are substantially less than the amount shown as the cost of the forgiveness subsidy. The reason for this difference is that the administrative expenses increase for every year the loan is retained as an account. Loan forgiveness reduces administrative expenses because the number of years in which the account is handled is reduced. For example, 10 percent of a \$4,500 loan is \$450, but eliminating 10 percent forgiveness saves the State \$98, 22 percent of \$450. Eliminating the entire forgiveness program would reduce State costs for a one-time \$4,500, 5 percent interest loan by a present value of \$707 or 23 percent of the \$2,250 being forgiven. For four consecutive \$4,500, 5 percent interest loans, costs to the State could be reduced by \$3,557 or 30 percent of the \$9,000 being forgiven. Table 3, below, shows the real present value savings to the State from eliminating the forgiveness program and the percentage of the nominal amount forgiven that these savings represent.

Table 3

Actual Savings Realized From The Elimination of Forgiveness
 (Percentage of Nominal Amount Forgiven)

Loan	Amount of Loan Forgiven				
	10%	20%	30%	40%	50%
\$4,500 1-Year 5-Percent	\$97.97 (22%)	\$215.47 (24%)	\$354.53 (26%)	\$517.42 (29%)	\$706.60 (31%)
4/\$4,500 Loans (\$18,000) 5-Percent	\$563.19 (31%)	\$1,191.22 (33%)	\$1,894.05 (35%)	\$2,679.49 (37%)	\$3,556.09 (40%)

Tables 4 and 5 illustrate the degree to which the present value cost analysis is sensitive to a change in borrowers' interest rates. Table 4 shows the cost to the State of a one-time, one-year student loan of \$4,500 with borrowers being charged a 9 percent interest rate. The table indicates that raising the interest rate to 9 percent (an 80 percent increase) will reduce the cost to the State of a one-time one-year loan by 25 percent when comparing costs without forgiveness and 12 percent under a 50 percent forgiveness scenario. Table 5 illustrates similar cost reductions for four consecutive \$4,500 loans lent at 9 percent.

Table 4

Cost Breakdown Of A Single (1-Year) \$4,500 Loan At 9 Percent

Cost Component	No Forgiveness	Amount of Loan Forgiven				
		10%	20%	30%	40%	50%
Total	\$1,772.48 (100%)	\$1,906.41 (100%)	\$2,063.61 (100%)	\$2,246.53 (100%)	\$2,457.83 (100%)	\$2,700.48 (100%)
Admin. Costs	977.68 (55%)	888.34 (47%)	799.00 (39%)	709.66 (32%)	620.32 (25%)	530.98 (20%)
Interest Subsidy	179.51 (10%)	179.51 (9%)	179.51 (9%)	179.51 (8%)	179.51 (7%)	179.51 (6%)
Deferment Subsidy	615.29 (35%)	615.29 (32%)	615.29 (30%)	615.29 (27%)	615.29 (25%)	615.29 (23%)
Forgiveness Subsidy	0.00 (0%)	223.27 (12%)	469.81 (23%)	742.07 (33%)	1,042.71 (43%)	1,374.70 (51%)

Dropping the forgiveness program from the one-time \$4,500 loan at 9 percent interest could reduce the cost of the loan by up to \$928.00 or 34 percent. Eliminating the forgiveness program could also reduce the cost of four consecutive \$4,500 loans at 9 percent interest by up to \$4,321 or 41 percent.

Comparisons between Tables 1 and 2 and Tables 4 and 5 also indicate that if the interest rate is raised to 9 percent and the forgiveness provisions are eliminated, costs can be reduced by 42 percent from the most expensive cost of a one-time, one-year \$4,500 loan. Similarly, costs for four consecutive loans at \$4,500 can be reduced by up to 47 percent.

Table 5

Cost Breakdown Of Four Consecutive \$4,500 Loans At 9 Percent

Cost Component	No Forgiveness	Amount of Loan Forgiven				
		10%	20%	30%	40%	50%
Total	\$6,341.04 (100%)	\$7,026.04 (100%)	\$7,791.78 (100%)	\$8,646.70 (100%)	\$9,600.05 (100%)	\$10,662.16 (100%)
Admin. Costs	1,230.52 (20%)	1,141.18 (16%)	1,051.84 (14%)	962.50 (11%)	873.16 (9%)	783.82 (7%)
Interest Subsidy	718.04 (11%)	718.04 (10%)	718.04 (9%)	718.04 (8%)	718.04 (7%)	718.04 (7%)
Deferment Subsidy	4,392.48 (69%)	4,392.48 (63%)	4,392.48 (56%)	4,392.48 (51%)	4,392.48 (46%)	4,392.48 (41%)
Forgiveness Subsidy	0.00 (0%)	774.34 (11%)	1,629.42 (21%)	2,573.68 (30%)	3,616.37 (38%)	4,767.82 (45%)

Representative Niilo Koponen
March 25, 1983
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Student loan costs to the State per dollar loaned decrease as the amount loaned increases. The cost to the State per dollar loaned also decreases as the number of loans granted to the same party increases. Last, the cost to the State per dollar loaned falls as interest rates rise. The first two trends can be explained by the relatively high and constant cost of loan administration. The third trend is solely a function of reducing the level of interest subsidy required.

As of March 3, 1983, 12,827 student loans averaging \$4,415 have been awarded in FY 83. Had these loans averaged \$4,500, and had all borrowers been one-time borrowers, the present value cost to the State of these loans would be \$30,238,755, not including the cost of forgiveness. If the loans averaged 20 percent forgiveness, then the present value cost to the State would rise to \$33,002,588. Had these loans been part of a multi-year lending package, the present value costs to the State would be less.

Alaska High School Senior/College Freshman Projections

As far as we have been able to determine, reliable projections of the number of Alaska high school seniors that will attend college in Alaska have not been made. Consequently, we made our own projections on the basis of the best available information. The accuracy of the data we used to make the estimates below is unknown, but we estimate only a 50 percent level of confidence in the accuracy of these projections. Nevertheless, we feel that the actual number of Alaska high school seniors that will attend college in Alaska lies somewhere in the range of estimates provided below.

Table 6

Estimated Number of Alaska High School Seniors Attending College in Alaska

Fiscal Year	Number of Students
84	1,434 - 1,589
85	1,461 - 1,800
86	1,515 - 2,052
87	1,489 - 2,200
88	1,525 - 2,442

The estimates in Table 6 were based upon two basic sources of information. First, the Department of Education's Office of Planning and Research has recently published a report entitled Enrollment Projections for Alaska Public Schools. The report provides two separate estimates of enrollments in grades K-12 through FY 1989; the first estimate is based on cohort enrollments and the second estimate is based on cohort enrollments and cohort births. Both estimates appear to be simple linear models which do not account for changes in economic conditions and changes in migration patterns. The Office of Planning and Research does not prepare these reports regularly and therefore does not have a history of making these types of projections. Furthermore, it is not possible to check earlier projections to determine whether or not the Office of Planning and Research has been accurate in the past; the Office has prepared only one other report of this type (during the pipeline period) and it was found to be highly inaccurate. The estimates in Table 6 are derived from the cohort enrollment based projections only.

The Alaska Commission on Postsecondary Education conducts a survey of Alaska high school seniors every year which asks, among other things, how many seniors plan to attend college and of those, how many plan to attend in Alaska. The Commission on Postsecondary Education has not conducted a follow-up survey to determine how often high school seniors actually do attend college in Alaska. Moreover, some of the findings of the survey cast doubt on the survey's accuracy. For example, the 1981-82 Survey Report stated that 1,849 seniors intended to attend college or a vocational-technical school after graduation, but 2,576 (727 more) seniors responded to questions about where they intended to attend college or a vocational-technical school.

According to the survey, the portion of high school seniors intending to seek postsecondary education has remained fairly constant at approximately 57 percent during the years 79-80, 80-81, and 81-82. However, the 1981-82 report found that 40.6 percent of high school seniors seeking postsecondary education would do so in Alaska; in 1980-81, 36.5 percent intended to stay in Alaska and in 1979-80, 31 percent had intended to stay in Alaska.

Our estimates in Table 6 are based on the assumption that 56.7 percent of high school seniors will attend postsecondary education after high school. The lower end of our estimate represents a projection based on the 1981-82 finding that 40.6 percent of Alaska high school seniors intended to seek postsecondary education in Alaska. The upper end of our estimate reflects the trend of an increasing percentage of Alaska high school seniors intending to seek postsecondary education in Alaska.

An evaluation of the accuracy of the high school survey in the Anchorage area has been prepared by the Anchorage School District and their information will be forwarded to you as soon as we receive it. Additionally, the University of Alaska is sending information about past enrollments and how many freshmen attended high school in Alaska; this information will also be forwarded to you when it is received.

Student Beneficiaries

The largest single group benefiting from student loans are undergraduates studying in Alaska (about 40 percent). As of January 1983, undergraduates studying in Alaska were expected to receive 54 percent of all undergraduate student loans and 49 percent of all student loans. By the end of the year, these numbers will drop a few percentage points because Alaska students are more likely to drop out of school in mid-year than out-of-state students, but undergraduates in Alaska will remain the single largest group of borrowers. Additionally, the Commission's January data shows that 73 percent of all vocational students with student loans attend school in Alaska, and 26 percent of all graduate students with student loans attend school in Alaska. A copy of the Commission on Postsecondary Education's most recent annual report on student financial aid programs, which contains additional statistical information, is enclosed for your review. Table 7 below describes the beneficiaries by student group as of March 3, 1983.

Table 7

Distribution of 1983 Student Loans by Group
(as of March 3, 1983)

Group	Number	Amount	Average Amount per Loan
Undergraduates	10,125 (79%)	\$42,607,931 (75%)	\$4,208
Vocational	1,560 (12%)	\$7,878,118 (14%)	\$5,050
Graduate	1,142 (9%)	\$6,149,590 (11%)	\$5,384
Total	12,827	\$56,635,639	\$4,415

The trend during recent years has been for an increasing number of student loan borrowers to attend school in Alaska. Table 8 below illustrates the percentage of undergraduate and graduate student loan borrowers who attended colleges in Alaska during the last five fiscal years.

Table 8

Percentage of Student Loan Borrowers Attending in Alaska Schools

Fiscal Year	Undergraduates	Graduates
1979	35%	12%
1980	36%	12%
1981	45%	18%
1982	47%	24%
1983	54%	26%

Student Loan Demand

The Commission on Postsecondary Education projects future student loan demand by correlating the historical demand for student loans with the number of high school seniors and the number of individuals in the 18-45 year age group, and projecting forward on the basis of the expected size of these two groups. The Commission uses the projections of the number of high school seniors developed by the Department of Education in Enrollment Projections for Alaska Public Schools. Similarly, the Commission obtains estimates of expected size of the 18-45 year old age group from the Department of Labor's Alaska Population Overview and Alaska Annual Planning Information.

Representative Niilo Koponen
March 25, 1983
Page Twelve

The Commission's system for projecting demand does not account for changes in economic conditions, the trend toward increasingly older postsecondary students, changes in migration patterns, or changes in the laws and regulations concerning the student loan program. The Commission's demand projections for student loans exceeded actual demand by 33 percent in FY82 and underestimated actual demand by 17 percent in FY83. Attached as Appendix B is a memorandum from Commission Executive Director Dr. Kerry Romesburg comparing the projected demand with actual demand for fiscal years 1971-1984.

* * * * *

We hope this information has been helpful to you. Please let us know if you would like additional information.

LS/sj

Attachments

BILL SHEFFIELD, GOVERNOR

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

POUCH FP
JUNEAU, ALASKA 99811
PHONE: (907) 465-2854M E M O R A N D U M

TO: Representative Mae Tischer
Co-Chairman, House HESS

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

DATE: March 10, 1983

At the recent HESS Committee hearing on HB 56, you requested information on administration costs of student loans. Listed below are the actual costs for FY82 and the budgeted costs for FY83.

	<u>FY82-Actual</u>	<u>FY83 Budgeted</u>
100	\$ 835,400	\$1,467,900
200	11,800	7,800
300	438,500	667,200
400	17,100	19,800
500	<u>80,800</u>	<u>153,000</u>
TOTAL	\$1,383,600	\$2,315,700

In FY82 we made 9,898 finalized loans, and in FY83 we estimate 12,500. At mid-year FY82 we had 8,718 loan accounts in repayment, and at mid-year FY83, we had 14,128 accounts in repayment. Therefore, in FY82 we handled (either in awards or repayment and collections) 18,616 loan accounts, and in FY83, we handled 26,628 loan accounts. Dividing this into the administrative expense, one finds a straight administrative cost in FY82 of \$74.32 per loan account handled, and \$86.96 per loan account handled in FY83.

Pro-rating our administrative expenses between loan awards and loan collections, we can get a better estimate of costs to make loans and costs to collect loans. This break-out includes a lot of estimates and assumptions, but at least it can serve as a guide.

	<u>Awards-82</u>	<u>Repayment-82</u>	<u>Awards-83</u>	<u>Repayment-83</u>
100	\$389,389	\$446,011	\$ 667,842	\$ 800,058
200	5,497	6,303	3,548	4,252
300	244,170	194,330	303,552	363,648
400	7,971	9,129	9,008	10,792
500	<u>37,662</u>	<u>43,138</u>	<u>69,609</u>	<u>83,391</u>
TOTAL	\$684,689	\$698,911	\$1,053,559	\$1,262,141

Memorandum to Representative Mae Tischer
March 9, 1983
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Again, simply dividing by the number of accounts handled, one gets an administrative cost in FY82 of \$69.17 per loan award finalized and \$80.17 per loan account in repayment, and \$84.28 per loan award finalized and \$89.34 per loan account in repayment in FY83.

A third way of looking at administrative cost is to compare it as a percentage of loan volume. Using this approach, in FY82 we find that award administration cost 1.69% of loan award volume, and repayment administration cost 15.31% of loan funds collected and/or forgiven. In FY83, award administration costs 1.87% of loan award volume, and repayment administration cost 17.60% of loan funds collected and/or forgiven. (It should be noted that these percentages already have default totals factored out.)

I am not certain that this is exactly what you were asking for in terms of administrative costs per loan. If not, please let me know and I will re-work the figures.

cc: Representative Terry Martin
Representative Rick Uehling
Representative Walt Furnace

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

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

M E M O R A N D U M

TO: Leonard Steinberg
House Research Agency

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

DATE: March 21, 1983

When we last met, you asked for a five-year history of the "fit" of our projections. I went back through old budget documents and have developed a twelve-year "fit." The two tables enclosed with this memorandum contain the data for number of loans, average loan amounts, and total program cost. Prior to FY77, the estimates were based upon a linear regression model utilizing state population estimates. From FY78 through the present, the estimates are based upon a linear regression model utilizing the state population estimates and the projected high school seniors.

You will note that the newer regression missed pretty badly in FY79 and again in FY81 & 82. In FY79, borrowing amounts were raised from \$2,500 to \$3,000; in FY81, we simply missed (we received an additional \$3,000,000 in a supplemental, which is not reflected in the estimate); and in FY82, borrowing amounts were raised from \$3,000 and \$5,000 to \$6,000 and \$7,000.

Enclosure

YEAR		NUMBER OF LOANS		AVERAGE AMOUNT		TOTAL AMOUNT	
		ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL
FY 71							
FY 72		1,060	1,081	\$ 1,500	\$ 1,483	\$ 1,582,300	\$ 1,603,158
FY 73		1,575	1,742	1,850	1,642	2,910,000	2,870,384
FY 74		1,640	1,665	1,800	1,793	2,952,900	2,986,176
FY 75		1,750	1,457	1,900	1,826	3,322,000	3,659,807
FY 76		1,975	1,719	1,950	1,968	3,850,500	3,382,997
FY 77		2,050	1,921	2,000	2,004	4,100,000	3,850,567
FY 78		2,100	2,265	2,100	2,033	4,420,000	4,604,167
FY 79		2,200	2,795	2,200	2,296	4,840,000	6,416,402
FY 80		3,500	3,718	2,469	2,393	8,641,500	9,373,949
FY 81		4,800	4,460	2,500	2,475	12,000,000	15,957,717
FY 82		6,600	9,898	3,750	4,098	24,750,000	40,559,499
FY 83		15,000	12,834 *	4,250	4,357 *	63,750,000	55,926,813 *
FY 84		15,000	N.A.	4,900	N.A.	73,500,000	N.A.

* AS OF 3-18-83

YEAR		NUMBER OF LOANS		AVERAGE AMOUNT		TOTAL AMOUNT	
		ERROR	%	ERROR	%	ERROR	%
FY 71							
FY 72		21	1.9	\$ (17)	(1.1)	\$ 20,858	1.3
FY 73		173	10.0	(208)	(12.7)	(39,616)	(1.4)
FY 74		25	1.5	(7)	(0.4)	33,276	1.1
FY 75		(293)	(20.1)	(74)	(4.1)	(662,193)	(2.4)
FY 76		(256)	(14.9)	18	9.1	(467,503)	(1.3)
FY 77		(129)	(7.5)	4	0.2	(249,493)	(0.6)
FY 78		165	7.3	(67)	(3.3)	18,4167	4.0
FY 79		595	21.3	96	4.2	1,576,402	24.6
FY 80		418	10.7	(76)	(3.2)	132,449	7.8
FY 81		1,660	25.7	25	1.0	3,957,717	24.8
FY 82		3,298	33.3	348	8.5	15,809,499	39.0
FY 83		(2,166)	(16.9)	107	2.5	(7,823,187)	(14.0)
FY 84		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

REQUEST FOR BIDS TO PROVIDE LOAN SERVICING
FOR THE STUDENT LOAN PROGRAM

- 1.0 PURPOSE OF REQUEST the State of Alaska, the Alaska Commission on Postsecondary Education is soliciting proposals for the servicing of Alaska student loans throughout repayment, deferment, and collection of defaulted accounts.

The State plans to gain current and long-term savings by contracting for the servicing of the repayment and collection functions of the student loan program.

The bids for this servicing should be less than current state costs. The phasing out and elimination of commission staff associated with the loan repayment and collection services and related costs will finalize the cost savings to the state.

2.0 CONSIDERATIONS

- 2.1 This Request for Proposal (RFP) does not in any way commit the State of Alaska or the Alaska Commission on Postsecondary Education to reimburse recipients of this RFP for any costs involved in the preparation and submission of proposals. All materials submitted to the State in response to this RFP will become the property of the State and will not be returned.

2.2 Furthermore, this RFP does not obligate the State of Alaska to accept, or contract for, any services expressed or implied.

2.3 The State of Alaska reserves the right to:

- (a) Request any respondent to clarify their proposal or to supply additional material that is necessary to assist in the contract award.
- (b) Modify or otherwise alter any or all of the requirements of this RFP. If, in the opinion of the State, there is a material requirements modification, all respondents will be given an equal opportunity to modify their proposals in the specific areas designated by the State.
- (c) Reject any or all proposals and specifications received and to waive formality in bidding procedures.
- (d) Require the submission of a reasonable performance bond as a guarantee of project completion.

3.0 QUESTIONS REGARDING THIS RFP

All questions regarding details or scope of this project must be submitted in writing and will be answered in writing. Questions should be addressed to:

Mr. Kevin Hanon

Alaska Commission on Postsecondary Education

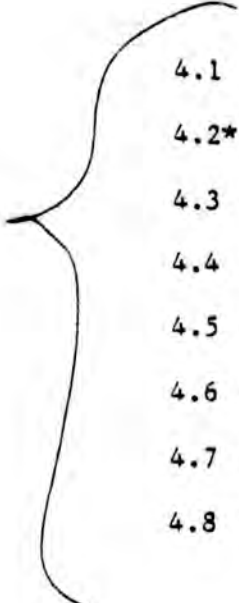
Division of Student Financial Aid

Pouch FP

Juneau, Alaska 99811

Copies of questions and answers will be sent to all firms that receive a copy of the RFP. No questions will be addressed that are received after 4:30 p.m., March 30, 1984.

4.0 PROPOSED PROJECT SCHEDULE



4.1 Request Released	February 28, 1984
4.2* Final Date for Written Questions	March 30, 1984
4.3 Pre-bid Conference	April 11, 1984
4.4 Proposals Due	May 11, 1984
4.5 Vendor Selection	May 25, 1984
4.6 Contract Negotiation	June 8, 1984
4.7 Begin Project Implementation	June 11, 1984
4.8 Assume Loan Servicing	August 20, 1984

*A summary of all written questions received with answers will be sent to all vendors who have indicated interest in responding to this RFP.

5.0 GENERAL INFORMATION

5.1 The Alaska Student Loan Program (ASLP) is administered by the Alaska Commission on Postsecondary Education. The Commission will continue to determine loan eligibility and make loan awards. As of January 9, 1984, there were 20,600 loan accounts in the loan repayment and collections cycle. Of these, 15,327 were current in payments, 1,345 were 30 to 59 days delinquent, 624 were 60 to 89 days delinquent, 420 were 90 to 120 days delinquent, and 2,884 were in default (over 120 days past due and in litigation).

5.2 The ASLP has been experiencing rapid growth over the past five years. Vendors should realize that the service function will be heavily impacted over the next few years as large numbers of accounts enter the repayment cycle. Loan volume history and projections are presented in Appendix B.

5.3 The ASLP has a number of unique features, so it is not a Federal Guaranteed Student Loan Program (GSL). However, one year's worth of loans, 1981-82, was comprised of a combination of ASLP and GSL loans. Therefore, potential vendors must be able to service both types of loans (see summary in Appendix B).

5.4 ASLP loans have been awarded since 1971-72, and loan terms have changed a number of times since the program's inception. The contractor should accommodate loans of variable interest, variable repayment schedules, variable deferment categories, and variable forgiveness rates.

5.5 Loan repayment begins one year after the student ceases to be a full-time student (except federal GSL, which only have a six-month "grace" period).

5.6 Repayment is over a 10-year period with provision to extend to 15 years if necessary. Portfolio also includes some loans (early ASLP) with a 6-year repayment period with extension to 11 years, and Federal GSL loans, which also have a 10-year repayment, but also impose a minimum monthly payment of \$30 per month.

5.7. Interest does not accrue and is not charged while a student is full-time, while in the 12-month grace period (6-month for Federal GSL), while in approved deferments, and while in a 6-month grace period following approved deferments. The exception is on early ASLP loans with 6-year repayment period. With these loans, interest accrues during the "grace year."

5.8 Current loans, including the Federal GSL loans in our portfolio, received up to 50% forgiveness, but some earlier ASLP loans may still only be eligible for up to 40% forgiveness.

5.9 Loans may be partially forgiven if, upon completion of the program of study, the borrower resides in Alaska. That portion, for up to a total of 50% of the total principal and interest, shall accrue as follows:

2-3 years residence, 10%

3-4 years residence, an additional 10%

4-5 years residence, an additional 10%

5-6 years residence, an additional 10%

Over 6 years residence, an additional 10%

Residence must be continuous and must begin within one year of completion of the program.

5.10 Approximately 1 account in 5 applies for and receives forgiveness benefits.

5.11 No portion of the loan receipts including interest, may be withheld in the form of collection or servicing fees; rather, these expenses must be part of the contract to be billed to the Commission.

5.12 Multiple loans may be grouped wherever possible, except in the case of the Federal GSL loans.

5.13 Approximately 98% of all loan payments come through a lock-box arrangement with Alaska Pacific Bank in Anchorage.

5.14 ASLP is currently an on-line automated system tied to the State's mainframe. The ASLP system was developed by Computer Management Services, Inc. (CMSI), which is currently servicing the system. The State's mainframe is described in the following paragraph.

5.15 The Juneau Data Center (JDC) currently operates two IBM 3033 mainframes, referred to as "CPU A" and "CPU B" under VM/SP and OS/MVS, respectively. The Anchorage Data Processing Center operates one IBM 3031 and one 3081 mainframe. System software on CPU A includes VTAM, CMS, and PVM. System software on CPU B includes VTAM, ACF/VTAM, NJE, JES2, NCCF, NPDA, and CICS. A migration of VCNA with all terminals having cross-domain capability is in process. Pertinent applications support software includes, SPM, CMS, LIBRARIAN, VSAM, RAMIS II, ADABAS, NATURAL, ADAMINT, DMS, COBOL, CICS, AMS, VSAM-ASSIST, and BSAM QUICK-INDEX. Numerous other languages and software packages exist.

Vendors desiring technical information concerning current configurations, release levels, or software availability should contact the JDC Customer Services Manager at (907) 465-4801.

It should not be construed that because the State of Alaska currently has a suitable mainframe computer that proposals address this alternative. This is but one variation, and the State encourages innovation and alternative approaches.

5.16 Samples of all current forms and reports can be seen at the Commission's office.

5.17 Appendix B contains information on Repayment and Collection's workloads and a list of printed forms used in servicing loans. Each quantity represents a years supply.

6.0 SCOPE OF WORK

6.1 All loan servicing must include those functions currently handled by the Alaska Commission on Postsecondary Education in the Repayment and Collections sections. This also includes all Memorial Scholarship accounts (see Appendix B for a description).

6.2 An on-going interface must be maintained with the loan awards and microfiche records sections.

6.3 GSL reporting requirements, as prescribed by federal program regulations, must be met.

6.4 The contractor will have full responsibility for borrower
inquires and decisions regarding repayment (including revised
repayment schedules) forgiveness, deferment, and collection
actions and status. Contractor also handles all illegal loans.

6.5 The following management reports must be submitted by the contractor. A copy of each report appears in Appendix B.

- (a) Monthly statement of principal received current month and year-to-date for both federal GSL and state loans.
- (b) Monthly statement of interest received current month and year-to-date for both federal GSL and state loans.
- (c) Monthly statement of both principal and interest forgiven current month and year-to-date for both federal GSL and state loans.
- (d) Monthly past due report listing number of accounts and dollar volume of such accounts current, 30-59 delinquent, 60-89 delinquent, 90-119 delinquent, and 120+ in default (including those in litigation). Report should include default rate as defined by Commission.

(e) Monthly summary of loans in deferment, by deferment status.

(f) Annual summary of repayment account for income tax purposes -- to be mailed to borrower.

(g) Federal GSL Quarterly Reports.

(h) Accounts receivable monthly report.

(i) Periodic death, disability, bankruptcy, and uncollectible accounts report.

(j) Notification of paid-in-full accounts.

6.6 Collection of defaulted accounts (over 120 days past due) must include skiptracing and preparation of court documents for processing by the Office of the Alaska Attorney General. If

repayment on a revised schedule basis is set by the courts, the contractor must service repayment again (usually at 10.5 percent interest).

6.7 In skiptracing, every reasonable effort must be made to locate the borrower.

6.8 Litigation involves preparing all the paperwork (Department of Law supplies stationary for complaint and summons) for complaint and summons and payment for servicing them. Other paperwork or activities include the following:

- (a) Location of and maintaining contact with borrowers.
- (b) Request for default judgment.
- (c) Revised schedules based on default judgment.
- (d) Payment of attorney fees.
- (e) Writ of execution (after contractor locates borrower's assets).
- (f) Processing funds received from court actions.
- (g) Maintain report on status of all borrowers in litigation.
- (h) Dealing with Bankruptcy - Chapters 7 and 11.
- (i) Dealing with Bankruptcy - Chapter 13.

6.9 Recommend to the Commission, loans for write-off after due diligence in collecting loan has been taken and documented in the file.

6.10 Write-off loans due to death of borrower.

6.11 Report to the Credit Bureau all defaulted student loan accounts.

6.12 Successful contractor's activities with regard to servicing the ASLP and appropriate GSL loans in behalf of the Commission must be subject to audit to the satisfaction of the Alaska Division of Legislative Audit.

6.13 A transition plan must be submitted detailing how the transition will be accomplished. Complete takeover is scheduled for August 20, 1984.

7.0 PROPOSAL EVALUATION

7.1 Proposals will be evaluated primarily on the basis of the criteria listed below, although the State reserves the right to consider any other factors which it may consider to be pertinent.

(a) Responsiveness to all items, requests, and requirements contained in this RFP.

(b) Costs quoted and estimated ultimate costs to the State. Future cost increases will only be considered for increases in the volume of loans serviced and increases in

the cost of comparable services. The successful contractor will receive priority consideration at renewal time if his costs have been kept at a reasonable level.

(c) Technical and personal qualifications and related experience of personnel to be assigned. Personal resumes are required.

(d) Qualifications, capability, and experience of the vendor including general management, project management, financial responsibility and stability, willingness to negotiate and cooperativeness.

7.2 All bid responses must be complete and received no later than 5:00 p.m., April 9, 1984. It must address all areas of the proposal and must contain a plan for transition and eventual assumption of full servicing of loans in the repayment/collection cycle.

8.0 MISCELLANEOUS

8.1 Contractors must have a current Alaska State Business License in order to conduct business in Alaska. However, this is not a requirement for submitting a proposal if the proposal contains a declaration of intention to obtain such a license before contract negotiations begin.

- 8.2 The Postsecondary Education Commission will serve as a board of appeal for conflicts which may arise between student loan borrowers and the contractor.
- 8.3 Successful contractor's activities with regard to servicing the ASLP and appropriate GSL loans on behalf of the Commission must be subject to audit by state and federal audit divisions.
- 8.4 This RFP and portions of the vendors proposal will be attached to the negotiated contract and will become part thereof.
- 8.5 A copy of the State of Alaska's Standard Agreement Form for Professional Services Contract is enclosed. The firm selected will be expected to agree to the provisions of the agreement unless deviations are negotiated with the Alaska Commission on Postsecondary Education and approved by the Department of Law.

APPENDIX A

INSURANCE

During the life of this contract, the Contractor shall purchase and maintain insurance with a carrier or carriers satisfactory to the Department of Administration, Division of Risk Management, covering injury to persons or property suffered by the State of Alaska or a third party, as a result of errors or omissions or operations which arise both out of and during the course of this contract by the Contractor or by any subcontractor or anyone directly, or indirectly employed by them. The coverage will also provide protection against injuries by all employees of the Contractor and the employees of any subcontractor engaged in work under this contract. A Certificate of Insurance will be furnished to the Contracting Officer prior to beginning work under this contract. This certificate will show evidence of coverage and provide a written thirty (30) day prior notice to the Contracting Officer, of cancellation, non-renewal or material change. Failure to furnish satisfactory evidence of insurance or lapse of the policy is material breach and grounds for termination of the Contractor's services.

Before performing under this contract, evidence of the following coverages will be provided.

1. Comprehensive General Liability with coverage limits per contract schedule:
 - a. Premises operations
 - b. Independent contractors
 - c. Products/ completed operations
 - d. Blanket contractual
 - e. Personal injury
2. Comprehensive Automobile Liability with coverage limits per contract schedule.
 - a. All owned vehicles
 - b. All hired vehicles
 - c. All non-owned vehicles
3. Professional Liability with Limits per Contract Schedule.
 - a. Coverage for all errors, omissions or negligent acts which the Contractor, employees, or the subcontractors may make which result in financial loss to the State of Alaska.

APPENDIX B

APPENDIX B
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STATE STUDENT LOAN ACTIVITY
Projected to 1989-90
(Current Program)

Year	Loan Awards	Loan Volume	Cumulative Total	Average Loan	Loan Collections	Federal Funds	Forgiveness	General Fund
1971-72	1,081	\$ 1,603,158	\$ 1,603,158	\$1,483	\$ -0-	\$ -0-	\$ -0-	\$ 1,603,158
1972-73	1,748	2,870,384	4,473,542	1,642	-0-	-0-	-0-	2,870,384
1973-74	1,665	2,986,176	7,459,718	1,793	-0-	-0-	-0-	2,986,176
1974-75	1,457	2,659,807	10,119,525	1,826	235,476	-0-	703	2,424,331
1975-76	1,719	3,382,997	13,502,522	1,968	465,530	-0-	44,233	2,977,467
1976-77	1,921	3,850,507	17,353,029	2,004	1,141,461	-0-	64,746	2,709,046
1977-78	2,265	4,604,167	21,957,196	2,033	1,191,851	-0-	314,306	3,412,316
1978-79	2,795	6,416,402	28,373,598	2,296	1,391,643	-0-	445,985	5,024,758
1979-80	3,918	9,373,949	37,747,547	2,393	1,603,436	-0-	409,501	7,770,513
1980-81	6,460	15,957,717	53,705,264	2,475	2,225,388	-0-	555,494	13,732,329
1981-82	9,898	40,559,499	94,264,763	4,098	2,779,900	1,000,000	785,769	36,819,599
1982-83	13,058	55,007,395	149,272,158	4,213	4,609,051	1,200,000	(846,028)	49,198,344
1983-84*	14,800	68,441,895	217,714,053	4,600	7,591,895	850,000	2,311,210	60,000,000
1984-85	16,404	80,379,600	298,093,653	4,900	10,929,389	500,000	3,101,116	68,950,211
1985-86	17,693	99,080,800	397,174,453	5,600	14,755,178	350,000	4,233,108	83,975,622
1986-87	17,894	105,574,600	502,749,053	5,900	19,400,405	225,000	5,604,037	85,949,195
1987-88	17,178	102,209,100	604,958,153	5,950	24,147,464	150,000	7,016,459	77,911,636
1988-89	15,212	90,511,400	695,469,563	5,950	28,447,628	65,000	8,304,299	61,998,772

*1983-84 through 1989-90 are projections

Revised

ALASKA STUDENT LOAN ACTIVITY

ACCOUNTS IN REPAYMENT

<u>Year</u>	<u>Number of Accounts*</u>
1980-81	7,196
1981-82	10,683
<u>1982-83</u>	<u>15,669</u>
1983-84*	20,758
1984-85	26,297
1985-86	31,828
1986-87	37,482
1987-88	43,323
1988-89	49,602

*1983-84 through 1988-89 are projections

Volume of Work

Following is a sample of the volume of work of the Repayment Staff in a week's period:

275	Incoming correspondence
25	Name changes
290	Address changes
165	Incoming LRSR
77	Telephone calls
160	Incoming enrollment certification forms
217	Schedules entered
85	Targets requested from microfiche
70	Revised schedules entered

The following is a sample of the volume of work reviewed and approved by the Repayment Officer and/or Supervisor on a weekly basis:

25	Accounts receivable adjustments
10	Request for copy of cancelled warrant
10	Deferments
15	Corrected schedules calculated
340	Letters to Word Processing
145	Enrollment certifications to Word Processing
18	Payoff figures

Volume of Work

Following is a sample of the volume of work of the Collection Staff in a week's period:

75	Incoming correspondence
4	Name changes
21	Address changes
384	Telephone calls
1	Incoming enrollment certification forms

Following is a sample of the volume of work reviewed and approved by the Collection Officer and/or Supervisor in a week's period (or as otherwise noted):

7	Accounts receivable adjustment
1	Cancelled warrant request
35	Deferment requests
432	Letters to Word Processing
3	Enrollment certifications to Word Processing
5	Payoff figures
1	Default judgment schedules entered (bi-weekly)
1	Request for default judgment (bi-weekly)
1	Bankruptcy Proof of Claim
1	Retained attorney fee

DIVISION OF STUDENT FINANCIAL AID
REPAYMENT/COLLECTION/ACCOUNTING
PRINTED FORMS

FORM NO.	FORM DESCRIPTION	QUANTITY ORDERED	COST	DATE ORDERED
05-001-80SL	Statement of Loan Terms	20,000	1,500.00	10/13/83
05-004-80SL	Loan Recipient Status Report	35,000	8,085.00	11/01/83
05-006-80SL	Long Data Mailer	90,000	7,536.00	08/03/83
05-008-80SL	Short Data Mailer	50,000	2,563.00	06/29/83
05-018-82	Forgiveness Worksheet	4,000	78.00	05/10/82
05-020-82	Forgiveness Information Sheet	5,000	104.00	07/11/83
05-021-82	Forgiveness Application	3,500	80.00	06/17/83
05-023-82	Memorandum to the File	10,000	202.00	10/10/83
05-026-82	Request for Duplicate Fiche	11,500	702.00	07/11/83
05-028-82	Request for Hardcopy	5,000	98.00	12/05/83
05-029-82	Request for Deferment of Payments	2,500	48.00	01/27/83
05-031-82	Request for Unemployment Deferment	5,000	104.00	11/02/82
05-032-82	Letter-Office of the Registrar	2,500	59.00	10/25/83
	Letter-Office of the Registrar(ACC)	2,500	59.00	10/25/83
	Letter-Office of the Registrar(UAF)	2,500	59.00	10/25/83
	Letter-Office of the Registrar(UAA)	2,500	59.00	10/25/83
05-035-82	Request for Reduced Payments	1,000	24.00	08/20/81
05-036-82	Request for Medical Deferment	4,000	86.00	10/27/83
05-037-82	Recap Sheet	5,000	104.00	10/03/83
05-042-82	Forbearance Agreement	1,000	21.00	08/20/81
05-051-82	Revised Schedule Worksheet	5,000	104.00	09/23/82
05-053-82	Notice-Deferment of Loan Payments	6,000	122.00	07/14/83
05-054-82	Memorandum-Subject: Pay-off	4,000	86.00	09/28/82
05-059-82	Address Change	5,000	80.00	10/21/83

FORM NO.	FORM DESCRIPTION	QUANTITY ORDERED	COST	DATE ORDERED
05-060-82	Collections Memorandum	5,000	114.00	12/29/82
05-065-82	Request for copy of Cancelled Treasury Warrant	2,500	59.00	09/28/83
05-067-83	Multiple Accounts Receivable Adjustments	2,500	59.00	09/10/83
05-068-83	Memorandum-Payroll Deduction	250	8.00	03/21/83
05-074-82	Request for Accounts Receivable Adjustment	4,000	86.00	10/28/83
05-075-83	Request for Waiver of State Forgiveness Benefit Requirements	100	4.20	10/05/83
05-076-83	Request for Enrollment Vertification	2,500	59.00	10/24/83
05-077-83	Credit Report	250	8.00	10/28/83
05-078-83	Verification of Student Attendance	2,500	59.00	10/25/83
05-079-83	Application for Reduced Payments	2,000	39.00	10/27/83
N/A	Estimated Repayment Schedule	750	24.00	09/23/83
N/A	Request for Inclusion of Alaska Student Loan Provisions-2-opt.	2,500	59.00	09/23/83
N/A	Request for Inclusion of Alaska Student Loan Provisions-4-opt.	2,500	59.00	09/23/83

VI. GUARANTEED STUDENT LOAN PROGRAM

C. DIFFERENCES IN ADMINISTERING THE GUARANTEED STUDENT LOAN PROGRAM
AND THE ALASKA STUDENT LOAN PROGRAM DURING REPAYMENT STATUS

Summary

The Alaska Student Loan Program (ASLP) has been making student loans since 1971. During the 1980-81 school year the Alaska Student Loan Program qualified as an approved lender under the Guaranteed Student Loan Program, a federally-reinsured student loan program.

During that school year the maximum GSLP undergraduate loan allowable was \$2,500.00 and the maximum ASLP undergraduate loan was \$3,000.00. If the borrower qualified for a \$3,000.00 loan, he was issued a \$2,500.00 GSLP Promissory Note and a \$500.00 ASLP Promissory Note.

During the 1980-81 school year 5,236 borrowers received GSLP loans totaling \$11,556,257 through the Alaska Student Loan Program.

Most borrowers who received GSLP loans during the 1980-81 school year also have received ASLP loans, either during the same year, in prior years or in subsequent years.

Since the laws and regulations governing the GSLP and ASLP programs are slightly different, the loans must be kept separate during the disbursement and repayment process. On the following page is a chart outlining the differences in the two programs which affects the administration of the loans during repayment.

V. C. DIFFERENCES IN ALASKA STUDENT LOAN AND GUARANTEED STUDENT LOAN PROGRAMS

ALASKA STUDENT LOAN PROGRAM
(OI loans)

GUARANTEED STUDENT LOANS
(SI Loans)

Years loans have been made	1971 through the present	1980-81 school year only
Are loans reinsured?	No	Yes, by U.S. Department of Education (USDE), but only death claims are filed.
Annual interest rate	5% while in repayment status. Interest is waived while in school and during periods of deferment.	5% interest billed USDE while in 1st 6 months of grace period and during periods of deferment listed below. (These are considered as 9% loans when billing for special allowance.
Grace period	1) 1 year grace period when borrower ceases to be full-time student 2) 6 month grace period after periods of approved deferment listed below.	1) 6 month grace period when borrower ceases to be a full-time student. However, student receives full year period--during 2nd 6 month period, interest accrued is waived by State. 2) 6 month period after periods of approved deferment.
Allowable periods of deferment of repayment	1) Full-time student status (unlimited) 2) Active duty with U.S. Armed Forces (unlimited) 3) Full-time Peace Corps Volunteer (3 year limit) 4) Full-time Domestic Service Act Volunteer (3 year limit) 5) Unemployment (1 year limit) 6) 50% medical disability 7) Internship/residency (2 year limit)	1) Full-time student status (unlimited). 2) Active duty with U.S. Armed Forces (3 year limit) 3) Full-time Peace Corps Volunteer (3 year limit) 4) Full-time Domestic Service Act Volunteer (3 year limit) 5) Unemployment (1 year limit) 6) Graduate fellowship program (unlimited) 7) Rehabilitation training program (unlimited)
Can borrower qualify for deferment if 120 days or more past due in monthly payments?	Yes	No
Minimum annual payment	None - 10 years to repay	\$360.00 annual payment to principal, plus interest.
When must borrower receive repayment schedule?	Not defined, but borrower is required to notify the ASLP office when he ceases to be a full-time student so that a repayment schedule may be prepared.	150 days prior to the end of the grace period.

REPAYMENT

MEMORIAL SCHOLARSHIP ACCOUNTS

The following memorial scholarship loans are administered by the ASL office.

Michael Murphy Memorial Scholarship loan may be used only to pursue a degree program in an accredited college or university in law enforcement, law, probation and parole, or penology, or closely related fields.

Carroll L. "Butch" Swartz Memorial Scholarship may be used only to pursue a degree program in an accredited college or university in criminal law, criminology, corrections, police science and administration, juvenile justice, or other fields closely related to criminal justice.

Harvey Golub Memorial Scholarship loan may be used only to pursue a degree program in accredited college or university in civil, mechanical, electrical, electronic, petroleum, mining, traffic and transportation, sanitary, chemical or other recognized field of engineering.

Robert C. Thomas Memorial Scholarship loan may be used only to pursue a degree program in an accredited college or university that will lead to a career in education or public administration, or other closely related fields.

These loans are not on the SFAS, but are kept on ledger cards. Once they have entered the repayment cycle they require a monthly review to verify that payments are being made.

These loans are basically subject to the same regulations as ASL accounts with the following exceptions:

- grace year is 6 months
- loan is non-interest bearing
- minimum monthly payments are \$50
- loan must be repaid within 6 years

ALASKA COMMISSION ON POSTSECONDARY EDUCATION
SCHOLARSHIP REVOLVING LOAN FUND
FUND 610
STATEMENT OF REVENUE, EXPENDITURES, AND DISBURSEMENTS
AS OF _____

CASH RECEIPTS

Balance Forward Prior Year			\$ _____
FT _____ Appropriation			_____
Deposit Suspense			_____
Principal Forgiven			_____
Interest Forgiven			_____
Uncollectibles			_____
Principal Received-Previous Report (State)	\$ _____		
Principal Received-Current Month (State)	_____	\$ _____	
Principal Received-Previous Report (Federal)	\$ _____		
Principal Received-Current Month (Federal)	_____	\$ _____	_____
Interest Received-Previous Report (State)	\$ _____		
Interest Received-Current Month (State)	_____	\$ _____	
Interest Received-Previous Report (Federal)	\$ _____		
Interest Received-Current Month (Federal)	_____	\$ _____	_____
TOTAL CASH RECEIPTS AS OF _____			\$ _____

Page 1

EXPENDITURES

Less: Principal Forgiven-Previous Report (State)	\$ _____		
Principal Forgiven-Current Month (State)	_____	\$ _____	
Less: Principal Forgiven-Previous Report (Federal)	\$ _____		
Principal Forgiven-Current Month (Federal)	_____	\$ _____	(_____)
Less: Interest Forgiven-Previous Report (State)	\$ _____		
Interest Forgiven-Current Month (State)	_____	\$ _____	
Less: Interest Forgiven-Previous Report (Federal)	\$ _____		
Interest Forgiven-Current Month (Federal)	_____	\$ _____	(_____)
Less: Uncollectibles (State)		\$ _____	
Uncollectibles (Federal)		_____	(_____)

DISBURSEMENTS

Less: Disbursements-Previous Report (State)	\$ _____		
Disbursements-Current Month (State)	_____	\$ _____	
Less: Disbursements-Previous Report (Federal)	\$ _____		
Disbursements-Current Month (Federal)	_____	\$ _____	(_____)

CASH BALANCE \$ _____

Page 2

EXHIBIT 248

ALASKA COMMISSION ON POSTSECONDARY EDUCATION SCHOLARSHIP REVOLVING LOAN FUND FUND 610 BALANCE SHEET AS OF _____

CASH BALANCE			\$ _____
<u>RECEIVABLES</u> (Loans Outstanding)			
Receivables-From Prior Years (State)	\$ _____		
Receivables-From Current Year (State)	_____	\$ _____	
Receivables-From Prior Years (Federal)	\$ _____		
Receivables-From Current Year (Federal)	_____	\$ _____	_____
 TOTAL ASSETS			\$ _____
 FUND BALANCE			\$ _____

ALASKA COMMISSION ON POSTSECONDARY EDUCATION
MEMORIAL SCHOLARSHIP REVOLVING LOAN FUND

FUND ALL

STATEMENT OF REVENUE, EXPENDITURES, AND DISBURSEMENTS
AS OF _____

CASH RECEIPTS

Balance Forward Prior Year			\$ _____
Principal Forgiven			_____
Uncollectibles			_____
Contributions Received-Previous Report	\$ _____		
Contributions Received-Current Month	_____	\$ _____	
Principal Received-Previous Report	\$ _____		
Principal Received-Current Month	_____	\$ _____	
TOTAL CASH RECEIPTS AS OF _____			\$ _____

EXPENDITURES

Less: Principal Forgiven-Previous Report	\$ _____		
Principal Forgiven-Current Month	_____	\$ _____	
Less: Uncollectibles		\$ _____	(_____)

DISBURSEMENTS

Less: Disbursements-Previous Report	\$ _____		
Disbursements-Current Month	_____	\$ _____	(_____)
CASH BALANCE			\$ _____

EXHIBIT 250

ALASKA COMMISSION ON POSTSECONDARY EDUCATION
MEMORIAL SCHOLARSHIP REVOLVING LOAN FUND

FUND 611

BALANCE SHEET

AS OF _____

CASH BALANCE		\$ _____
<u>RECEIVABLES</u> (Loans Outstanding)		
Receivables-From Prior Years	\$ _____	
Receivables-From Current Year	\$ _____	_____
TOTAL ASSETS		\$ _____
FUND BALANCE		\$ _____

EXHIBIT 251

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

FUND 700

STATEMENT OF REVENUE AND DISBURSEMENTS
AS OF _____CASH RECEIPTS

Balance Forward Prior Year		\$ _____
Current Year Receipts-Previous Report	\$ _____	
Current Year Receipts-Current Month	_____	_____
TOTAL CASH RECEIPTS AS OF _____		\$ _____

DISBURSEMENTS

Less: Current Year Disbursements-Previous Report	\$ _____	
Current Year Disbursements-Current Month	_____	(_____)
FUND BALANCE		\$ _____

[illegible]

EXHIBIT 76

REPORT 201-ES-0090
 PROGRAM ESA-0090 COMPILED 11.09.48
 DATE 11/05/83
 TIME 1:29:29

STATE OF ALASKA: COMPN ON POST SECONDARY EDUCATION
 DIVISION OF STUDENT FINANCIAL AIDS
 STUDENT FINANCIAL AID SYSTEM
 PASTDUE PAYMENT REPORT

PAGE 177

LOAN	CURRENT	REPAYMENT	SCHEDULE	P A S T - D U E	S C	LAST PAYMENT	PAID	D E P E R M E N T	CORRESPONDENCE										
SPX	DATE	PRNCPL	INTRST	TOTAL	PRINCIPAL	INTEREST	10	40	90	120	T O	DATE	AMOUNT	THRU	CODE	BEGIN	END	CODE	DATE
PRECOLLECTIONS ACTIVITY:																			
					NUMBER OF LOANS	ORIGINAL LOAN AMT							CURRENT BALANCE			P A S T D U E PRINCIPAL		A M O U N T INTEREST	
AUTOMATIC TRANSFERS TO PRECOLLECTIONS TODAY				479	1,871,871.41	1,871,871.41							1,871,871.41			1,871,871.41		1,871,871.41	
MANUAL TRANSFERS TO PRECOLLECTIONS LAST MONTH				6	16,293.23	16,293.23							16,293.23			16,293.23		16,293.23	
AUTOMATIC CURES LAST MONTH				183	1,169,758.44	1,169,758.44							1,169,758.44			1,169,758.44		1,169,758.44	
MANUAL CURES LAST MONTH				139	443,469.28	443,469.28							443,469.28			443,469.28		443,469.28	
TRANSFERS TO COLLECTIONS LAST MONTH				19	123,488.72	123,488.72							123,488.72			123,488.72		123,488.72	
TOTAL ACCOUNTS IN PRECOLLECTIONS				1,378	9,719,293.42	9,719,293.42							9,719,293.42			9,719,293.42		9,719,293.42	
COLLECTIONS ACTIVITY:																			
					NUMBER OF LOANS	ORIGINAL LOAN AMT							CURRENT BALANCE			P A S T D U E PRINCIPAL		A M O U N T INTEREST	
TRANSFERS TO COLLECTIONS LAST MONTH				19	123,488.72	123,488.72							123,488.72			123,488.72		123,488.72	
TRANSFERS TO REPAYMENT (CURES) LAST MONTH				19	13,855.31	13,855.31							13,855.31			13,855.31		13,855.31	
TERMINATIONS FROM COLLECTIONS LAST MONTH				1	10,000.00	10,000.00							10,000.00			10,000.00		10,000.00	
TOTAL ACCOUNTS IN COLLECTIONS				410	2,468,137.56	2,468,137.56							2,468,137.56			2,468,137.56		2,468,137.56	
AGED ANALYSIS (ACCOUNTS IN DEPERMENT ARE CURRENT):																			
					NUMBER OF LOANS	ORIGINAL LOAN AMT							CURRENT BALANCE			P A S T D U E PRINCIPAL		A M O U N T INTEREST	
CURRENT				11,194	53,598,312.26	53,598,312.26							53,598,312.26			53,598,312.26		53,598,312.26	
10 TO 39 DAYS				1,498	3,582,244.23	3,582,244.23							3,582,244.23			3,582,244.23		3,582,244.23	
40 TO 59 DAYS				411	1,241,881.53	1,241,881.53							1,241,881.53			1,241,881.53		1,241,881.53	
60 TO 120 DAYS				357	1,241,881.53	1,241,881.53							1,241,881.53			1,241,881.53		1,241,881.53	
PRECOLLECTIONS OVER 120 DAYS				2,428	6,193,723.23	6,193,723.23							6,193,723.23			6,193,723.23		6,193,723.23	
COLLECTIONS OVER 120 DAYS				156	1,412,522.52	1,412,522.52							1,412,522.52			1,412,522.52		1,412,522.52	
EXCLUDING LITIGATION				152	1,412,522.52	1,412,522.52							1,412,522.52			1,412,522.52		1,412,522.52	
LOANS IN LITIGATION				152	1,412,522.52	1,412,522.52							1,412,522.52			1,412,522.52		1,412,522.52	
TOTAL				18,166	68,147,176.18	68,147,176.18							68,147,176.18			68,147,176.18		68,147,176.18	

[illegible]

EXHIBIT 226

REPORT 802-ES-0740
 PROGRAM ESA-0740 COMPILED 13.33.43
 DATE 11/05/83
 TIME 7:48:18

STATE OF ALASKA: COPY ON POST SECONDARY EDUCATION
 DIVISION OF STUDENT FINANCIAL AID
 STUDENT FINANCIAL AID SYSTEM
 STATE FORGIVENESS FOR MONTH ENDING 10/31/83

PAGE 13

LAST NAME	FIRST NAME	ACCOUNT NUMBER	LN	CHL	TRMS	FORGIV CREDIT	FORGIV ADJUST	TOTAL FORGIV	REFUND	REFUND ADJUST	TOTAL REFUND	DATE ENTERED
ZAUGS	LYNDA L.	574188982-01	4TH	832879					67.13		67.13	100683
SUBTOTAL						277.13		277.13	67.13		67.13	
ZDANOVIC	CAROL S.	527829886-01	2ND	101183		118.63		118.63				101183
SUBTOTAL						118.63		118.63				
ZDANOVIC	RICHARD G.	123381844-01	3RD	101183		118.24		118.24				101183
SUBTOTAL						118.24		118.24				
ZIS	MARIE L.	574283757-01	2ND	102183		1,400.84		1,400.84				102483
SUBTOTAL						1,400.84		1,400.84				
ZIMMERMAN	JULIE A.	574548911-01	1ST	101083		89.34		89.34				101083
SUBTOTAL						89.34		89.34				
ZIMMERMAN	JULIE A.	574548911-01	1ST	101083		277.18		277.18				101083
SUBTOTAL						277.18		277.18				

MONTHLY TOTALS

NUMBER LISTED	CHL	FORGIVE	FORGIVE	TOTAL	REFUND	TOTAL
43	1ST	27,994.81	2,588.50	25,373.31	2,141.76	1,453.68
41	2ND	14,513.39	2,103.70	17,449.89	2,281.13	2,381.13
43	3RD	11,744.87	707.84	12,452.71	3.38	3,253.94
41	4TH	12,774.91	767.26	12,487.65	5,283.27	5,283.27
12	5TH	6,473.72	767.26	5,706.46	4,688.72	4,688.72
272	TOTAL	79,788.80	7,368.56	71,838.82	17,497.66	17,497.66

EXHIBIT 114(b)

Alaska Commission on Postsecondary Education
Division of Student Financial Aid

01/21/83

STUDENT ADDRESS

GRUBBS
2328 SEAVIEW APT. 2046
HONOLULU AK 96822

KEVIN E.

ACCT NUMBER

462-06-1913

STATEMENT OF ACCOUNT
FOR THE PERIOD 01/01/1982 THRU 12/31/1982

LOAN NUMBER	46206191301
NUMBER OF PAYMENTS	4
PAYMENT TOTAL	\$128.17
INTEREST PAID	\$27.51
PRINCIPAL PAID	\$100.66
OUTSTANDING PRINCIPAL BALANCE	\$1,624.34

STATEMENT OF ACCOUNT
FOR THE PERIOD 01/01/1982 THRU 12/31/1982

LOAN NUMBER	46206191351
NUMBER OF PAYMENTS	4
PAYMENT TOTAL	\$210.21
INTEREST PAID	\$35.21
PRINCIPAL PAID	\$175.00
OUTSTANDING PRINCIPAL BALANCE	\$2,075.00

THE OUTSTANDING PRINCIPAL BALANCE STATED ABOVE IS NOT A PAYOFF AMOUNT. IT DOES NOT REFLECT INTEREST DUE TO DATE. PLEASE REQUEST THE AMOUNT DUE IF YOU WISH TO PAY YOUR ACCOUNT IN FULL.

ANY QUESTIONS CONCERNING YOUR STUDENT LOAN ACCOUNT(S) SHOULD BE DIRECTED TO THE ALASKA COMMISSION ON POSTSECONDARY EDUCATION, STUDENT FINANCIAL AID OFFICE, P.O. BOX 400, WILLOUGHBY AVENUE, JUNEAU, ALASKA 99811. PLEASE REFERENCE YOUR LOAN NUMBER.

EXHIBIT 265(a)

U.S. DEPARTMENT OF EDUCATION OFFICE OF POSTSECONDARY EDUCATION OFFICE OF STUDENT FINANCIAL ASSISTANCE WASHINGTON, D.C. 20520		GUARANTEE AGENCY QUARTERLY REPORT GUARANTEED EDUCATION LOAN PROGRAM LGS PLUS PROGRAM		FORM APPROVED OMB # 1840-0002 EXPIR. DATE: 12/84	
NAME OF AGENCY		STATE	REPORT FOR QUARTER ENDING		
			MONTH	DAY	YEAR
NAME OF PREPARER		TITLE			
SIGNATURE		DATE PREPARED			
PART A—FUNDS AVAILABLE		CURRENT QUARTER	FEDERAL FISCAL YEAR (CUMULATIVE)	CUMULATIVE SINCE NOV 3 1988	
SECTION 1—SOURCE OF FUNDS					
A-1 INSURANCE PREMIUMS RECEIVED (NET OF REFUNDS)					
A-2 STATE APPROPRIATIONS RECEIVED					
A-3 FEDERAL ADVANCES RECEIVED					
A-4 FEDERAL REINSURANCE PAYMENTS RECEIVED					
A-5 ADMINISTRATIVE COST ALLOWANCE RECEIVED					
A-6 TOTAL COLLECTIONS ON CLAIMS PAID					
A-7 INVESTMENT EARNINGS RECEIVED					
A-8 OTHER NON-FEDERAL SOURCES					
A-9 TOTAL SOURCES (A-1+A-2+A-3+A-4+A-5+A-6+A-7+A-8)					
SECTION 2—USE OF FUNDS					
A-10 TOTAL CLAIMS PAID					
A-11 OPERATING EXPENSES					
A-12 LENDER FEE PAID					
A-13 PORT OF COLLECTIONS ADMITTED TO GO					
A-14 OTHER USES SPECIFY					
A-15 OTHER USES SPECIFY					
A-16 TOTAL USES (A-10+A-11+A-12+A-13+A-14+A-15)					
A-17 EXCESS OF SOURCES OVER USES (A-9)					
A-18 RESERVE RATIO (A-17 ÷ A-9)					
SECTION 3—ADJUSTMENTS (END OF QUARTER)					
A-19 FED REINSURANCE PAYE DUE FROM DE					
A-20 ADMIN COSTS ALLOW DUE FROM DE					
A-21 PORT OF COLLECTIONS DUE TO DE					
A-22 OTHER ADJ. SPECIFY					
A-23 OTHER ADJ. SPECIFY					
A-24 TOTAL ADJUSTMENTS (A-19+A-20+A-21+A-22+A-23)					
A-25 ADJUSTED FUNDS AVAILABLE (A-9-A-24)					

ED 1000-1/1-80

EXHIBIT 265(b)

U.S. DEPARTMENT OF EDUCATION OFFICE OF POSTSECONDARY EDUCATION OFFICE OF STUDENT FINANCIAL ASSISTANCE WASHINGTON, D.C. 20540		GUARANTEE AGENCY QUARTERLY REPORT GUARANTEE STUDENT LOAN PROGRAM		FORM ASSIGNED: GSA # 18-G-3000 REVISED DATE: 12-5-	
NAME OF AGENCY		STATE	REPORT FOR QUARTER ENDING		
			MONTH	DAY	YEAR
PART 5 - OUTSTANDING STUDENT LOANS		PRINCIPAL ONLY			
		CURRENT QUARTER	FEDERAL FISCAL YEAR CUMULATIVE	CUMULATIVE SINCE NOV 1966	
5-1	LOANS GUARANTEED				
5-2	LOANS CANCELLED COMPLETELY				
5-3	LOANS CANCELLED PARTIALLY				
5-4	NET LOANS GUARANTEED (5-1 - 5-2 - 5-3)				
5-5	PRINCIPAL PORTION OF CLAIMS PAID - DEFAULT				
5-6	PRINCIPAL PORTION OF CLAIMS PAID - BANKRUPTCY				
5-7	PRINCIPAL PORTION OF CLAIMS PAID - DEATH & DIS				
5-8	TOTAL PRINCIPAL PORTION OF CLAIMS PAID (5-5 + 5-6 + 5-7)				
5-9	PRINCIPAL REPAID PRIOR TO CLAIM				
5-10a	ADJUSTMENT - PRIN. REPAID AT CONVERSION				
5-10b	ADJUSTMENT - LENDER REPURCHASES				
5-10c	ADJUSTMENT - CAPITALIZED INTEREST				
5-10d	ADJUSTMENT - SPECIFY				
5-11	NET ADJUSTMENT (5-10a - 5-10b - 5-10c - 5-10d)				
5-12	LOANS PAID IN FULL				
5-13	OUTSTANDING LOANS (5-4 - 5-5 - 5-6 - 5-7 - 5-8 - 5-9 - 5-11 - 5-12)				
5-14	INTERIM LOANS (IN SCHOOL AND GRACE)				
5-15	MATURED PAPER (4-14)				
5-16	LOANS IN DEFERMENT				
5-17	LOANS IN REPAYMENT (5-14 - 5-15 - 5-16)				

ED 4230 (3/72)

EXHIBIT 265(c)

U.S. DEPARTMENT OF EDUCATION OFFICE OF POSTSECONDARY EDUCATION OFFICE OF STUDENT FINANCIAL ASSISTANCE WASHINGTON, D.C. 20202		GUARANTEE AGENCY QUARTERLY REPORT GUARANTEED STUDENT LOAN PROGRAM		FORM APPROVED OMB # 1840-0062 EXPIR. DATE: 12/84		
NAME OF AGENCY		STATE	REPORT FOR QUARTER ENDING			
			MONTH	DAY	YEAR	
PART C - STUDENT LOAN PROGRAM OPERATIONS			CURRENT QUARTER	FEDERAL FISCAL YEAR CUMULATIVE	CUMULATIVE SINCE NOV 8 1968	
C1 NUMBER OF BORROWERS						
C2 NUMBER OF REPEAT BORROWERS						
C3 TOTAL NUMBER OF LOANS (NET OF CANCELLATIONS)						
C4 NUMBER OF NONSUBSIDIZED LOANS						
C5 DOLLAR VOLUME OF NONSUBSIDIZED LOANS						
C6 AVERAGE LOAN SIZE (C4 - C)						
C7 NUMBER OF BORROWERS IN INTERIM STATUS						
C8 MATURED PAPER NUMBER OF BORROWERS (1 - 5)						
C9 NUMBER OF PRECLAIMS ASSISTANCE REQUESTS RECEIVED						
C10 NUMBER OF PRECLAIMS ASSISTANCE REQUESTS IN PROGRESS						
C11 NUMBER OF CLAIMS PREVENTED						
C12 CURE RATE (11 - (5-10))						
C13 TOTAL NUMBER ACTIVE LENDERS (PAST FOUR QUARTERS)						
C14 AGENCY FULL TIME EQUIVALENT STAFF (END OF QUARTER)						
LENDER TYPE	LOAN VOLUME (\$)			DEFAULT CLAIMS PAID (\$)		
	CURRENT QUARTER	FEDERAL FISCAL YEAR CUMULATIVE	CUMULATIVE SINCE 1968-69	CURRENT QUARTER	FEDERAL FISCAL YEAR CUMULATIVE	CUMULATIVE SINCE 1968-69
ELIGIBLE SCHOOLS	C-15			C-20		
STATE OR PRIVATE NONPROFIT LENDERS	C-16			C-21		
COMMERCIAL FINANCIAL INSTITUTIONS	C-17			C-22		
ALL OTHER TYPES OF INSTITUTIONS OR AGENCIES	C-18			C-23		
TOTAL	C-19			C-24		

ED 1830 (1/82)

EXHIBIT 265(d)

U.S. DEPARTMENT OF EDUCATION OFFICE OF POSTSECONDARY EDUCATION OFFICE OF STUDENT FINANCIAL ASSISTANCE WASHINGTON, D.C. 20540		GUARANTEE AGENT QUARTERLY REPORT GUARANTEED STUDENT LOAN PROGRAM		FORM APPROVED OMB # 1840-0002 EXPIRY DATE: 12/31/94	
NAME OF AGENCY		STATE	REPORT FOR QUARTER ENDING		
			MONTH	DAY	YEAR
PART 1 - STUDENT LOAN CLAIMS COLLECTIONS AND RATIOS		CURRENT QUARTER	FEDERAL FISCAL YEAR CUMULATIVE	LAST QUARTER	
		NUMBER OF SCARDINIS	AMOUNT	NUMBER OF SCARDINIS	AMOUNT
SECTION 1 - CLAIMS PAID					
0-1 CLAIMS PAID - DEFAULT					
0-2 CLAIMS PAID - BANKRUPTCY					
0-3 CLAIMS PAID - DEATH & DIS					
0-4 TOTAL CLAIMS PAID (1-3)					
SECTION 2 - DOLLARS COLL					
0-5 TOTAL AGENCY EFFORT					
0-6 TOTAL COLL AGENT EFFORT					
0-7 TOTAL COLLECTIONS (5-6)					
END OF QUARTER STATUS					
SECTION 3 - ACCOUNTS CLOSED		NUMBER OF SCARDINIS	AMOUNT PAID AS CLAIM	COLLECTED TO DATE	TOTAL AMOUNT DUE
0-8 DEATH, DISABILITY & BANKRUPTCY					
0-9 WRITTEN OFF					
0-10 PAID IN FULL					
0-11 TOTAL ACCOUNTS CLOSED (8-10)					
SECTION 4 - CURRENT BALANCE					
0-12 ACCOUNTS IN LITIGATION					
0-13 ACCOUNTS IN REPAYMENT					
0-14 REMAINING BALANCE (12-13)					
0-15 EXCLUSIONS					
0-16 UNRESOLVED ACCOUNTS (14-15)					
0-17 TOTAL (12-13-14-15-16)					
0-18 DEPARTMENT COLLECTIONS					
0-19 DEPARTMENT COLLECTIONS					
SECTION 5 - RATIOS					
0-20 DEFAULT CLAIMS RATE		DEFAULT CLAIMS PAID (0-1)	TOTAL CLAIMS PAID (0-4)		
		NAT. REG. FORM 1-10-15			
0-21 LOSS RATE		WRITTEN OFF (0-9)	TOTAL AMOUNT DUE (0-11)		
		NAT. REG. FORM 1-10-15			
0-22 NET DEFAULT RATE		REMAINING BALANCE (0-14)	TOTAL COLLECTIONS (0-7)		
		NAT. REG. FORM 1-10-15			
0-23 RECOVER RATE		TOTAL COLLECTIONS (0-7)	DEFAULT CLAIMS PAID (0-1)		

EXHIBIT 265(e)

U.S. DEPARTMENT OF EDUCATION OFFICE OF POSTSECONDARY EDUCATION OFFICE OF STUDENT FINANCIAL ASSISTANCE WASHINGTON, D.C. 20540		GUARANTEE AGENCY QUARTERLY REPORT GUARANTEED STUDENT LOAN PROGRAM and PLUS Program		Form Approved OMB # 1810-0062 Expir. Date: 12/94	
PART I - REQUEST FOR PAYMENT OF ADMINISTRATIVE COST ALLOWANCE FOR QUARTER ENDING _____		CURRENT QUARTER	FEDERAL FISCAL YEAR CUMULATIVE		
E 1	PRINCIPAL AMOUNT OF LOANS GUARANTEED	1	1		
E 2	TOTAL COLLECTIONS ON CLAIMS PAID TO LENDERS	1	1		
E 3	AMOUNT OF COLLECTIONS RETAINED PURSUANT TO SECTION 432 (b) (3) (A) (i) - COMPLEMENT OF REIMBURSEMENT PERCENTAGE	1	1		
E 4	AMOUNT OF COLLECTIONS RETAINED PURSUANT TO SECTION 432 (b) (3) (A) (ii) - "FIFTY PERCENT DEDUCT"	1	1		
E 5	TOTAL AMOUNT RETAINED (E 3 + E 4)	1	1		
E 6	PORTION OF COLLECTIONS DUE TO OFFICE OF EDUCATION (E 5)	1	1		
E 7	PERCENTAGE RETAINED (E 5 / E 2)	1		1	
E 8	ADMINISTRATIVE COSTS OF PRECLAIMS ASSISTANCE	1	1		
E 9	ADMINISTRATIVE COSTS OF COLLECTIONS	1	1		
E 10	ADMINISTRATIVE COSTS RELATED TO MONITORING ENROLLMENT AND REPAYMENT STATUS	1	1		
E 11	TOTAL COSTS OF PRECLAIMS ASSISTANCE AND COLLECTIONS (E 8 + E 9)	1	1		
E 12	ADMINISTRATIVE COSTS OF PROMOTION OF COMMERCIAL LENDER PARTICIPATION	1	1		
E 13	OTHER ADMINISTRATIVE COSTS RELATED TO THE STUDENT LOAN INSURANCE PROGRAM	1	1		
E 14	TOTAL ADMINISTRATIVE COSTS (E 11 + E 12 + E 13)	1	1		
COMPLETE THIS SECTION ONLY IF APPLYING FOR THE SECONDARY ADMINISTRATIVE COSTS ALLOWANCE		[REDACTED]			
E 15	DATE AGENCY CAME INTO COMPLIANCE WITH SECTION 432 (b) (3) (A) (i)				
E 16	LOANS GUARANTEED SINCE DATE OF COMPLIANCE COMPLETE ONLY IF E 15 IS DURING CURRENT FISCAL YEAR				

"The above data are reported to the Office of the Inspector General and shall not be disclosed to the public without the express approval of the Inspector General. This and subsequent reports to the Office of the Inspector General shall be made to the U.S. Department of Education or other receiving agency at the Federal Government's request and responsibility of this program."

_____ NAME OF AGENT	_____ SIGNATURE OF AGENT
_____ Date	_____ PRINTED NAME AND TITLE OF AGENT

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form is subject to penalties which may include loss of employment under the United States Criminal Code and 18 U.S.C. 1097.

EXHIBIT 265(f)

U.S. DEPARTMENT OF EDUCATION OFFICE OF POSTSECONDARY EDUCATION OFFICE OF STUDENT FINANCIAL ASSISTANCE WASHINGTON, D.C. 20520		GUARANTEE AGENCY QUARTERLY REPORT FORM FGS-200-1000 FEDERAL FUNDING: PARENT LOANS		FORM APPROVAL ONE # 0100-0000 EXPIR. DATE: 12/31	
NAME OF AGENCY		STATE		REPORT FOR QUARTER ENDING	
				MONTH	DAY
				YEAR	
PART F- OUTSTANDING PARENT LOANS (FICS)		PRINCIPAL ONLY			
		CURRENT QUARTER	FEDERAL FISCAL YEAR (CUMULATIVE)	CUMULATIVE SINCE JAN. 1, 1981	
F-1	LOANS GUARANTEED				
F-2	LOANS CANCELLED COMPLETELY				
F-3	LOANS CANCELLED PARTIALLY				
F-4	NET LOANS GUARANTEED (F-1 - F-2 - F-3) (MATURED PAPERS)				
F-5	PRINCIPAL PORTION OF CLAIMS PAID-DEFAULT				
F-6	PRINCIPAL PORTION OF CLAIMS PAID-BANKRUPTCY				
F-7	PRINCIPAL PORTION OF CLAIMS PAID-DEATH & DIS				
F-8	TOTAL PRINCIPAL PORTION OF CLAIMS PAID (F-5 - F-7)				
F-9	PRINCIPAL REPaid PRIOR TO CLAIM				
F-10a	ADJUSTMENT: PRIN. REPaid AT CONVERSION				
F-10b	ADJUSTMENT: LENDER REPURCHASES				
F-10c	ADJUSTMENT: CAPITALIZED INTEREST				
F-10d	ADJUSTMENT: SPECIFY				
F-11	NET ADJUSTMENT (F-10a - F-10d)				
F-12	LOANS PAID IN FULL				
F-13	OUTSTANDING LOANS (F-4 - F-12)				
F-14	LOANS IN DEFERMENT				
F-15	LOANS IN REPAYMENT (F-14)				

ED 0330 (11/82)

EXHIBIT 265(g)

U.S. DEPARTMENT OF EDUCATION OFFICE OF POSTSECONDARY EDUCATION OFFICE OF STUDENT FINANCIAL ASSISTANCE WASHINGTON, D.C. 20540		GUARANTEE AGENT QUARTERLY REPORT PLUS PROGRAM: Parent Loans		FORM APPROVED OMB # 1840-0082 EXPIR. DATE: 12/31	
NAME OF AGENCY		STATE	REPORT FOR QUARTER ENDING		
			MONTH	DAY	YEAR
PART 2 - CLAIMS COLLECTIONS AND RATIOS FOR PARENT LOANS		CURRENT QUARTER	FEDERAL FISCAL YEAR (CUMULATIVE)		CUMULATIVE SINCE JAN 1 1981
		NUMBER OF BORROWERS	AMOUNT	NUMBER OF BORROWERS	AMOUNT
SECTION 1 - CLAIMS PAID					
1-1 CLAIMS PAID - DEFAULT					
1-2 CLAIMS PAID - BANKRUPTCY					
1-3 CLAIMS PAID - DEATH & DIS.					
1-4 TOTAL CLAIMS PAID 1-1+1-2+1-3					
SECTION 2 - DOLLARS COLL.					
2-1 TOTAL AGENCY EFFORT					
2-2 TOTAL COLL. AGENCY EFFORT					
2-3 TOTAL COLLECTIONS 1-4					
END OF QUARTER STATUS					
SECTION 3 - ACCOUNTS CLOSED	NUMBER OF BORROWERS	AMOUNT PAID AS CLAIM	COLLECTED TO DATE	TOTAL AMOUNT DUE	
3-1 DEATH, DISABILITY & BANKRUPTCY					
3-2 WRITTEN OFF					
3-3 PAID IN FULL					
3-4 TOTAL ACCOUNTS CLOSED 3-1+3-2+3-3					
SECTION 4 - CURRENT BALANCE					
4-1 ACCOUNTS IN LITIGATION					
4-2 ACCOUNTS IN REPAYMENT					
4-3 REMAINING BALANCE 4-1+4-2					
4-4 EXCLUSIONS					
4-5 UNRESOLVED ACCOUNTS 4-1+4-2+4-4					
4-6 TOTAL 4-1+4-2+4-4+4-5					
4-7 UNRESOLVED ACCOUNTS 4-5					
SECTION 5 - RATIOS					
5-1 DEFAULT CLAIMS RATE	DEFAULT CLAIMS PAID 1-1	MATURED PAPER 1-1			
5-2 LOSS RATE	WRITTEN OFFS 3-2	MATURED PAPER 3-2			
5-3 NET DEFAULT RATE	REMAINING BALANCE 4-3	MATURED PAPER 4-3			
5-4 RECOVERY RATE	TOTAL COLLECTIONS 2-3	DEFAULT CLAIMS PAID 1-1			

DO 1000 1-1-81

EXHIBIT 265(h)

U.S. DEPARTMENT OF EDUCATION OFFICE OF POSTSECONDARY EDUCATION OFFICE OF STUDENT FINANCIAL ASSISTANCE WASHINGTON, D.C. 20520		GUARANTEE AGENCY QUARTERLY REPORT FISCAL PROGRAM: STUDENT LOANS		FORM APPROVED OMB # 1840-0700 EXPIRY DATE: 12/31	
NAME OF AGENCY		STATE	REPORT FOR QUARTER ENDING		
			MONTH	DAY	YEAR
PART I - OUTSTANDING STUDENT LOANS (FUND)		PRINCIPAL ONLY			
		CURRENT QUARTER	FEDERAL FISCAL YEAR (CUMULATIVE)	CUMULATIVE SINCE JAN. 1, 1981	
E 1	LOANS GUARANTEED				
E 2	LOANS CANCELLED COMPLETELY				
E 3	LOANS CANCELLED PARTIAL				
E 4	NET LOANS GUARANTEED (E 1 - E 2 - E 3)				
E 5	PRINCIPAL PORTION OF CLAIMS PAID-DEFAULT				
E 6	PRINCIPAL PORTION OF CLAIMS PAID-BANKRUPTCY				
E 7	PRINCIPAL PORTION OF CLAIMS PAID-DEATH & DIS				
E 8	TOTAL PRINCIPAL PORTION OF CLAIMS PAID (E 5 - E 7)				
E 9	PRINCIPAL REPAID PRIOR TO CLAIM				
E 10	ADJUSTMENT PRIN. REPAID AT CONVERSION				
E 11	ADJUSTMENT LENDER REPURCHASES				
E 12	ADJUSTMENT CAPITALIZED INTEREST				
E 13	ADJUSTMENT SPECIFY				
E 14	NET ADJUSTMENT (E 10 - E 13)				
E 15	LOANS PAID IN FULL				
E 16	OUTSTANDING LOANS (E 4 - E 15)				
E 17	LOANS IN DEFAULT				
E 18	LOANS IN REPAYMENT (E 16 - E 17)				
DO NOT WRITE IN THESE SPACES					

1. NAME OF THE PERSON		2. DATE OF BIRTH		3. PLACE OF BIRTH		4. DATE OF DEATH		5. PLACE OF DEATH	
6. OCCUPATION		7. EDUCATION		8. RELIGION		9. POLITICAL AFFILIATION		10. SOCIAL CLASS	
11. MARITAL STATUS		12. NUMBER OF CHILDREN		13. DATE OF MARRIAGE		14. DATE OF DIVORCE		15. DATE OF REMARRIAGE	
16. CURRENT ADDRESS		17. PREVIOUS ADDRESSES		18. DATE OF ENTRY INTO THE COUNTRY		19. DATE OF EXIT FROM THE COUNTRY		20. DATE OF REENTRY INTO THE COUNTRY	
21. CURRENT EMPLOYER		22. PREVIOUS EMPLOYERS		23. DATE OF ENTRY INTO THE COUNTRY		24. DATE OF EXIT FROM THE COUNTRY		25. DATE OF REENTRY INTO THE COUNTRY	
26. CURRENT EMPLOYER		27. PREVIOUS EMPLOYERS		28. DATE OF ENTRY INTO THE COUNTRY		29. DATE OF EXIT FROM THE COUNTRY		30. DATE OF REENTRY INTO THE COUNTRY	
31. CURRENT EMPLOYER		32. PREVIOUS EMPLOYERS		33. DATE OF ENTRY INTO THE COUNTRY		34. DATE OF EXIT FROM THE COUNTRY		35. DATE OF REENTRY INTO THE COUNTRY	
36. CURRENT EMPLOYER		37. PREVIOUS EMPLOYERS		38. DATE OF ENTRY INTO THE COUNTRY		39. DATE OF EXIT FROM THE COUNTRY		40. DATE OF REENTRY INTO THE COUNTRY	
41. CURRENT EMPLOYER		42. PREVIOUS EMPLOYERS		43. DATE OF ENTRY INTO THE COUNTRY		44. DATE OF EXIT FROM THE COUNTRY		45. DATE OF REENTRY INTO THE COUNTRY	
46. CURRENT EMPLOYER		47. PREVIOUS EMPLOYERS		48. DATE OF ENTRY INTO THE COUNTRY		49. DATE OF EXIT FROM THE COUNTRY		50. DATE OF REENTRY INTO THE COUNTRY	
51. CURRENT EMPLOYER		52. PREVIOUS EMPLOYERS		53. DATE OF ENTRY INTO THE COUNTRY		54. DATE OF EXIT FROM THE COUNTRY		55. DATE OF REENTRY INTO THE COUNTRY	
56. CURRENT EMPLOYER		57. PREVIOUS EMPLOYERS		58. DATE OF ENTRY INTO THE COUNTRY		59. DATE OF EXIT FROM THE COUNTRY		60. DATE OF REENTRY INTO THE COUNTRY	
61. CURRENT EMPLOYER		62. PREVIOUS EMPLOYERS		63. DATE OF ENTRY INTO THE COUNTRY		64. DATE OF EXIT FROM THE COUNTRY		65. DATE OF REENTRY INTO THE COUNTRY	
66. CURRENT EMPLOYER		67. PREVIOUS EMPLOYERS		68. DATE OF ENTRY INTO THE COUNTRY		69. DATE OF EXIT FROM THE COUNTRY		70. DATE OF REENTRY INTO THE COUNTRY	
71. CURRENT EMPLOYER		72. PREVIOUS EMPLOYERS		73. DATE OF ENTRY INTO THE COUNTRY		74. DATE OF EXIT FROM THE COUNTRY		75. DATE OF REENTRY INTO THE COUNTRY	
76. CURRENT EMPLOYER		77. PREVIOUS EMPLOYERS		78. DATE OF ENTRY INTO THE COUNTRY		79. DATE OF EXIT FROM THE COUNTRY		80. DATE OF REENTRY INTO THE COUNTRY	
81. CURRENT EMPLOYER		82. PREVIOUS EMPLOYERS		83. DATE OF ENTRY INTO THE COUNTRY		84. DATE OF EXIT FROM THE COUNTRY		85. DATE OF REENTRY INTO THE COUNTRY	
86. CURRENT EMPLOYER		87. PREVIOUS EMPLOYERS		88. DATE OF ENTRY INTO THE COUNTRY		89. DATE OF EXIT FROM THE COUNTRY		90. DATE OF REENTRY INTO THE COUNTRY	
91. CURRENT EMPLOYER		92. PREVIOUS EMPLOYERS		93. DATE OF ENTRY INTO THE COUNTRY		94. DATE OF EXIT FROM THE COUNTRY		95. DATE OF REENTRY INTO THE COUNTRY	
96. CURRENT EMPLOYER		97. PREVIOUS EMPLOYERS		98. DATE OF ENTRY INTO THE COUNTRY		99. DATE OF EXIT FROM THE COUNTRY		100. DATE OF REENTRY INTO THE COUNTRY	

EXHIBIT 265(j)

U.S. DEPARTMENT OF EDUCATION OFFICE OF POSTSECONDARY EDUCATION OFFICE OF STUDENT FINANCIAL ASSISTANCE WASHINGTON, D.C. 20540		GUARANTEE AGENT QUARTERLY REPORT PLUS FISCAL YEAR PARENT LOANS AND STUDENT LOANS		DATE APPROVED: DATE 12-30-1982 (INITIALS, DATE) 12/30	
NAME OF AGENCY		STATE	REPORT FOR QUARTER ENDING		
			MONTH	DAY	YEAR
PART J - PARENT LOANS AND STUDENT LOANS PROGRAM OPERATIONS			CURRENT QUARTER	FEDERAL FISCAL YEAR CUMULATIVE	CUMULATIVE SINCE JAN 1 1981
J-1 NUMBER OF BORROWERS					
J-2 NUMBER OF REPEAT BORROWERS					
J-3 NUMBER OF LOANS					
J-4 NUMBER OF STUDENTS					
J-5 AVERAGE LOAN SIZE $(J-3 \div J-4)$					
J-6 AVERAGE INTERESTNESS $(J-3 \div J-4)$					
J-7 NUMBER OF PRECLAIMS ASSISTANCE REQUEST RECEIVED					
J-8 NUMBER OF PRECLAIMS ASSISTANCE REQUEST IN PROCESS					
J-9 NUMBER OF CLAIMS PREVENTED					
J-10 CURE RATE $(J-9 \div J-8)$					
J-11 TOTAL NUMBER ACTIVE LENDERS (PART FOUR QUARTERS)					
LENDER TYPE	LOAN VOLUME (\$)			DEFAULT CLAIMS PAID (\$)	
	CURRENT QUARTER	FEDERAL FISCAL YEAR CUMULATIVE	CUMULATIVE SINCE JAN 1 1981	CURRENT QUARTER	FEDERAL FISCAL YEAR CUMULATIVE
EDUCATIONAL SCHOOLS	J-12			J-13	
STATE OR PRIVATE NON-PROFIT LENDERS	J-14			J-15	
COMMERCIAL FINANCIAL INSTITUTIONS	J-16			J-17	
ALL OTHER TYPES OF INSTITUTIONS OR AGENCIES	J-18			J-19	
TOTAL	J-20			J-21	

ED 1000 2-10

STATE OF ALASKA: COMM ON POST SECONDARY EDUCATION									
DIVISION OF STUDENT FINANCIAL AID									
STUDENT FINANCIAL AID SYSTEM									
FEDERAL LOANS OUTSTANDING 4/30/83									
INTERIM LOANS - IN SCHOOL/GRACE									
REPORT	831-65-1415	PROGRAM	83A-1415	COMPILED	17.48.48	DATE	4/30/83	TIME	4/30/83
LAST NAME									
FIRST NAME									
SSN									
LOAN									
CD									
END REPAY DATE DISBURSED									
ORIGINAL AMOUNT									
CURRENT DAYS									
COLL									
BALANCE PAST-DUE STATUS									
AARONSON	CONRAD LYN	574-54-4888	51			1,588.00	1,588.00		
ALLEN	MARK MITCHELL	574-54-5872	51			1,667.00	1,667.00		
ALLEN	PAUL LEE	574-54-2875	51			430.00	430.00		
ALLEN	KAREN LYNN	574-54-8818	51			2,500.00	2,500.00		
ALLEN	CAROL JEAN	574-54-2259	51			2,500.00	2,500.00		
ALLEN	WOLLY ELIZABETH	574-54-2259	51			2,500.00	2,500.00		
ALLEN	LINDA F	574-54-1887	51			2,500.00	2,500.00		
ALLEN	ELIZABETH EMELIA	574-54-2276	51			1,328.00	1,328.00		
ALLEN	KATIA MIRIAM	574-54-6760	51			2,500.00	2,500.00		
ALLEN	DANA CHARLES	574-54-0561	51			2,500.00	2,500.00		
ALLEN	JANET LYNN	574-54-9887	51			1,900.00	1,900.00		
ALLEN	DARLENE MAE	574-54-4653	51			2,500.00	2,500.00		
ALLEN	PATRICIA ANNE	574-54-4527	51			2,500.00	2,500.00		
ALLEN	GARY	574-54-4514	51			2,500.00	2,500.00		
ALLEN	CAROL JANE	574-54-4654	51			2,500.00	2,500.00		
ALLEN	JASON JAMES	574-54-4818	51			2,500.00	2,500.00		
ALLEN	MILTON WILLARDINE	574-54-4523	51			1,750.00	1,750.00		
ALLEN	RICARDO MARTIN	574-54-0766	51			2,500.00	2,500.00		
ALLEN	LESLIE A	574-54-6023	51			1,780.00	1,780.00		
ALLEN	ROBERT A (JOSEPH)	574-54-7574	51			2,500.00	2,500.00		
ALLEN	USMAN MAE	574-54-4670	51			2,500.00	2,500.00		
ALLEN	VERONICA COLGAN	574-54-4555	51			2,500.00	2,500.00		
ALLEN	ROXANNE LESLEY	574-54-4555	51			1,500.00	1,500.00		
ALLEN	PRESCOTT ROBERT	574-54-4545	51			2,500.00	2,500.00		
ALLEN	LEON A	574-54-6387	51			2,500.00	2,500.00		
ALLEN	LESLIE JENNIE	574-54-0727	51			2,500.00	2,500.00		
ALLEN	MICHAEL JOSEPH	574-54-4559	51			2,500.00	2,500.00		
ALLEN	WILLIAM THOMAS	574-54-4608	51			2,500.00	2,500.00		
ALLEN	SCOTT CLAYTON	574-54-0519	51			2,500.00	2,500.00		
ALLEN	SEAN WALTER	574-54-8713	51			2,500.00	2,500.00		
ALLEN	STEVEN LEWIS	574-54-6785	51			2,500.00	2,500.00		
ALLEN	PATRICK DUANE	484-42-1754	51			2,500.00	2,500.00		
ALLEN	CHRISTINA FAYE	574-54-4828	51			2,500.00	2,500.00		
ALLEN	DEMONIS KEITH	574-54-4728	51			2,500.00	2,500.00		
ALLEN	LEONARD SCOTT	574-54-7038	51			2,500.00	2,500.00		
ALLEN	DAVID ALAN	574-54-4874	51			2,500.00	2,500.00		
ALLEN	DAVID L	574-54-4722	51			2,500.00	2,500.00		
ALLEN	DEANNE L	574-54-1537	51			2,500.00	2,500.00		
ALLEN	MARC JEAN	574-54-4757	51			2,500.00	2,500.00		
ALLEN	SEIM MARIE	574-54-4826	51			2,500.00	2,500.00		
ALLEN	PAUL NOEL	574-54-4835	51			2,500.00	2,500.00		
ALLEN	NANCY ELLEN	574-54-1329	51			2,500.00	2,500.00		
ALLEN	WILLIAM ABRAHAM	574-54-2253	51			2,500.00	2,500.00		
ALLEN	DUSTIN D	574-54-1284	51			1,229.00	1,229.00		
ALLEN	SCOTT ALLEN	574-54-1284	51			2,500.00	2,500.00		
ALLEN	ELIZABETH JUNE	574-54-1322	51			2,500.00	2,500.00		
ALLEN	JANET L	574-54-4868	51			2,500.00	2,500.00		
ALLEN	KEITH MILLER	574-54-2789	51			2,500.00	2,500.00		

EXHIBIT 228

REPORT R01-ESA-0450
 PROGRAM ESA1450 COMPILED 8.47.50
 DATE 10/06/82
 TIME 1:16:42

STATE OF ALASKA: COMM ON POST SECONDARY EDUCATION
 DIVISION OF STUDENT FINANCIAL AID
 STUDENT FINANCIAL AID SYSTEM
 ACCOUNTS RECEIVABLE FOR 9/30/82

PAGE 1755

BORROWER NAME	ACCOUNT	LN AM	ORIGLN NET	DISB OR	AWARDS	DEPERMENT	REPAYMENT	UNKNOWN	SRMR TOTAL
		SP-SP	CHVRTD BAL	STATUS	STATUS	STATUS	STATUS	STATUS	(RECEIVBL)
TOTAL			1,400.00		1,400.00				1,400.00
LYLA MARK L.	43270158-01-02		2,400.00				2,400.00		
TOTAL			2,400.00				2,400.00		2,400.00

	STATE TOTALS	FEDERAL TOTALS	GRAND TOTALS
TOTAL AMOUNT DISBURSED	98,887,984.22	11,358,794.50	109,346,782.72
TOTAL AWARDS STATUS	57,339,395.46		57,339,395.46
TOTAL DEPERMENT STATUS	9,238,259.61	2,374,382.44	11,606,362.07
TOTAL REPAYMENT STATUS	17,277,479.88	3,968,227.18	20,345,906.98
TOTAL UNKNOWN STATUS	8,229,212.72	5,121,128.62	14,150,341.34

TOTAL BORROWER RECEIVABLE	91,776,347.59	11,363,438.26	103,142,085.85
TOTAL NUMBER OF STUDENTS WITH OUTSTANDING BALANCES IS	22,327		

EXHIBIT 180(A)

REPORT R01-6--1810
PROGRAM ESA-1810 "NATURAL"
DATE 11/11/83
TIME 20:37:50.4

STATE OF ALASKA: COMPTON POSTSECONDARY EDUCATION
DIVISION OF STUDENT FINANCIAL AID
STUDENT FINANCIAL AID SYSTEM
CUMULATIVE LIST OF WRITTEN OFF ACCOUNTS
DEATH

PAGE 1

LAST NAME	FIRST NAME	SSN	LN SX	ORIGINAL PRINCIPAL	WRITE-OFF AMOUNT
ALLIGER	DANN ELLEN	522-72-8563	51	1,500.00	1,500.00
ALLIGER	DANN ELLEN	522-72-8563	81	5,000.00	5,000.00
BAKER	LIMWOOD ARTHUR	574-34-5515	81	2,000.00	2,000.00
BARTELS	MARRY JR.	583-88-1225	81	1,000.00	1,000.00
BICKMAN	MARCUS F.	574-25-3439	81	1,200.00	1,149.29
BOSWELL	DOUGLAS M.	441-64-4619	81	3,000.00	3,000.00
BOUTET	PAUL J.	574-28-7443	51	1,500.00	1,162.82
BOYDEN	ROGER D.	544-56-0544	81	3,000.00	2,793.18
BRANSON	CAROL LEE	574-52-8140	81	3,000.00	3,000.00
BUCKNER	ROY E.	443-14-9245	51	5,100.00	5,100.00
CARROLL	KENNETH J.	574-50-0259	51	3,000.00	3,000.00
CHONG	CRYSTON M.	574-30-0330	81	3,400.00	3,232.72
CLAXTON	DARRYL L.	574-50-4163	51	1,450.00	852.64
CLARK	MERRI RICHARD	574-34-5514	81	6,000.00	6,000.00
CONRAD	TAMMY SUE	574-54-4316	81	6,200.00	6,200.00
COXTON	RUTH E.	574-22-4791	82	1,550.00	1,445.14
COXTON	RUTH E.	574-22-4791	81	1,550.00	1,025.54
CORNWELL	ELLEN L.	531-40-9339	51	2,500.00	2,500.00
CORNWELL	JAMES B.	547-30-6200	81	1,250.00	1,250.00
CORNWELL	LAUREL WAYNE	574-54-3099	81	2,570.00	2,570.00
CORNWELL	JERRY F.	448-70-4299	51	2,500.00	2,500.00
CORNWELL	JERRY F.	448-70-4299	81	500.00	500.00
CORNWELL	JONATHAN L.	833-30-6320	81	1,980.00	1,980.00
CORNWELL	MICHAEL A.	535-46-4671	81	2,900.00	2,900.00
CORNWELL	BERNARD M.	574-32-4483	81	5,000.00	5,166.74
CORNWELL	JAMES A.	193-50-2933	81	2,200.00	1,610.87
CORNWELL	PETER S.	574-20-6080	81	1,351.22	917.87
CORNWELL	STEVEN F.	521-50-1209	81	2,450.00	2,450.00
CORNWELL	WEDDOKRE	443-74-1751	81	3,000.00	2,500.00
CORNWELL	BRINK KEITH	574-40-8739	81	5,000.00	5,000.00
CORNWELL	CLAYTON JOHN	432-29-8644	81	2,250.00	2,250.00
CORNWELL	CYNTHIA G.	574-30-1045	81	1,900.00	1,725.87
CORNWELL	LORI	574-50-5567	81	1,100.00	1,100.00
CORNWELL	LORI	574-50-5567	81	1,100.00	1,100.00
CORNWELL	GEORGE W.	574-24-8184	81	2,220.00	1,900.00
CORNWELL	JENNI SUE	574-42-9411	81	4,000.00	4,000.00
CORNWELL	VERNA LANE	555-46-4447	51	1,500.00	1,500.00
CORNWELL	VERNA LANE	555-46-4447	81	4,000.00	4,000.00
CORNWELL	DENNIS H.	574-28-1327	81	2,500.00	2,500.00
CORNWELL	RONALD G. II	520-52-1322	82	5,900.00	5,900.00
CORNWELL	RONALD G. II	520-52-1322	81	2,500.00	2,500.00
CORNWELL	GARY	574-56-0291	81	4,350.00	4,350.00
CORNWELL	TERRANCE A.	574-20-6215	81	800.00	800.00
CORNWELL	LEORA L.	574-20-1555	81	2,270.79	659.37
CORNWELL	RICHARD MERTON JR	804-54-1729	81	1,850.00	1,845.75

EXHIBIT 180(B)

REPORT 801-6-1810
 PROGRAM ESA-1810 "NATURAL"
 DATE 11/11/83
 TIME 20:57:50.4

STATE OF ALASKA COMM. OF POSTSECONDARY EDUCATION
 DIVISION OF STUDENT FINANCIAL AID
 STUDENT FINANCIAL AID SYSTEM
 CUMULATIVE LIST OF WRITTEN OFF ACCOUNTS
 MEDICAL DISABILITY

PAGE 1

LAST NAME	FIRST NAME	SSN	LN	ORIGINAL PRINCIPAL	WRITE-OFF AMOUNT
ALDRICH	JUDITH E.	822-34-8783	01	2,125.00	127.50
BURJESSON	CHARLOTTE M.	336-38-5641	01	1,000.00	1,000.00
BYINGTON	WILLIAM B.	574-25-9388	01	6,415.00	6,415.00
CANEDO	JEAN M.	574-18-8449	01	3,340.00	3,146.76
CHAUSSEE	ELIZABETH R.	336-28-9340	01	920.50	827.56
FIELDS	STEPHEN E.	574-25-1509	01	1,000.00	759.57
GREGG	PERCY CALVIN	218-12-1436	01	2,500.00	2,500.00
GROM	PAUL W.	574-18-8875	01	2,500.00	1,188.12
HANAWALT	DAVID E.	549-46-4899	01	550.00	350.00
JONES	FREDERICK W.	521-12-7518	01	4,923.75	4,923.75
KAMMERZELL	STEVEN G.	574-14-6862	01	1,500.00	1,500.00
LAFFERTY	LAVEDI ROBERTA C.	541-48-9590	01	1,500.00	1,473.21
LEE	BRIAN E.	459-19-9354	01	843.00	692.10
LEVAN	EVERETT C.	531-18-3558	01	8,600.00	8,600.00
LUDY	LORREL J.	387-46-7529	01	3,000.00	2,904.54
NEWSON	WARREN T.	414-18-1740	01	2,125.00	2,125.00
PERKSON	CORRINE R.	566-26-9825	01	250.00	250.00
PERKSON	CORRINE R.	566-26-9825	01	1,250.00	1,250.00
ROBERTS	STEPHEN R.	574-26-2145	01	7,775.00	7,775.00
SANCHEZ	ANTONIO K.	857-16-6475	01	6,102.91	6,102.91
STURDEVANT	DORIS	553-22-4651	01	7,500.00	6,982.77
SUTTON	RICHARD	495-26-4474	01	1,400.00	1,133.52
SZALAI	CAROLYN	462-58-4825	01	1,110.00	1,110.00

AMOUNT SECURED 75,926.56 AMOUNT WRITTEN OFF 46,812.21

EXHIBIT 180(C)

REPORT 801-61-1813
 PROGRAM ESA-1813 -NATURAL
 DATE 11/11/83
 TIME 00:37:50.4

STATE OF ALASKA COMM. OF POSTSECONDARY EDUCATION
 DIVISION OF STUDENT FINANCIAL AID
 STUDENT FINANCIAL AID SYSTEM
 CUMULATIVE LIST OF WRITTEN OFF ACCOUNTS
 ANKROPTCT

PAGE 4

LAST NAME	FIRST NAME	SSN	LN	ORIGINAL PRINCIPAL	WRITE-OFF AMOUNT
BEESON	DEBRA A	574-28-4231	01	1,293.45	642.30
BLUENORTH	MICHAEL K	431-86-4363	01	137.47	137.47
CLARCKMI	MICHAEL M.	574-26-1710	01	750.00	711.54
GILLOW	KENNETH C.	574-24-1890	01	136.96	136.96
HILL	FREDRICK M.	574-26-0716	01	3,666.13	3,527.56
HILLS	MARGARET E.	574-28-0344	01	2,500.00	1,967.75
HORNER	JACK	574-26-1569	01	9,000.00	9,000.00
JOHNSON	JO ANN RUBY	523-34-0915	01	1,100.00	974.37
LAVALLÉE	CLAUDIA L	533-32-1277	01	2,300.37	1,500.33
PERCUM	RONALD W. JR.	531-38-1405	01	2,517.00	2,517.00
HESSER	RANDALL EARL	574-28-0981	01	2,000.00	1,794.64
PALMER	MARTIN	243-38-7147	01	1,340.16	809.66
WALTERS	HOMARD C	541-62-4325	01	1,211.00	1,022.84
DESS	PEGGY JEAN	574-24-4311	01	6,743.00	6,743.00
WINGFIELD	JAMES OTIS JR.	548-38-4666	01	1,250.00	1,257.00
WISE	RUTH NILANE	574-29-1646	01	1,500.00	1,500.00
WYATT	FLY I	574-18-4378	01	147.11	143.55

AMOUNT BORROWED 18,389.29 AMOUNT WRITTEN OFF 35,187.62

[illegible]

EXHIBIT 180(E)

REPORT R01-C2A-1210
PROGRAM ESA-1210 "NATURAL"
DATE 11/11/83
TIME 00:37:50.6

STATE OF ALASKA COMPTROLLER OF POSTSECONDARY EDUCATION
DIVISION OF STUDENT FINANCIAL AID
STUDENT FINANCIAL AID SYSTEM
CUMULATIVE LIST OF WRITTEN OFF ACCOUNTS
COMPRIMISE

PAGE 11

LAST NAME	FIRST NAME	SSN	LN	ORIGINAL	WRITE-OFF
			3X	PRINCIPAL	AMOUNT
GRUEN	MARDY	574-24-1712	01	1,100.00	167.28
MCKINZIE	HERBERT K	574-22-6696	01	536.30	
AMOUNT BORROWED	2,436.30	AMOUNT WRITTEN OFF		167.28	

TO CSHB 681 (HESS):

Lines 24 - 26, Page 1

Delete "A loan is in default under this subsection if a loan payment is 120 or more days past due."

Line 29, Page 1 - Line 1, Page 2

Delete "A loan is in default under this subsection if a loan payment is 120 or more days past due."

Line 6, Page 2

AS 14.43.120 is amended by adding a new subsection to read:

"(q) For the purposes of this section, a loan is in default if a loan payment is 120 or more days past due."

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF LAW

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

OFFICE OF THE ATTORNEY GENERAL

March 16, 1984

The Honorable Mae Tischer, Chair
Health, Education, and Social
Services Committee
Alaska House of Representatives
Pouch V
Juneau, AK 99811

Re: Draft CS for HB 681 (HESS)
-- default on and col-
lection of student loans
Our file: 377-114-84

Dear Representative Tischer:

At the request of Bill Lovell, of your staff, I have reviewed Legislative Counsel Lynn Asper's February 29, 1984 draft of a committee substitute for HB 681, which Bill delivered to me this morning. The draft CS makes no substantive change from the original HB 681, and the Department of Law has no objection to it on that basis.

The draft CS makes two minor style changes: (1) it changes the word "which" to the word "that" in two places, which is good; and (2) in the bill's sec. 2, the draft deletes our subsec. (f)'s reference to default "under (o) of this section," while adding to (f) a sentence stating that default occurs if a loan payment is 120 or more days past due. That new sentence in (f) repeats our new sentence in (o) and adds the phrase "under this subsection" in both places. Basically, that looks okay.

Regarding the latter, my only concern is that, when an identical provision is placed in two different locations in the statutes, there is always the potential for one of them to be amended in the future while the other one is overlooked; this could cause confusion and litigation. Lynn's objection to our version is based on his feeling that where our subsec. (f) refers to "default under (o) of this section" it is not really accurate since, although (o) contains what is essentially a definition of "default," default is not really occurring under that subsection. It's a fairly subtle point, but a third approach that would meet both of our concerns would be to change both (f) and (o) to refer to "default as defined in (q) of this section." Then add a new section to the bill that would add a new AS 14.43.120(q) to read "For the purposes of this section, a loan is in default if a loan

The Honorable Mae Tischer
377-114-84

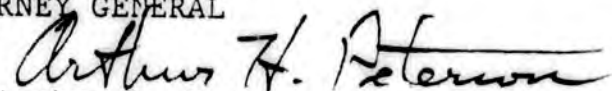
March 16, 1984
Page 2

payment is 120 or more days past due." (Or perhaps this definition could be added to the definition section for AS 14.43's art. 4 -- AS 14.43.160.)

Thank you for this opportunity to comment.

Yours truly,

NORMAN C. GORSUCH
ATTORNEY GENERAL

By: 
Arthur H. Peterson
Assistant Attorney General

AHP/jb

cc: Kerry Romesburg
Executive Director
Alaska Commission on Post-
secondary Education
Department of Education

Lynn Asper
Legislative Counsel
Legislative Affairs Agency

Linda Scoccia
Assistant Attorney General
Juneau

SCHOLARSHIP REVOLVING LOAN FUND

Department of Education, Commission on Postsecondary Education
4th QTR. FY 1983

Approved During the Qtr.		Rescinded* During the Qtr.		Approved During FY 83 to Date		Loans Outstanding To Date	
#	\$	#	\$	#	\$	#	\$
613	\$476,050	418	\$1,141,976	13,476	\$56,219,371	48,387	\$152,858,526

DELINQUENCY AT THE END OF THE QUARTER

1-29 DAYS		30-59 DAYS		60-89 DAYS		90-120 DAYS	
#	\$	#	\$	#	\$	#	\$
11,174	\$35,770,158	1773	\$5,378,555	609	\$1,455,839	350	845,649

LOANS IN DEFAULT**

#	\$
2,163	\$5,133,555

MEAN LOAN AMOUNT DURING THE QTR.

Undergraduate

\$4,122

Graduate

\$5,129

*The commission does not formally deny loans; loan examiners discourage ineligible applicants from applying. However, during certain times of the year the commission receives notification that students have cancelled their loans because they have withdrawn from school or found alternate funding.

**Loans in default are defined as delinquent loans that have been turned over to counsel for legal action.

FIGURE
TOTALS - ALL STATE LOAN PROGRAMS
4th QUARTER FY 1983

Loans Outstanding To Date		Total Loans Approved During FY 83		Loans Approved During the Qtr.		Loans Denied During the Qtr.	
#	\$	#	\$	#	\$	#	\$
98,015	\$3,913,711,912	30,221	\$1,451,753,853	5224	\$479,625,607	712	\$66,330,212

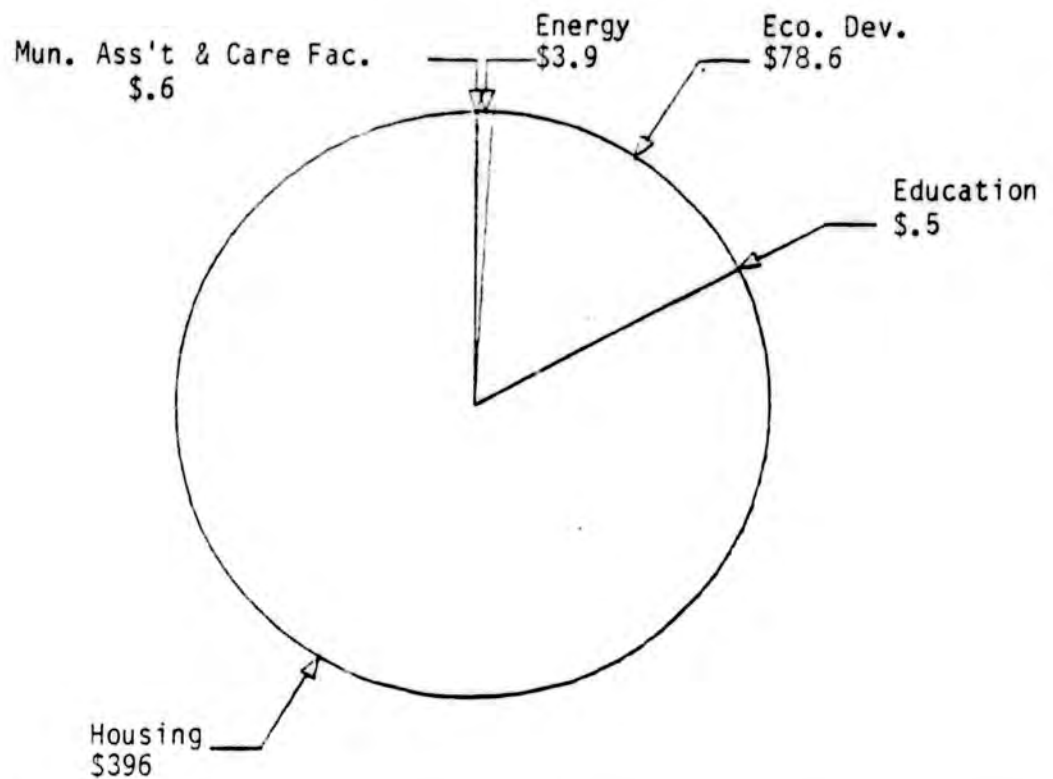
FIGURE 2
DATA BY LOAN TYPE
4th QUARTER FY 1983 AND ALL LOANS OUTSTANDING

	Economic Development	Education	Energy	Housing	Medical and Child Care	Municipal Assistance	Totals
# Approved During the Quarter	230	613	272	4,087	4	18	5,224
% of Total # Approved During the Qtr.	4.4%	11.8%	5.2%	78.2%	0.07%	0.3%	100.0%
\$ Amount Approved During the Qtr.	\$78,554,170	476,050	\$3,857,595	\$395,964,900	\$140,000	632,110	\$479,625,607
% of Total \$ Approved during the Qtr.	16.5%	.10%	0.8%	82.5%	0.04%	.13%	100.0%
# Approved During FY 83 to Date	846	15,257	1,382	12,679	9	48	30,221
\$ Amount Approved During FY 83 to Date	\$244,633,048	\$63,857,540	\$26,924,049	\$1,087,236,150	\$357,841	\$28,745,225	\$1,451,753,853
# of Loans Out- standing to Date	8,131	48,387	3,158	38,276	18	45*	98,015
\$ Amount of Loans Outstanding to Date	\$693,781,813	\$152,858,526	\$37,748,024	\$2,786,287,250	\$14,516,749	\$150,392,850	\$3,913,711,912

NOTE: For a list of the programs that are included in each category, see page 3.

* Does not include Bulk Fuel Revolving Loan Fund

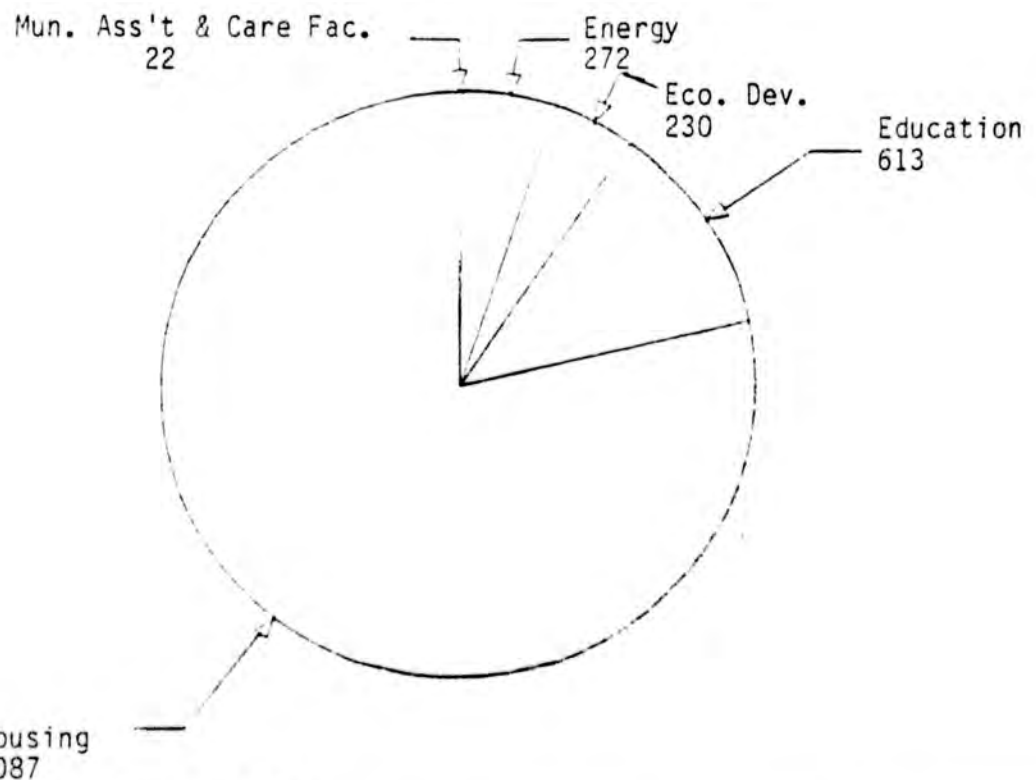
\$ MILLIONS OF LOANS APPROVED, BY MAJOR LOAN TYPE
4TH QUARTER, FY 1983



prepared by House Research Agency

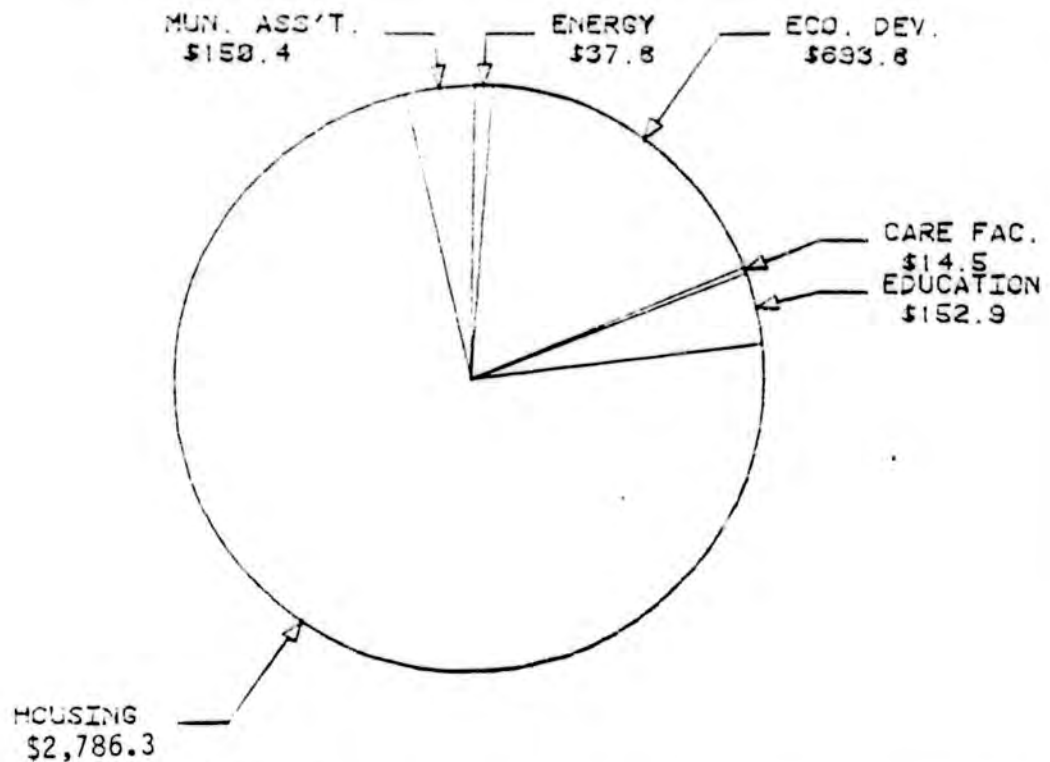
FIGURE

NUMBER OF LOANS APPROVED, BY MAJOR LOAN TYPE
4TH QUARTER, FY 1983



prepared by House Research Agency

\$ MILLIONS IN LOANS OUTSTANDING TO DATE, BY MAJOR LOAN TYPE
4TH QUARTER, FY 1983

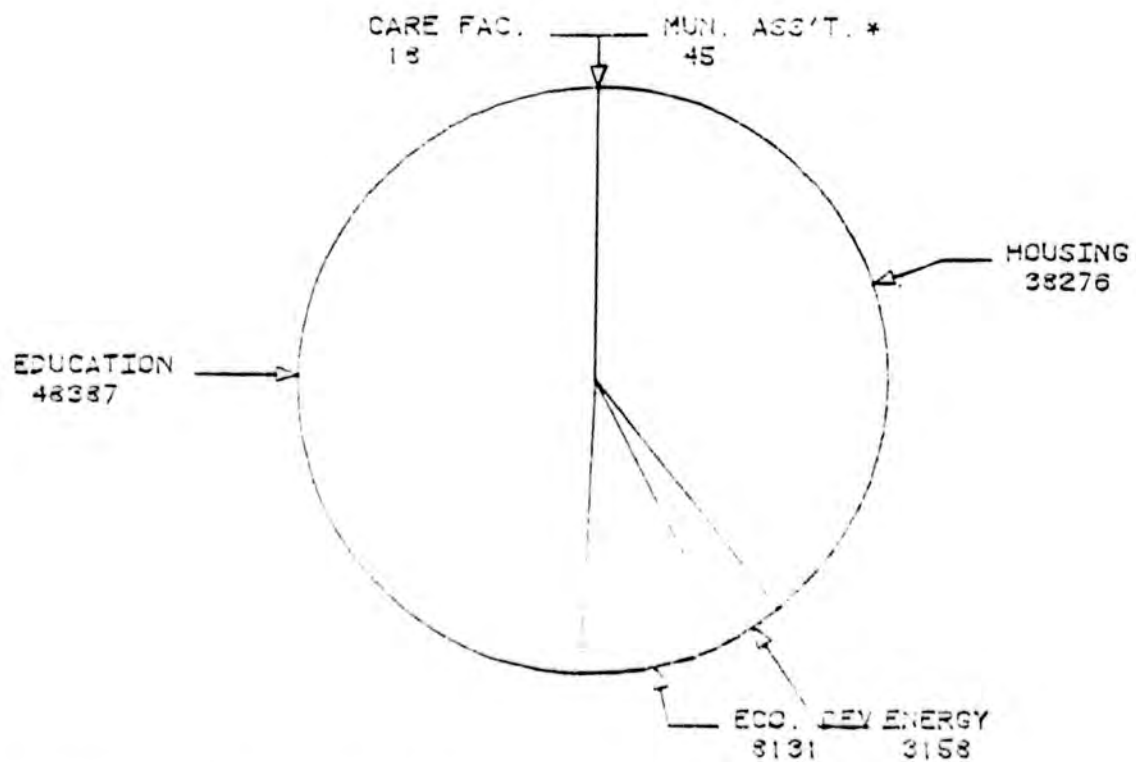


prepared by House Research Agency

FIGURE

NUMBER OF LOANS OUTSTANDING TO DATE, BY MAJOR LOAN TYPE
4TH QUARTER, FY 1983

(Excludes Bulk Fuel Revolving Loan Fund*)



prepared by House Research Agency

Summary of Delinquency¹ and Default²
State Loan Programs
4rd Quarter FY 83

Loan Program	Delinquent Loans		Loans in Default	
	\$(thousands)	%	\$	%
<u>Indirect Lenders</u>				
Alaska Housing Finance Corporation (all programs)	\$77,921.3	2.5%	\$1,376.4	0.4%
Alaska Industrial Development Authority				
AIDA-purchased	5,868.2	1.7%	0.0	0.0
Appropriated to AIDA	8,548.8	2.5%	2,993.5	0.9%
AIDA Total	14,416.6	4.2%	2,993.5	.9%
Alaska Medical Facility Authority	0.0	0.0%	0.0	0.0%
Alaska Municipal Bond Bank Authority	0.0	0.0%	0.0	0.0%
<u>Direct Lenders</u>				
Agricultural Revolving Loan Fund	5,079.0	12.7%	2,928.1	7.3%
Alaska Power Authority				
Power Project Fund	0.0	0.0%	0.0	0.0%
Rural Electrification Rev. Loan Fund	0.0	0.0%	0.0	0.0%
Alaska Resources Corporation	3,678.0	22.0%	3,676.3	22.1%
Alternative Technology and Energy Revolving Loan Fund	NA	NA	NA	NA
Child Care Facility Rev. Loan Fund	NA	NA	NA	NA
Commercial Fishing Revolving Loan Fund	NA	NA	NA	NA
Fisheries Enhancement Rev. Loan Fund	0.0	0.0%	0.0	0.0%
Housing Assistance Loan Fund ³	32.6	--	0.0	0.0%
Medical Malpractice Liability Revolving Loan Fund	0.0	0.0%	0.0	0.0%
Mining Loan Fund	NA	NA	0.0	0.0%
Residential Energy Conservation Fund	NA	NA	NA	NA
Scholarship Revolving Loan Fund	43,450.2	28.4%	5,133.6	3.4%
Small Business Revolving Loan Fund	NA	NA	NA	NA
Tourism Revolving Loan Fund	NA	NA	NA	NA
Veterans' Revolving Loan Fund	NA	NA	NA	NA
Water Resources Revolving Loan Fund	0.0	0.0%	0.0	0.0%

House Research Agency

-- less than 0.1%

NA - not available

¹Delinquency includes all loans that are more than one day past due at the end of the quarter; the exceptions are the Agricultural Revolving Loan Fund and AIDA, which provided data only for loans that are more than 30 days past due.

²Loans in default are defined as delinquent loans that have been turned over to counsel for legal action.

³Includes only the Nonconforming Housing loan program and mortgages for the Rural Owner-Occupied and Rural Non-Owner-Occupied programs that were purchased since the start of FY 83; mortgages made by the two rural programs before July 1, 1982 are serviced by AHFC and are included in AHFC's delinquency and default figures.

STATE OF ALASKA
FISCAL NOTE

Revision Date 4/8, 1983

I. REQUEST

Bill/Resolution No.: CSSHB 56

Title: Act Re: Student Loans

Sponsor: Lindauer

Requestor: House Loan Committee

II. FISCAL DETAIL

Agency Affected: Education

Program Category Affected: Postsecondary Comm

BRU, Program of Subprogram(s) Affected:

Student Loan Program

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING						
CAPITAL	N.A.	52.5	74.5	(217.9)	(781.9)	(2,362.9)
REVENUE	N.A.	-0-	-0-	93.5	372.5	1,562.8

FUNDING: (Thousands of Dollars)

GENERAL FUND	N.A.	52.5	74.5	(217.9)	(781.9)	(2,362.9)
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME	N.A.					
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Kerry D. Romesburg

Division: Commission on Postsecondary Education

Phone: 465.2854

Date: 4/8/83

Approved by Commissioner:

Department:

Date:

Distribution:

Original to Legislative Finance

Copy to Office of Management and Budget (for Legislature introduced bills)

Copy to Department (for Governor introduced bills)

Copy to Sponsor

Copy to Requestor (if different from Sponsor)

3/8/83

CSSSHB56 (Revised 4/8/83)

IV Analysis:

(a) Increasing interest from 5% to 8%

FY84	\$0	FY87	\$(- 372.5)
FY85	\$0	FY88	\$(-1,562.8)
FY86	\$(-93.5)	FY89	\$(-3,210.2)

(b) Reducing forgiveness to 20%

FY84	\$0	FY87	\$(- 520.2)
FY85	\$0	FY88	\$(- 930.0)
FY86	\$(-214.2)	FY89	\$(-1,491.0)

(c) Allowing for borrowing actual amount of tuition
(based upon attendance of 0.35% of total borrowers)

FY84	\$52.5	FY87	\$110.8
FY85	\$74.5	FY88	\$129.9
FY86	\$89.8	FY89	\$145.0

Increasing interest on loans from 5% to 8%
after the first 36 months of repayment

Year of Impact	Borrowing Year				Total New Revenue
	FY 86	FY 87	FY 88	FY 89	
FY 86	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
FY 87	-0-	-0-	-0-	-0-	-0-
FY 88	-0-	-0-	-0-	-0-	-0-
FY 89	-0-	-0-	-0-	-0-	-0-
FY 90	-0-	-0-	-0-	-0-	-0-
FY 91	39.7	-0-	-0-	-0-	39.7
FY 92	75.7	42.5	-0-	-0-	118.2
FY 93	118.0	83.0	43.6	-0-	244.6
FY 94	173.5	124.3	85.1	41.0	423.9
FY 95	177.5	185.6	127.6	79.9	570.6

Levy is working out language
since Maynard didn't. I think
we finally got it squared away
& tight enough. He'll send it
to the Committee (at the request
of the sponsor) & copy us.

If that's what 2 lawyers are
like — Judiciary must ~~be~~
really be something.

A M E N D M E N T

Offered in the HOUSE

By Sund

TO: CSHB 161(Loans)

Page 1, delete section 1 of the bill and insert:

"* Section 1. AS 14.43.120(f) is amended to read:

(f) Interest on a loan given under AS 14.43.090 - 14.43.160 is at the rate of five percent a year for the first three years of repayment, and eight percent a year for the remainder unless the loan is in default. Interest on a loan that is in default is 10 percent a year for the period the loan is in default."

20 AAC 15.025. PRIORITY RANKING OF APPLICANTS. (a) Upon receipt of a completed application for collegiate study, an applicant will be assigned priority points based upon the schedule set out in (b) of this section.

(b) Each applicant for a loan for a collegiate program will be assigned priority points based upon student status and state of attendance, according to the following schedule:

(1) student status (during loan period):

- (A) continuing undergraduate or graduate students with existing Alaska student loans for the previous school year or term.....6 points
- (B) remaining senior students.....5 points
- (C) remaining junior students.....4 points
- (D) remaining sophomore students.....3 points
- (E) remaining freshman students.....2 points
- (F) remaining graduate students.....1 point
- (2) students attending colleges or universities in Alaska.....1 point

(c) Completed applications for collegiate study received by February 15th will be grouped together. Complete applications received after February 15th will be grouped in monthly lots. The groups will be processed according to priority point accumulation. Those applicants receiving the highest priority point accumulation within a group will be processed first and those receiving the lowest priority point accumulation within a group will be processed last. In the case of equal point accumulation within a group, priority will be based upon the earliest date of receipt of the completed application.

(d) Completed applications for a non-collegiate postsecondary program will be processed in the order of receipt of the application in the loan office. (Eff. 2/3/77, Reg. 61, am 12/7/80, Reg. 76; am 11/19/83, Reg. 88).

Authority: AS 14.43.105
Authority: AS 14.43.130

**SURVEY OF 1983-84 ALASKA
STUDENT LOAN RECIPIENTS**

Alaska Commission on Postsecondary Education
March, 1984

INTRODUCTION

The Alaska Student Loan program, established in 1971, is the most generous loan program in the nation, and has provided student financial aid, in the form of low interest loans, to over 50,000 Alaskan residents. For a number of years the vast majority of borrowers used their Alaska loans to attend postsecondary educational institutions outside the State of Alaska, but from 1975 to 1982 there was a steadily increasing trend toward in-state attendance, culminating in over fifty percent of the 1982-83 borrowers attending school in Alaska. Then, in 1983-84, the trend broke. As of November 1, 1983, 53.4 percent of the student loan borrowers were attending school out-of-state.

In an effort to better understand this break in an eight-year pattern, all 1983-84 loan recipients were surveyed. This was the first attempt to survey current borrowers in the thirteen-year history of the loan program, so the opportunity was taken to solicit opinions on a number of issues related to Alaska student loans.

PROCEDURE

During the last week of October 1983, questionnaires (see Appendix A) were mailed to all (13,026) 1983-84 student loan recipients. The questionnaires were mailed to the permanent home address of each borrower in the hope that it would be forwarded to school addresses when necessary. No follow-up was conducted, since not all files contain accurate current address data.

FINDINGS

Of the 13,026 loan recipients surveyed, 7,476 (57.4%) returned completed questionnaires. For a census-type survey with no follow-up, this is an acceptable response rate as long as the respondents seem to be distributed in a pattern similar to the borrowing population. As can be seen in Table 1, the response rate by student level was quite evenly spread, when compared to the borrowing population, and therefore should serve as a good indicator for inference to the population. Similarly, the in-state/out-of-state mix is not disproportionate.

The only group which may be over-represented is graduate students attending in Alaska, since the response rate was a very high 94.4%. However, since this class of borrowers is relatively small, it should not lessen the reliability of the findings.

TABLE 1

Distribution Of Respondents By
Student Level

Student Level	Alaska Attendance			Out-of-State			Total		
	No.	%	% of Borrowers	No.	%	% of Borrowers	No.	%	% of Borrowers
Freshman	856	25.6	43.7	974	23.6	51.5	1,830	24.5	47.5
Sophomore	743	22.2	57.6	829	20.1	58.4	1,572	21.0	58.1
Junior	596	17.8	64.4	745	18.0	64.4	1,341	17.9	64.4
Senior	516	15.4	64.2	648	15.7	63.8	1,164	15.6	64.0
Graduate	255	7.6	94.4	695	16.8	71.1	950	12.7	76.2
Vocational	378	11.4	46.4	241	5.8	47.9	619	8.3	47.0
Total	3,344	100.0	55.1	4,132	100.0	59.4	7,476	100.0	57.4

Type of Institution Attended. The loan borrowers were asked to indicate what type of school they were attending and whether it is located in Alaska or out-of-state. Over three-fourths (78.0%) of the respondents indicated they were attending a four-year college or university, either public or private, with out-of-state enrollees more heavily represented in this type of school, than Alaska enrollees. (See Table 2.) Not surprisingly, community college and vocational students tend to attend in Alaska, rather than traveling outside for schooling.

TABLE 2

Distribution Of Respondents By
Type Of Institution

Type of Institution	Alaska		Out-of-State		Total	
	Number	%	Number	%	Number	%
Vocational	445	13.3	287	6.9	732	9.8
Community Colleges	766	22.9	231	5.6	997	13.3
Private Coll/Univ.	182	5.4	1,628	39.4	1,810	24.2
Public Coll/Univ.	1,951	58.4	1,986	48.1	3,937	52.7
Total	3,344	100.0	4,132	100.0	7,476	100.0
% of Respondents	44.7		55.3		100.0	
% of Borrowers	55.1		59.4		57.4	

Student Loan Interest Rate. The current interest rate on Alaska student loans is 5%. This is the lowest student loan interest for any state comprehensive student loan program in the nation, and there is nearly always debate over the level during each legislative session. When the borrowers were asked, they strongly endorsed retaining the 5% loan rate. Nearly three-fourths (74.9%) of the borrowers felt that 5% is the appropriate interest rate for these loans. Only 18.6% of the borrowers felt the rate should be increased, and even then, most felt only a small increase was in order. (See Table 3.)

TABLE 3

What Rate Of Interest Should Be
Set For Student Loans?

Interest Rate	Number	Percentage
5%	5,603	74.9
6%	640	8.6
7%	441	5.9
8%	164	2.2
9%	145	1.9
No Opinion	483	6.5
Total	7,476	100.0

Student Loan Borrowing Maximums. The Alaska Student Loan program permits students to borrow up to \$6,000 per year for undergraduate study and up to \$7,000 per year for graduate study. Once again, Alaska's program is distinguished from other state-level comprehensive student loan programs in the nation. There is no other comparable loan program with borrowing maximums as high as Alaska's. Current borrowers were asked what maximums they believed to be appropriate for Alaska Student Loans. As indicated in Table 4, the majority (78.4%) by more than three-to-one, believed the current maximums are appropriate. Few, less than 5%, felt the maximums should be lowered, and 16.1% felt the maximums should be raised.

TABLE 4

Should The Loan Borrowing
Maximum Be Changed?

Response	Number	Percent
Retains Current Level	5,863	78.4
Reduce Maximum	306	4.1
Revise Maximum Upward	1,201	16.1
No Opinion	106	1.4
Total	7,476	100.0

An interesting pattern develops when one looks at which students believe higher maximums are appropriate. These data are presented in Table 5, and indicate that freshman borrowers, both in-state and out-of-state, and graduate borrowers attending out-of-state are disproportionately represented in the 1,201 persons desiring higher borrowing limits. One might guess that the out-of-state graduate borrowers are reacting to actual costs incurred by such attendance when they want limits raised, but the fact that freshman, when compared to sophomores, juniors, and seniors, are disproportionately represented in those wishing higher limits, may simply mean that they do not know the true costs of attendance in this--their first semester of school.

TABLE 5

Distribution Of Respondents Favoring
Raising The Loan Maximum

Type of Institution	Alaska		Out-of-State		Total	
	Number	%	Number	%	Number	%
Freshman	144	28.7	141	20.2	285	23.7
Sophomore	95	18.9	134	19.2	229	19.1
Junior	83	16.5	97	13.9	180	15.0
Senior	44	8.7	94	13.5	138	11.5
Graduate	42	8.3	184	26.4	226	18.8
Vocational	95	18.9	48	6.8	143	11.9
Total	503	100.0	698	100.0	1,201	100.0

Student Loan Forgiveness Benefits. One of the more controversial aspects of the Alaska Student Loan program is the provision of forgiveness benefits. This too, distinguishes Alaska's program as the most generous in the country. If Alaska borrowers complete the program of study for which they borrow and then live in Alaska, they can have up to 50% of their total indebtedness, including interest, forgiven by the State. Periodic discussion in Alaska's Legislature centers on whether this forgiveness provision should be retained. When asked, the current borrowers overwhelmingly indicated their belief that forgiveness should be retained at the current level. (See Table 6.)

TABLE 6

Should The Loan Forgiveness
Benefits Be Changed?

Response	Number	Percent
Retain Current Level	6,864	91.8
Reduce Forgiveness	358	4.8
Discontinue Forgiveness	166	2.2
No Opinion	88	1.2
Total	7,476	100.0

This rather straightforward result was not unexpected, but does not get at the heart of the debate on forgiveness. In order to better understand the effects of forgiveness, borrowers were asked if forgiveness influenced their decisions regarding how much they borrowed and where they would live after schooling. The results, found in Table 7, are somewhat mixed. For students attending in Alaska, forgiveness influenced borrowing in nearly as many cases as it did not, but for out-of-state attendees, forgiveness was said not to be a factor by nearly two-to-one. In terms of residence after schooling, forgiveness did not seem to be a big factor one way or the other for those attending in-state, but was said to influence the decisions of out-of-state attendees, again by nearly two-to-one.

TABLE 7

Influence Of Loan Forgiveness
Benefits On Student Decisions

Do Loan Forgiveness Benefits Influence Decisions Regarding:	Alaska Attendance		Out-of-State	
	Yes	No	Yes	No
How much you borrow?	1,516	1,789	1,812	2,255
Where you live after schooling?	1,538	1,780	2,684	1,396

Change From In-State to Out-of-State Attendance. Borrowers were asked if they had attended a postsecondary school last year, and if so, where. The pattern toward continued attendance was evident for both Alaska attendees and out-of-state attendees. Of the 2,117 respondents currently attending school in Alaska who also attended a postsecondary school last year, 90.4% had attended school in Alaska last year too; and of the 2,942 respondents currently attending school out-of-state who also attended a postsecondary school last year, 78.8% had attended school out-of-state last year, too. Looking only at those students who switched from Alaska to out-of-state attendance, or the reverse, one finds that only 9.6% of the students currently attending in Alaska, attended out-of-state last year; and 21.2% of the students currently attending out-of-state, attended in Alaska last year. (See Table 8.)

TABLE 8

Attendance In-State Versus Out-Of-State This Year
Versus Last, By Type Of Institution

Type Of Institution	Current Attendance in Alaska					Current Attendance Out-of-State				
	Alaska Last Year		Out-of-State Last Year		Total	Alaska Last Year		Out-of-State Last Year		Total
	No.	%	No.	%	No.	No.	%	No.	%	No.
Vocational	39	90.7	4	9.3	43	-0-	0.0	77	100.0	77
Community Coll.	478	87.2	70	12.8	548	44	19.7	179	80.3	223
Private Coll/Univ.	97	85.1	17	14.9	114	204	16.7	1,018	83.3	1,222
Public Coll/Univ.	1,300	92.1	112	7.9	1,412	376	26.5	1,044	73.5	1,420
Total	1,914	90.4	203	9.6	2,117	624	21.2	2,318	78.8	2,942

In order to try to determine why a person would switch from attending in Alaska to attending out-of-state, the 624 respondents who did so were asked to list the top factors (up to four) influencing that decision. The results (based upon a weighted average giving more value to each person's primary reason for switching and correspondingly less for other reasons) are listed in Table 9. Program Availability was the most influential factor in the decision to switch to out-of-state attendance, followed by Closeness to Home and Low Tuition and Expenses. The high ranking of Closeness to Home is difficult to understand, unless persons were trying to indicate they were attending out-of-state so as not to be close to home.

TABLE 9
Reasons For Attending Out-Of-State After
Attending In Alaska Last Year

Reason (Descending Order)	Weighted Average
Availability of Program	442.3
Closeness to Home	333.7
Low Tuition and Expenses	321.0
Availability of Financial Aid	239.2
Geographic Location/Weather/Climate	176.5
School Reputation/Prestige	159.0
Ability to Work While Attending	137.3
Encouragement of Parents/Friend	83.1
Availability of Campus Housing	57.0
Encouragement of Teachers/Counselors	41.3
Friends Are There	36.3
Athletics/Recreational Activities	32.4
Religious Atmosphere	26.2
Sororities/Fraternities/Organizations	5.4

Next, those 624 persons switching from Alaska attendance to out-of-state were asked what factor could have encouraged them to continue their Alaska attendance rather than switching. The top factor was again Program Availability, and it was the top factor regardless of what type of institution was being attended out-of-state. The other factors which seemed to have a strong influence on the decision to switch to out-of-state attendance were: Quality, Campus Housing, Lower Costs, and Better Weather. (See Table 10.)

TABLE 10

For Those Attending Out-Of-State After
Attending In Alaska Last Year, What
Would Have Kept Them In Alaska?
By Type Of Institution

Vocational School	Community College	Private Coll/Univ.	Public Coll/Univ.
Program Availability Better Quality Lower Costs	Program Availability Campus Housing Better Quality Better Weather Lower Costs	Program Availability Better Quality Campus Housing Religious Atmosphere Lower Costs	Program Availability Better Quality Campus Housing Better Weather Lower Costs

Reasons For Selecting Current Institution. All respondents were asked why they chose their particular institution for pursuing their education, and as can be seen in Table 11, Program Availability was a very important factor for all students regardless of whether they were attending in Alaska or out-of-state and regardless of the type of school attended. The top three factors for each classification are presented in Table 11, and there is a difference between the responses of those attending in Alaska compared to those attending out-of-state. While the most important factor for out-of-state attendance at community colleges and public colleges or universities is Program Availability, the most important factor for Alaskan attendance at community colleges and public colleges and universities is Closeness to Home. It should also be noted that School Reputation, while an important factor for persons attending out-of-state, was not one of the top three factors for those attending in Alaska.

TABLE 11

Top Three Reasons For Selecting Current
Institution Of Attendance,
By Type Of Institution

Type of Institution	Most Important Factor	Second Factor	Third Factor
Vocational (Alaska) (Out-of-State)	Program Availability Program Availability	Ability to Work School Reputation	Financial Aid Financial Aid
Community College (Alaska) (Out-of-State)	Closeness to Home Program Availability	Program Availability Low Cost	Low Cost School Reputation
Private College/University (Alaska) (Out-of-State)	Program Availability Program Availability	Ability to Work School Reputation	Financial Aid Religious Atmosphere
Public College/University (Alaska) (Out-of-State)	Closeness to Home Program Availability	Program Availability School Reputation	Low Cost Climate/Weather

For Those Attending Out-of-State, What Could Have Encouraged Alaska Attendance? The 4,132 respondents attending school out-of-state were asked what factor could have encouraged them to attend in Alaska. As with those students who switched attendance from in-state to out-of-state, the single most important factor which could have encouraged Alaska attendance was Program Availability. When the respondents were classified by type of institution (Table 12), the results were surprisingly homogenous. Program Availability and Better Quality were the two top factors for all students, regardless of institutional type. For collegiate students, Campus Housing was also an important factor.

TABLE 12

For Those Attending Out-Of-State, What
Could Have Encouraged Alaska
Attendance? (By Type Of
Institution)

Vocational School	Community College	Private Coll/Univ.	Public Coll/Univ.
Program Availability Better Quality Nothing Lower Costs Better Weather	Program Availability Better Quality Campus Housing Nothing Better Weather	Program Availability Better Quality Campus Housing Nothing Religious Atmosphere	Program Availability Better Quality Campus Housing Better Weather Nothing

Similarly, when the respondents were classified by student level, the same pattern emerged (Table 13). The top five factors for all undergraduate out-of-state borrowers were Program Availability, Better Quality, Campus Housing, Better Reputation, and Nothing (meaning nothing could have encouraged them to attend in Alaska).

TABLE 13

For Those Attending Out-Of-State, What
Could Have Encouraged Alaska Attendance?
(By Student Level)

Freshman	Sophomore	Junior	Senior	Graduate
Program Avail. Better Quality Campus Housing Nothing Better Reputation	Program Avail. Better Quality Campus Housing Better Reputation Nothing	Program Avail. Better Quality Campus Housing Better Reputation Nothing	Program Avail. Better Quality Campus Housing Better Reputation Nothing	Program Avail. Better Quality Nothing Better Reputation Lower Costs

Major Course of Study of Borrowers. All loan recipients were asked to indicate the degree being sought and their major course of study. The top ten majors are summarized by degree level and by in-state or out-of-state attendance in Table 14. Once again, one sees a surprising similarity in responses, particularly at the bachelor's and master's levels, regardless of whether the student is attending in Alaska or out-of-state. Out-of-state doctoral students are largely representative of persons pursuing degrees unavailable in Alaska.

TABLE 14

Top Ten Majors By Degree Level

<u>Associate</u>		<u>Bachelors</u>	
Alaska	Out-of-State	Alaska	Out-of-State
Business Health Care Electronics Computer Science Oil Tech Engineering Social Science Office Skills Education Arts	Business Computer Science Arts Engineering Education Electronics Health Care Aviation Auto/Diesel Travel	Business Education Engineering Health Care Social Science Biology Communications Arts Computer Science Pre-Law	Business Education Engineering Biology Arts Computer Science Health Care Social Science Communications Physical Science
<u>Masters</u>		<u>Doctorate</u>	
Alaska	Out-of-State	Alaska	Out-of-State
Education Business Engineering Biology Psychology Social Science Physical Science Arts Communications Health Care	Education Business Engineering Health Care Social Science Arts Biology Communications Computer Science Theology	Education Physical Science Biology Engineering	Law Education Medicine Psychology Business Chiropractic Social Science Engineering Vet. Medicine Biology
<u>Vocational</u>			
Alaska	Out-of-State		
Aviation Cosmetology Office Skills Welding Auto/Diesel Hairdressing Building Maint. Culinary Arts Travel Carpentry	Aviation Auto/Diesel Travel Health Care Office Skills Electronics Marine Technology Welding Heating/Air Conditioning Culinary Arts		

Residency Plans After Graduation. Once these Alaskan students complete their programs of study, where do they plan to live? The vast majority (97.0%) say Alaska. Regardless of whether or not they are attending school in-state, nearly all respondents indicate plans of residing in Alaska after schooling. (See Table 15.)

TABLE 15

Location Plans After Completion
Of Program Of Study

Plans After Program Completion	Attending in Alaska		Attending Out-of-State		Total	
	Number	Percent	Number	Percent	Number	Percent
Reside in Alaska	3,274	97.9	3,976	96.2	7,250	97.0
Reside Out-of-State	70	2.1	156	3.8	226	3.0
Total	3,344	100.0	4,132	100.0	7,476	100.0

Why these students plan to return to Alaska is another question asked of the respondents. As can be seen in Table 16, the top reason for those students planning to live in Alaska after degree completion, regardless of whether or not they are currently attending in Alaska or out-of-state, is "Alaska is my home." The second most important reason for those planning Alaska residence is the top reason for those planning out-of-state residence, and that is "Job Availability." Other factors influencing location decisions include loan forgiveness, geographic location/weather/climate, availability of continuing education, and location of friends.

TABLE 16

Top Five Reasons For Location Plans After
Completion Of Program Of Study

Attending in Alaska		Attending Out-of-State	
Alaska Residency	Out-of-State	Alaska Residency	Out-of-State
Alaska is Home Job Availability Loan Forgiveness Friends Geog/Weather/Clim.	Job Availability Geog/Weather/Climate Cont. Educ. Avail. Friends Parents/Relatives	Alaska is Home Job Availability Loan Forgiveness Friends Geog/Weath./Clim.	Job Availability Geog/Weather/Climate Cont. Educ. Avail. Friends Recreation Avail.

SUMMARY/CONCLUSIONS

1. One of the principal reasons for conducting this survey was to discover if there was an explanation for the reversal of the eight-year trend toward in-state attendance. From the data collected it is a little difficult to single out exactly what caused this phenomena. However, when coupled with knowledge of the Alaska system a hypothesis may be offered.

Three factors probably have impacted the in-state/out-of-state attendance pattern. First, the state loan program imposed new "good standing" requirements. These were enforced for the first time in 1982-83 and resulted in a large number of students becoming ineligible for continued borrowing. The majority of these ineligible students were students attending in-state, so the pool of in-state students for the current year, 1983-84, was reduced.

Second, the only public university in the state with campus housing is the University of Alaska, Fairbanks (UAF). Over six months before the current school year began, UAF had filled all its campus housing. More than 300 students who wished campus housing for the 1984-84 year had to be denied.

Third, the University of Alaska, Anchorage (UAA) has been heavily over-subscribed in a number of classes both this year and last. Many students have indicated that they simply could not get into all the UAA classes they wished for pursuit of their programs.

2. Students believe 5% is an appropriate interest rate for the student loan program.
3. Students believe the \$6,000 and \$7,000 borrowing maximums are appropriate for the student loan program. However, there is some evidence that graduate students, particularly those attending out-of-state, may be requesting a higher maximum in the near future.
4. Students believe loan forgiveness should be retained at 50%. When asked directly if loan forgiveness influences their decision on where to reside after graduation, only 57.1% indicate that it is. Also, when asked which factors are most important in this determination of where to live after graduation, loan forgiveness falls far behind "Alaska is My Home" and "Job Availability." The argument that forgiveness seems to reward students for what they would do anyway seems to be supported by this survey.

APPENDIX A

Student Loan Questionnaire

ALASKA STUDENT LOAN QUESTIONNAIRE

The Alaska Commission on Postsecondary Education has not surveyed loan recipients in the past, but due to the increased level of proposed program changes, we feel some information from you, the recipients of this program, would be most useful as we enter a new Legislative Session. Please complete this brief questionnaire and return it to us in the envelope provided. All responses are completely anonymous.

1. Check those school years in which you received an Alaska Student Loan

1975-76 _____	1978-79 _____	1981-82 _____
1976-77 _____	1979-80 _____	1982-83 _____
1977-78 _____	1980-81 _____	1983-84 _____

2. Current student level (please check)

Freshman _____	Junior _____	Graduate _____
Sophomore _____	Senior _____	Vocational _____

3. Current attendance (please check)

	<u>In Alaska</u>	<u>Out-of-State</u>
Vocational School	_____	_____
Community College	_____	_____
Private College/University	_____	_____
Public College/University	_____	_____

4. What interest level do you feel is appropriate for these loans?

5% _____	7% _____	9% _____
6% _____	8% _____	Other _____ (indicate)

5. What loan level do you feel is appropriate for these loans?

\$6,000 and \$7,000 loan levels should be retained	_____
Loan levels should be reduced	_____
Loan levels should be raised	_____

6. Why did you decide to attend your current institution? (Please number your reasons, with "1" being most important, and limit your choices to no more than four.)

Athletics/recreational activities	_____	Availability of program	_____
Sororities/fraternities/campus organization	_____	Availability of financial aid	_____
Geographic location/weather/climate	_____	Closeness to home	_____
Encouragement of parents/relatives	_____	Religious atmosphere	_____
Encouragement of teachers/counselors	_____	Friends are there	_____
Ability to work while attending school	_____	School reputation/prestige	_____
Availability of campus housing	_____	Low tuition/expenses	_____

7. If you are attending out-of-state, what single factor could encourage you to attend in-state (what could be changed, if anything)? _____

(Please continue on reverse side)

8. Did you attend a postsecondary education institution in Alaska last year (1982-83)?

Yes _____ No _____

9. What degree or certificate are you seeking and what is your major program of study?

Associate Degree (Major?) _____

Bachelors Degree (Major?) _____

Masters Degree (Major?) _____

Specialist Degree (Major?) _____

Doctorate Degree (Major?) _____

Diploma (Course of Study?) _____

Certificate (Course of Study?) _____

10. Do you plan to live in Alaska when your education is finished?

Yes _____ No _____

11. What factors influenced your response in question 10? (Please number your reasons with "1" being most important, and limit your choices to no more than four.)

Availability of jobs _____

Alaska is my home _____

Friends are there _____

Student loan forgiveness _____

Encouragement of parents/relatives _____

Availability of continuing education _____

Recreational activity availability _____

Geographic location/weather/climate _____

12. Does the student loan forgiveness feature influence your decisions on:

a. Whether or not you live in Alaska after schooling? Yes _____ No _____

b. How much you borrow? Yes _____ No _____

13. Should the student loan forgiveness feature be:

a. Discontinued? Yes _____ No _____

b. Reduced? Yes _____ No _____

c. Retained as is? Yes _____ No _____

14. If there were no Alaska State Student Loan Program, would you (check as many as applicable)?

a. Delay your education _____

b. Not attend school at all _____

c. Borrow under a federal loan program _____

d. None of the above _____

Please return to: Alaska Commission on Postsecondary Education
Pouch FP
Juneau, Alaska 99811



Official Business

Alaska State Legislature

House

Pouch V
State Capitol
Juneau, Alaska 99811

February 1, 1985

TO: Rep. John Sund
Chairman
Special Committees on Loans

FROM: Rep. John Binkley

Re: House Bill 161 "An Act relating to student loans; and providing for an effective date."

Today I have introduced a bill that will amend certain portions of the Post Secondary Commission program that deals with student loans.

The Alaska Student Loan program established in 1971 to provide aid to Alaska residents in the form of low interest loans, is undeniably the most generous such program in the nation. It has provided loans to over 50,000 Alaskans since the inception of the program. It was intended to allow students to leave Alaska to secure an education, and encourage them to return by providing that a portion of the loan would be forgiven for returning and working in the state, which needed trained people in many areas of expertise. Many students in the early days of the program, once they left the state would not return because of lack of opportunities for suitable employment when they returned.

Conditions have changed substantially since then. In a survey done by the Post Secondary Commission of the grant recipients of 1983-84, most students, regardless of whether they had attended school "outside" or not, intended to return to Alaska to live and work for various reasons. Those reasons most often cited by both groups of students were that Alaska was their home and that it provided economic opportunity. Loan forgiveness was not considered a major factor.

The financial climate of the state has changed also. In 1971, Alaskans' incomes ranked fourth in the nation, twenty percent above the per capita national average. Now we rank number one, and our income, per capita, is forty-seven percent above the national average.

There are and will continue to be students in Alaska who will need as much help as we as a state can provide them. In order to help as

many of those needy students as possible, I feel some changes are mandated in the student loan program as it is now constituted.

In this bill, the interest rate on student loans will be raised from its present five percent to eight percent. The rate on defaulted loans will remain the same.

If a student has not applied for admission to the student loan program within six months prior to graduation, or within one year after graduation from high school, the student must show financial need as established by regulation of the Post Secondary Commission. Once a student has applied for a loan, he/she may defer going to school for a cumulative of two years. This allows a student to travel, work one semester while attending school the other, or to respond to some emergency situation that might arise.

Once students have applied for, and been accepted into the program, they may continue to apply for and receive the loan as long as they remain a full-time student in a career education, associate, baccalaureate or graduate degree program, and will not have to demonstrate need unless they interrupt their studies for more than two cumulative years.

The intent of the change in the statutes is to limit the program to those who are newly graduated as these students usually have not had the opportunity to establish themselves in the work force. It does not seem to be the function of the state to guarantee an education to persons who are financially able to bear the cost of educating themselves.

Eliminating the "forgiveness" portion of the present loan program would allow the Commission to recover more funds that would then be available to provide loans for more Alaskan students, thus assuring that this will truly be a revolving loan program.

I appreciate your consideration of this bill and I will be available to answer questions on it.

Sincerely,



John Binkley
Representative
District 25

Attachments

1. Sectional Analysis House Bill 161
2. Survey of 1983-84 Alaska Student Loan Recipients

SECTIONAL ANALYSIS HOUSE BILL 161

Mary Beth Hilburn

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

Section 1. AS 14.43.120(f) is amended to increase the interest rate on a student loan from five (5) percent to eight (8) percent.

Section 2. AS 14.43.125 (a) is repealed and reenacted changing the eligibility requirements by requiring a student who meets the established criteria for qualifying and desiring a state loan to apply within six months of graduation, or within a year after graduation, or to establish financial need as determined by regulations to be promulgated by the Post Secondary Commission.

Section 3. AS 14.43.125 adds a new subsection (c) which states that a recipient of a loan under (A) may continue without demonstrating need if the recipient does not interrupt the course of study for more than a cumulative of two years.

Section 4. AS 14.43.640(b) inserts some technical changes that clarify the intent of the section.

Section 5. AS 14.43.640 adds a new subsection that keeps the rate of interest on teachers loans at five (5) percent unless that loan is in default, then the interest is ten (10) percent.

Section 6. AS 14.43.120: (j), (o) and (p) of this section are repealed.

(j) is the portion of the statute that "forgives" up to 50% of the loan if the borrower returns to the state as a resident for varying periods of time.

(o) is the portion of the statute that nullifies the "forgiveness" clause if the loan is in default since it will no longer be needed.

(p) sets out the requirements of residency to qualify for "forgiveness" since it will no longer be applicable.

Section 7. Requires students presently receiving a student loan to meet the new qualification standards of initial application, or financial need.



UNIVERSITY OF ALASKA, FAIRBANKS

Fairbanks, Alaska 99701

A POSITION PAPER: HOUSE BILL NO. 161

As student representatives of the University of Alaska, Fairbanks, the Legislative Council is responsible for bringing the needs of the student body to the state Legislature. An issue of the utmost importance to the students of this university is the introduction of House Bill No. 161, relating to the Alaska Student Loan program. The continuation of the current loan regulations is the primary objective of the Legislative Council this year. We feel we must adamantly oppose this bill for the following reasons:

1. Section (1) of this bill would increase the interest rate of student loans from five to eight percent per year. This in itself is not highly objectionable to the student body, although we are not pleased with the prospect. We do, however, believe that the increased interest rate, when combined with the other proposed changes in this legislation, will place serious financial burdens on many students attending this university. We have no strong objections to the increase in the interest rate to ten percent for defaulters either, but do feel that students intentionally defaulting payment on their student loans will continue to do so, and students in default for financial reasons will only plummet further into debt. We on the Legislative Council do share with the Alaska State Legislature their concerns regarding the default rate of the loan program. We have in the past consistently supported legislation designed to increase the fiscal responsibility of the borrower.

2. Section (2) of this bill would make it mandatory that all loan applicants show financial need to be eligible for an initial student loan. ASUA objects to this because most loan programs base financial need solely upon parental income. Many students with financially secure parents would prefer to put themselves through school, as opposed to having their parents pay their way. These students would be rendered ineligible.

3. Section (5) sets a different rate of interest for rural education loans than for other student loans. This would discriminate against all students not wishing to pursue a career in rural education. We find this unacceptable.

4. Section (6) of this bill repeals the forgiveness clause in the current student loan program. It is this section to which we most strongly object. If passed, this would place a much heavier financial burden upon many students needing the loan to

attend school. The forgiveness clause is the one thing that separates the Alaska program from similar student loan programs in other states. It has attracted many Alaskan students back to the state after graduation. The sponsor's statement that this is indeed occurring is the very reason to maintain the status quo and not abolish this most important clause.

It is our opinion that the rural education loan was created to supplement the current student loan program, not replace it. We simply do not see the advantage in sacrificing the benefits of one loan program for another. The Legislative Council and the student body of the University Alaska, Fairbanks, strongly urge Alaska legislators to seriously consider the objections raised in this document. Again, the continuation of the current student loan program is the primary concern of the council, and most definitely, of students all across the great state of Alaska.

A Position Paper: House
Bill No. 161

A Statement to the
Fourteenth Legislature

By

Legislative Council,
Associated Students of the University of Alaska

February 4, 1985

A Position Paper: House Bill No. 161

As student representatives of the University of Alaska, Fairbanks, the Legislative Council is responsible for bringing the needs of the students body to the State Legislature. An issue of the utmost importance to the students of this university is the introduction of House Bill No. 161, relating to the Alaska Student Loan Program. The continuation of the current loan regulations is the primary objective of the Legislative Council this year. We feel we must adamantly oppose this bill for the following reasons:

1. Section (1) of this bill would increase the interest rate of student loans from five to eight percent per year. This in itself is not highly objectionable to the student body, although we are not pleased with the prospect. We do, however, believe that the increased interest rate, when combined with the other proposed changes in this legislation, will place serious financial burdens on many students attending this university. We have no strong objections to increasing the interest rate to ten percent per year for loan defaulters either, but do feel that students intentionally defaulting payment of their student loans will continue to do so, and students in default for financial reasons will plummet further into debt. We on the Legislative Council of ASUA do share with the Alaska State Legislature concern over the default rate of student loans. We have in the past consistently supported legislation designed to increase the fiscal responsibility of the borrower.

2. Section (2) of this bill seems to be ambiguous and is very confusing. Any student able to meet the requirement of (2) in this section would also meet the (B) subsection of (3). Therefore, it would seem that (3A), as well as (3B), of this section are unnecessary.

3. Section (5) sets different rates of interests for students pursuing different careers. This section would discriminate against all students not seeking a career in rural education. We find this unacceptable.

4. Section (6) of this bill repeals the forgiveness clause in the current loan program. It is this section which we most strongly object to. If passed, this would place a much heavier financial burden upon students needing the loan to attend school. The forgiveness clause is the one thing that sets the Alaska loan program apart from the loan programs of other states. It has attracted many Alaska residents back to the state after graduation. The sponsor's statement that this is occurring is the very reason to maintain the status quo and not abolish this most important clause.

It is our opinion that the rural education loan was created to supplement the current student loan program, not to replace it. We simply do not see the advantage in sacrificing the benefits of one loan program for another. The Legislative Council and the

student body of the University of Alaska, Fairbanks, strongly urge Alaska legislators to seriously consider the objections raised in this document. Again, the continuation of the current student loan program is the primary concern of the council, and most definately, of students all across the great state of Alaska.



UNIVERSITY OF ALASKA, FAIRBANKS

Fairbanks, Alaska 99701

February 11, 1985

John Hartle
C/O Representative John Sund
Pouch V
Juneau, AK 99811

Dear Mr. Hartle:

Thank you for taking the time to discuss the Alaska Student Loan Program with me. I am currently making the final revisions on the ASUA Alaska Student Loan Position Paper, and will either send you a copy through the mail, or have Ken Knox, my legislative assistant, drop one off to you when he is in Juneau the 12th, 13th and 14th of this month.

I am enclosing a copy of an article taken from The Chronicle of Higher Education as it may be of interest to you. The article discusses the default rates of various loan programs for students.

Once again, thank you for discussing the Alaska Student Loan Program with me.

Sincerely yours,

Darin Hargraves

ASUA Legislative Coordinator

Enclosure

Rate of Default Declines on Loans to Students, Varies Widely Among States

WASHINGTON

Default rates under the Guaranteed Student Loan program vary dramatically from state to state—from a high of 12.8 per cent in the District of Columbia to zero in North Dakota in fiscal 1983. Rates rose in 31 states from 1981 to 1983, but dropped in 17 others, a survey has found.

The default rate is the amount of money owed on delinquent loans divided by the total amount of money loaned.

The overall national default rate decreased from 10.17 per cent in 1981 to 9.16 per cent in 1983, while the dollar volume of loans in default grew 77 per cent, from \$867-million in 1981 to \$1.33-billion in 1983, according to a report by Jerry S. Davis, director of research and policy analysis at the Pennsylvania Higher Education Assistance Agency.

"This increasing default volume was expected, as huge volumes of Guaranteed Student Loans made in fiscal 1979, 1980, and 1981 reached maturity," Mr. Davis said.

Alaska Posts Biggest Decrease

The biggest drop occurred in Alaska, where the default rate went down 5.03 percentage points from 1981 to 1983. States where default rates rose the most in the three-year period include Arizona, California, the District of Columbia, Hawaii, Nebraska, Texas, and West Virginia, with increases ranging from 4 to nearly 13 percentage points.

The survey, which was based on data gathered by the Education Department, is of particular interest because paying off defaults in the Guaranteed Student Loan program costs the government about \$800-million a year.

Budget pressures are forcing increased scrutiny of the causes of, and possible solutions to, the problems of student-loan defaults.

But the survey indicates that the default problem is not as bad as many people believe it to be, said Mr. Davis.

"Discussions of default rates and soaring default volumes and their costs to the Guaranteed Student Loan Program all too often treat these problems as if they were monolithic among all states," he said.

"The default problem is not the same for all states. These differences suggest that remedies for the problem cannot be couched in terms of national or program-wide solutions, but must recognize the different situations among the states," he continued.

States with long-established student-loan-guarantee agencies generally have better default rates than states with newer agencies. Mr. Davis called agencies "established" if they guaranteed at least 40 per cent of their total loans before fiscal 1981; "new" states guaranteed over 40 per cent since that year.

Default rates dropped in 17 of the 23 states that have "established" guarantee agencies.

Increases in 31 States

State guarantee agencies insure lenders who make Guaranteed Student Loans against default, and the federal government in turn insures state agencies for the loans they back.

Default rates increased in 31 states, largely because they had new

2-Year Change in Student-Loan Default Rates



Default rates by state for fiscal 1983

Alabama	2.2%	Kentucky	4.1%	North Dakota	0.0%
Alaska	1.4%	Louisiana	5.1%	Ohio	0.7%
Arizona	8.9%	Maine	2.9%	Oklahoma	0.5%
Arkansas	1.3%	Maryland	5.2%	Oregon	2.1%
California	9.2%	Massachusetts	2.4%	Pennsylvania	5.0%
Colorado	2.3%	Michigan	2.7%	Rhode Island	5.7%
Connecticut	4.8%	Minnesota	5.2%	South Carolina	0.8%
Delaware	2.0%	Mississippi	3.8%	South Dakota	2.6%
District of Columbia	12.8%	Missouri	6.4%	Tennessee	3.2%
Florida	2.0%	Montana	3.1%	Texas	4.5%
Georgia	4.4%	Nebraska	8.2%	Utah	2.8%
Hawaii	8.0%	Nevada	8.2%	Vermont	2.8%
Idaho	4.8%	New Hampshire	1.5%	Virginia	0.0%
Illinois	2.4%	New Jersey	4.7%	Washington	1.5%
Indiana	2.1%	New Mexico	0.3%	West Virginia	8.3%
Iowa	3.2%	New York	0.4%	Wisconsin	5.4%
Kansas	7.3%	North Carolina	3.5%	Wyoming	3.1%

Note: "Established" states guaranteed at least 40 per cent of their total student loans before fiscal 1981. "New" states guaranteed over 40 per cent of their student loans after that year.

The figures show the change in the default rate from fiscal 1981 to fiscal 1983. N/A: Not available.

SOURCE: JERRY S. DAVIS, PENNSYLVANIA HIGHER EDUCATION ASSISTANCE AGENCY

agencies with limited experience insuring student loans, Mr. Davis said.

Mr. Davis said the decline in the overall national default rate was due primarily to lower rates in states that guarantee the largest volumes of loans, including Illinois, Massachu-

setts, New Jersey, New York, and Pennsylvania.

The number and dollar value of loans increased significantly from 1981 to 1983, with a total of \$11.7-billion in such loans made during 1982 and 1983, the report says.

"Thus the recent huge increases in numbers of loan dollars guaranteed and reaching maturity has generated a not unexpected large increase in default loan dollar volumes," Mr. Davis said in his report.

—DONNA ENGELGAW

Original sponsor: Binkley

IN THE HOUSE

BY THE HOUSE SPECIAL COMMITTEE
ON STATE LOANS

CS FOR HOUSE BILL NO. 161 (Loans)

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the interest rate, forgiveness provisions, eligibility requirements, and conditions of scholarship loans; and providing for an effective date."

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

* Section 1. AS 14.43.120(f) is amended to read:

(f) Interest on a loan given under AS 14.43.090 - 14.43.160 is at the rate of eight [FIVE] percent a year unless the loan is in default. Interest on a loan that is in default is 10 percent a year for the period the loan is in default.

* Sec. 2. AS 14.43.120(k) is amended to read:

(k) Periodic installments of principal shall be deferred, but interest shall accrue and be paid unless the student is eligible for interest payment benefits under (l) of this section during any of the following:

(1) return to student status as provided in (c) of this section;

(2) serving an initial period of up to six years on active duty as a member of the armed forces of the United States;

(3) serving, for up to three years, as a full-time volunteer under the Peace Corps Act;

(4) serving, for up to three years, as a full-time volunteer under the Domestic Volunteer Service Act of 1973;

(5) for a one-time period up to 12 months in which the

1 borrower is seeking and unable to find employment in the United
2 States; or

3 (6) if the borrower becomes 50 percent or more disabled as
4 certified by competent medical authority.

5 * Sec. 3. AS 14.43.125 is repealed and reenacted to read:

6 Sec. 14.43.125. ELIGIBILITY OF STUDENTS. (a) A person may
7 apply for and obtain a scholarship loan if the person

8 (1) is

9 (A) enrolled as a full-time student in a career educa-
10 tion, associate, baccalaureate, or graduate degree program; or

11 (B) a graduate of a high school or the equivalent, or
12 scheduled for graduation from a high school within six months,
13 with sufficient credits to be admitted to a career education
14 program or to an accredited college or university;

15 (2) is not delinquent or in default on a previously awarded
16 scholarship loan; and

17 (3) is a resident of the state at the time of application
18 for the loan; for purposes of this section, a person qualifies as a
19 resident of the state if at the time of application for the loan the
20 person

21 (A) has been physically present in the state for at
22 least two years immediately before the time of application for
23 the loan;

24 (B) is dependent on a parent or guardian for care, the
25 parent or guardian has been present in the state for at least two
26 years immediately before the time of application for the loan and
27 the person has been present in the state for at least one year of
28 the immediately preceding five years except that the commission
29 may by a two-thirds vote, acting upon a written appeal by the

1 person, grant an exemption to the requirement that the person has
2 been present in the state for one year of the immediately preced-
3 ing five years;

4 (C) has been physically present in the state, or is a
5 dependent of a parent or guardian who has been physically present
6 in the state, for at least two years immediately before the
7 applicant was absent from the state and the absence is due solely
8 to

9 (i) serving an initial period of up to six years
10 on active duty as a member of the armed forces of the United
11 States;

12 (ii) serving, for up to three years, as a full-
13 time volunteer under the Peace Corps Act;

14 (iii) serving, for up to three years, as a full-
15 time volunteer under the Domestic Volunteer Service Act of
16 1973;

17 (iv) required medical care for the applicant or
18 the applicant's immediate family;

19 (v) being a person who otherwise qualifies as a
20 resident and is accompanying a spouse who qualifies as a
21 resident under (i) - (iv) of this paragraph; or

22 (D) has been physically present in the state, or is a
23 dependent of a parent or guardian who has been physically present
24 in the state, for at least two years immediately before the
25 applicant or the parent or guardian was absent from the state and
26 the absence is due solely to

27 (i) participating in a foreign exchange student
28 program recognized by the commission;

29 (ii) attending a school as a full-time student;

- 1 (iii) full-time employment by the state;
2 (iv) being a member of or employed full-time by
3 the state's congressional delegation;
4 (v) being a person who otherwise qualifies as a
5 resident and is accompanying a spouse who qualifies as a
6 resident under (i) - (iv) of this paragraph.

7 (b) A person does not qualify as a resident of the state under
8 this section if the person declares or establishes residence in another
9 state during an absence from Alaska.

10 * Sec. 4. AS 14.43.120(j), (o), and (p) are repealed.

11 * Sec. 5. Section 4 of this Act takes effect September 1, 1990.

12 * Sec. 6. Section 1 of this Act takes effect July 1, 1985.

13 * Sec. 7. Sections 2 and 3 of this Act take effect immediately in
14 accordance with AS 01.10.070(c).
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COMMITTEE REPORT

HOUSE

HEALTH, EDUCATION &
SOCIAL SERVICES

(7)

FURTHER: FINANCE

2/1/85

Date: 3/1/85

The Committee on HOUSE SPECIAL COMMITTEE
ON STATE LOANS has had HB 161

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

under consideration and recommends:

- [] do pass [] do not pass
- [] do pass with attached amendments(s)
- [X] replace with CS for HB 161 (Loans) [] same title
[X] new title
- and recommends Recommendation
- [] AND attaches a "Letter of Intent" [X] New Fiscal Note for the
- [X] reports it back without recommendation individual [] Zero Fiscal Note Attached
- [] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

CHAIRMAN

HOUSE SPECIAL COMMITTEE
ON STATE LOANS
February 27, 1985
3:30 p.m.

Members Present: Representative John Sund, Chair
Representative Rick Uehling
Representative Jack Fuller
Representative Sam Cotten
Representative Jim Duncan

COMMITTEE CALENDAR

HB 161 "An Act relating to student loans; and
providing for an effective date".
HB 185 "An Act relating to student loans; and
providing for an effective date".
HB 197 "An Act relating to maximum loans under the
scholarship loan program; and providing for
an effective date".

WITNESS REGISTER

Marie Motschman
Government Relations Representative
UAA
3701 Eureka Sp B-1
Anchorage, AK
563-5462
Position Statement: Opposed HB 161, favored HB 185 and HB 197

Bob Menard, UAA student representative
3041 E 42nd St. # 505
Anchorage, AK
541-0804
Position Statement: Opposed HB 161, favored HB 185 and HB 197

Johne Binkley, Representative
Pouch V
Juneau, AK 99811
465-4985
Position Statement: Sponsor and supporter of HB 161

Niilo Koponen, Representative
Pouch V
Juneau, AK 99811
465-4992
Position Statement: Observer

Kerry Romesburg, Executive Director

Postsecondary Education Commission

Pouch FP

Juneau, AK 99811

465-2854

Position Statement: Testified in favor of HB 185, critical of HB 161

PREVIOUS ACTION

Please refer to House Special Committee on
State Loans, State-wide Teleconference
Minutes of Feb. 26, 1985.

ACTION NARRATIVE

TAPE #9, SIDE ONE

Recording

Number 001

The meeting was called to order by Chairman Sund at 3:35 p.m. Members present were Reps. Cotten, Fuller, Uehling, and Sund. Representative Duncan arrived at 4:15 p.m. Representatives Binkley and Koponen also attended.

Number 033

Marie Motschman, Government Relations Representative from UAA, testified against HB 161 and in support of HB 185 and HB 197. Speaking on behalf of UAA and ACC students, she objected particularly to the discrimination against non-traditional students inherent in the needs-based section of HB 161. She noted that the average student age at UAA is 26, and at Anchorage Community College it is 27. She said that the students at UAA would be willing to work with the legislature toward a solution to the problem.

Number 084

There was some discussion about whether all students who do not pass the needs test would be able to afford to pay for their own schooling.

Number 130

Representative Binkley said that the intent of HB 161 is merely that those students who can afford to pay their own way would be ineligible, and asked Ms. Motschman if she agreed.

Number 180

Ms. Motschman said that she agreed with Rep. Binkley, but that she was representing a lot of other students and could not speak for

them.

Number 209

Representative Uehling noted that HB 161 would save the state about \$14 million, and asked Ms. Motschman what her suggestions would be as to how to cut back and still offer a good loan program.

Number 230

Ms. Motschman responded that savings from eliminating the forgiveness clause would not be seen for several years, but added that the students of today don't want to lose their forgiveness, even though only 20% of the students actually use the forgiveness clause. She suggested a gradual elimination of forgiveness at the rate of 10% per year. She added that the lending cap could be lowered from \$6000 to \$4500 for a more immediate savings.

Number 292

Bob Menard, representing the Legislative Council from UAA, suggested some alternatives to HB 161. He noted that HB 161 would raise the interest rate for urban students but not for some rural students (Teacher Scholarship Loan Program.)

Number 361

There was some discussion about the Teacher Scholarship Loan Program for rural students, which offers 5% interest and 100% forgiveness for those students who qualify and who return to rural Alaska to teach.

Number 397

Chairman Sund pointed out that the only students that would pay back a Teacher Scholarship Loan would be those who do not return to rural Alaska to teach, and that they would still have the advantage of a 5% loan and a \$7,500/year loan amount.

Number 410

Representative Binkley explained that this loan program had been set up as separate and distinct from the Student Loan Program.

Number 420

Representative Fuller said that he does not favor raising the interest rate for the one loan program and not for the other.

Number 450

There was some discussion about whether there is a need to save money on the Student Loan Program this year and how to do it.

Number 480

Ms. Motschman read a resolution by the senate of the ASUAA which advocates

publishing in the local papers the names of individuals in default on student loans.

Number 519

Kerry Romesburg stated that the Postsecondary Education Commission endorses and recommends the continuation and full-funding of the Alaska Student Loan Program. He added that amendments which restrict access by denying loans to groups of Alaskans are vigorously opposed.

He said that nearly 17,000 people have borrowed money this year under the Student Loan Program. He said that \$78 million has been loaned out in 1985, and that more than \$286 million has been loaned total to date. \$20 million has been repayed.

Number 550

Representative Cotten asked Dr. Romesburg when interest starts to accumulate.

Number 560

Dr. Romesburg answered that the interest starts to accumulate one year from the first day of the month after a person ceases to be a full-time student. He added that clamping down on defaults would not add enough money to the program to make a very big difference. He stated that the Commission wants to see the interest rate increased from 5%, to a rate at least as high as the federal and higher than passbook savings. He said that increasing the rate from 5% to 8% would increase the payment by \$1.37 per month per \$1000 borrowed.

Number 623

Representative Uehling asked what the fiscal effect of such an increase would be.

Number 630

Dr. Romesburg that there would be no impact until 1988, which would increase gradually.

Number 646

Representative Binkley disagreed and expressed th opinion that raising interest and eliminating forgiveness would result in a decreased demand for student loans.

Number 670

Dr. Romesburg said that the Postsecondary Education Commission favors the elimination of forgiveness, since there is no evidence that a high proportion of students return to Alaska in order to get forgiveness. He added that this would result in a savings of \$6-\$8 million in six or eight years.

CHANGE TAPE #9, SIDE TWO

- Number 001 Dr. Romesburg spoke strongly in favor of HB 185 and said that the Commission has wanted to see such a bill passed for several years. He said that the bill would allow for deferral of student loans to veterans during the first enlistment term only. Another section would define the terms under which a person can be absent from the state and still be eligible for a loan. He said that technically, students attending an out of state institution must return to Alaska for 2 years before getting a student loan for their next year of college. Therefore, the Commission has been breaking the rules by giving loans for consecutive years to these students, and feels uneasy doing so. He said that there would be no fiscal impact. He added that there is also a provision that would give the Commission statutory power to deny a loan to an individual in default on another student loan.
- Number 072 There was committee discussion about the requirement for physical presence in Alaska and possible exceptions.
- Number 188 Dr. Romesburg spoke in favor of HB 197 and said that it would pose no problem in terms of administration. He noted that the purpose of the bill is to allow a senior to obtain a loan in order to complete his/her studies during summer session, rather than returning in the fall.
- Number 201 Rep. Uehling asked if this bill would result in students getting more money than the current maximum during a year.
- Number 210 Dr. Romesburg answered that it would be possible for a student to get \$8000 instead of \$6000 in a 12 month period, but this would only happen once, since the \$2000 for summer school would come out of the next year's loan amount if the student returned to school. He added that there would be no fiscal impact since the \$2000 for summer would be taken out of lapsed money from the year before.
- Number 288 Rep. Cotten asked Dr. Romesburg what the average length of residency is for individuals applying for student loans, and

what is the trend (increase or decrease) in the use of forgiveness.

Number 295

Dr. Romesburg answered that the trend is toward shorter residency, that 55% indicate 3-5 years and 22% indicate 2 years. He also said that there has been some decrease in the use of forgiveness (1/6 of loans get forgiveness,) because first a person must graduate and then must live in Alaska.

Number 340

Dr. Romesburg told the committee that, in the event of less money available for student loans, the Commission already has a method of prioritizing loans, besides first come first served. Preference is given to those who have borrowed before, to those who are borrowing for a shorter duration, and to in-state borrowers. The two classes of students on the bottom of the priority list are graduate students who have not borrowed before and are going outside Alaska to school, and freshmen students who have not borrowed before and are going outside Alaska to school. He added that there is no need to use this system when there is enough money. He also said that the Board does not favor across the board cuts, giving less money to more borrowers.

Number 370

Rep. Binkley expressed concern about the impact on rural students of the first come first served rule.

Number 375

Dr. Romesburg answered that traditionally, rural students tend to apply late and are therefore at a disadvantage.

Number 385

Rep. Fuller said that school counselors should see that students get their applications in on time.

Number 410

Rep. Fuller suggested giving the bill back to Rep. Binkley, so that he could work on some of the bill's provisions, and the committee agreed.

Number 450

Rep. Cotten said that he could go along with raising the interest rate and phasing out the forgiveness, but that he would not favor restricting access to the program.

Number 480

Chairman Sund said that he would prefer to pass one bill out of committee in place of

HB 161 and HB 185, since both bills address the same section of the statutes.

Number 500

Dr. Romesburg asked that HB 185 be allowed to go through without combining it with a controversial bill like HB 161, thereby decreasing its chances of passing.

Number 510

Chairman Sund said that he and Rep. Koponen had agreed that HB 197 could be amended into HB 185. He then announced that the committee would meet again on Friday, March 1. The meeting was adjourned at 4:50 p.m.

HOUSE SPECIAL COMMITTEE
ON STATE LOANS
February 26, 1985
3:30 p.m.

Members Present: Representative John Sund, Chair
Representative Rick Uehling
Representative Jack Fuller
Representative Sam Cotten
Representative Jim Duncan

COMMITTEE CALENDAR

Statewide teleconference on student loans bills:

HB 161 Amended Title: "An Act relating to Student Loans; and providing for an effective date".
HB 185 "An Act relating to Student Loans; and providing for an effective date".
HB 197 "An Act relating to maximum loan amounts under the Scholarship Loan Program; and providing for an effective date".

WITNESS REGISTER

Johne Binkley, Representative
Pouch V
Juneau, AK 99811
465-4985
Position Statement: Sponsor of HB 161

Kerry Romesburg, Executive Director
Postsecondary Education Commission
Pouch FP
Juneau, AK 99811
465-2854
Position Statement: Testified in favor of HB 185, opposed parts of HB 161.

Lisa McClaren, aide to Representative Koponen
Pouch V
Juneau, AK 99811
465-4992
Position Statement: Spoke in favor of HB 185.

Don Patterson
General Delivery
Wasilla, Alaska 99687
376-0670

Position Statement: Against HB 161

Gretchen Mau

P.O. Box 943

Palmer, AK 99645

745-3849

Position Statement: Question re: HB 197

Frank Haas

P.O. Box 97

Haines, AK 99827

766-2349

Position Statement: Against HB 161

June Haas

P.O. Box 97

Haines, AK 99827

766-2349

Position Statement: Against HB 161

Tanja Lofftus

P.O. Box 2009

Wrangell, AK 99929

874-2116

Position Statement: Question re: income

Michelle Merritt

P.O. Box 912

Wrangell, AK 99929

874-3054

Position Statement: Question about HB 197

Lorna-Lee Arndt

Box 2069

Kodiak, AK 99615

486-6486

Position Statement: Against HB 161

Paul Stubbe

Box 946

Kodiak, AK 99615

486-4161

Position Statement: Against HB 161

Barbara Todd

Box 2235

Kodiak, AK 99615

486-5218

Position Statement: Against HB 161

Nathan Lewis

Box 1065

Kodiak, AK 99615

486-5284

Position Statement: Against HB 161

Peter Smith
Box 3308
Kodiak, AK 99615
486-3613
Position Statement: Against HB 161

Joyce Bergmann
Box 130
Petersburg, AK 99833
772-4525
Position Statement: Question re: income

Tyler Henshaw
Box 69
Petersburg, AK 99833
772-3571
Position Statement: Against HB 161, for HB 185 and HB 197

Darin Hargraves
204 Stevens, UAF
Fairbanks, AK 99701
474-7536
Position Statement: Against HB 161

Kathy Ward
P.O. Box 124
Dillingham, AK 99576
842-2264
Position Statement: Against HB 161

Tony Goforth
Box 486
Unalaska, AK 99692
581-1377
Position Statement: In favor of HB 161, HB 185, HB 197

Chris Tolladay
8944 Blackberry #606
Juneau, AK 99502
786-1205
Position Statement: Against HB 161, in favor of HB 185 and HB 197

Cecilia Meyer
Box 1557
Homer, AK 99603
235-8101 (message)
Position Statement: Against HB 161

Burton Augst
1101 KSawmill creek Road
Sitka, AK 99835
747-6653
Position Statement: Against HB 161

Ron Welsh
P.O. Box 1052
Sitka, AK 99835
747-3017

Position Statement: Against HB 161, in favor of HB 185 and HB 197

Linda Fossen
P.O. Box 97
Valdez, AK 99686
835-2678

Position Statement: Against HB 161, in favor of HB 185 and HB 197

PREVIOUS ACTION

HB 161: Read the first time 02/01/85 and referred to HESS, Finance and Rules. Today Loan reported out W/CS (New Title) IDP IDNP 3NR.

HB 185: Read the first time 02/08/85 and referred to HESS, Finance and Rules. Today Loan reported out W/CS (New Title) 5DP with zero fiscal note.

HB 197: Read the first time 02/13/85 and referred to State Loans, HESS, Finance and Rules.

ACTION NARRATIVE

TAPE #8, SIDE ONE
Recording
Number 001

The meeting was called to order by Chairman Sand at 3:35 p.m. Members present were Representatives Cotten, Fuller, Duncan and Sund. Representative Uehling arrived at 3:40 p.m. The teleconference was set up to include about twenty communities around the state.

Number 037

Representative Binkley, sponsor of HB 161, explained the three sections of the bill, which included

- (1) raising the interest rate on student loans from 5% to 8%,
- (2) eliminating the forgiveness clause, and
- (3) limiting the program to students who

apply within 6 months of graduation from high school and start college with 2 years. All other applicants would have to demonstrate financial need.

Number 090

Lisa McLaren, aide to Representative Koponen, sponsor of HB 185, explained that the bill allows for deferment of student loan payments for military service during the first enlistment term only. She said that HB 185 also clarifies the special conditions and length of time which a student could be out of state and still qualify for a student loan.

Number 145

Chairman Sund, sponsor of HB 197, explained that the bill makes it possible to apply for a loan for a 4th consecutive quarter which would then be taken out of the next year's loan amount. The purpose of the bill, he said, is to allow graduating seniors to finish school during the summer quarter, rather than having to return in the fall.

Number 176

Chairman Sund invited participants from around the state to share their views and questions with the committee members and bill sponsors.

Number 176

Don Patterson of Wasilla testified against HB 197 and against HB 161.

Number 255

Burt Augst, Director of Student Services at Islands Community College in Sitka, testified against HB 161.

Number 325

Frank Haas of Haines testified against HB 161.

Number 341

Tanja Lofftus of Wrangell asked if her parents' income would affect her eligibility for a loan.

Number 355

Representative Binkley answered no, she would have full access to the program, since she is still in high school.

Number 362

Lorna-Lee Arndt of Kodiak testified against raising the interest rate on student loans, and complained that her son's loan check had not arrived on time.

Number 425

Kerry Romesburg, Executive Director of Postsecondary Education, answered that all

students who filed their applications by the deadline had their money on time.

Number 440

Joyce Bergmann of Petersburg asked a question about the \$35,000 income limit.

Number 450

Dr. Romesburg answered that the income limit refers to federal student loans, and that few Alaskans would qualify under these limits.

Number 460

Tyler Henshaw of Petersburg testified against HB 161 and in favor of HB 185 and HB 197.

Number 497

Darin Hargraves of the University of Alaska Fairbanks testified against HB 161.

Number 520

Kathy Ward of Dillingham testified against HB 161 and asked why the bill provided for forgiveness for rural teachers only.

Number 545

Representative Binkley answered that the special loan program for rural students going into teaching as a profession was enacted by the legislature last year.

Number 556

Tony Goforth of Unalaska testified in favor of HB 161, HB 185 and HB 197.

Number 576

Paul Stubbe, Dean of Kodiak Community College, testified that almost all students there have been out of high school for more than 2 years.

Number 606

Chris Tolladay of Anchorage Community College testified in favor of HB 185 and 197, and against HB 161 on the grounds that it discriminates against non-traditional students. She also said that she favors a first come first served basis.

CHANGE TAPE #8, SIDE TWO

Number 001

Representative Uehling said that he favors an increase in the interest to 8%, but that he is not in favor of a needs-based program.

Number 025

Michelle Merritt of Wrangell testified in favor of an 8% interest rate and against the elimination of forgiveness.

Number 082

Barbara Todd testified against HB 161, and said that delinquent borrowers should be

charged a higher rate.

- Number 115 Dr. Romesburg answered that when loans are more than 120 days in default, the interest rate increases to 10%, all forgiveness is lost, the loan is turned over to a law firm, and the borrower is issued a summons to appear in court.
- Number 148 Cecilia Meyer of Homer testified against HB 161. She said that she is 36 years old, wants to go back to school, and does not want to sell her house in order to demonstrate need.
- Number 252 Gretchen Mau of Palmer asked if it would be necessary to take 12 credits in one 6-week summer session in order to qualify for a loan under HB 197.
- Number 283 Dr. Romesburg answered that 12 credits can be split between two summer sessions.
- Number 399 June Haas of Haines testified that forgiveness is an important feature of Alaska's student loans, because it encourages people to come back to Alaska to live.
- Number 450 Nathan Lewis of Kodiak testified against HB 161.
- Number 460 Ron Welsh of Sitka testified against HB 161 and in favor of HB 185 and HB 197.
- Number 531 Linda Fossen of Valdez testified against HB 161 and in favor of HB 197 and HB 185.
- Number 550 The teleconference ended and the meeting was adjourned at 5:00 p.m.

HOUSE SPECIAL COMMITTEE
ON STATE LOANS
March 1, 1985
3:30 p.m.

Members Present: Representative John Sund, Chair
Representative Rick Uehling
Representative Jack Fuller
Representative Jim Duncan

Members Absent: Representative Sam Cotten

COMMITTEE CALENDAR

Loan Capitalization: Presentation by Legislative Finance

HB 161 Amended Title: "An Act relating to student loans; and providing for an effective date".

HB 185 "An Act relating to student loans; and providing for an effective date".

HB 197 "An Act relating to maximum loan amounts under the Scholarship Loan Program; and providing for an effective date".

WITNESS REGISTER

P.S. Dhillon, Fiscal Analyst
Legislative Finance Division
Pouch WF
Juneau, AK 99811
465-3795

Position Statement: Overview of capitalization of DCED loan programs

Mike Greany, Director
Legislative Finance Division
Pouch WF
Juneau, AK 99811
465-3795

Position Statement: Explanation of cash balances in loan funds.

John Hartle
Professional Assistant to Representative Sund
Pouch V
Juneau, AK 99811
465-4919

Position Statement: Explanation of current status of loan programs.

Al Adams, Representative

Pouch V
Juneau, AK 99811
465-3706
Position Statement: Observer

Lisa McLaren
Aide to Representative Koponen
Pouch V
Juneau, AK 99811
465-4992
Position Statement: Explanation of CSHB 185

Johne Binkley, Representative
Pouch V
Juneau, AK 99811
465-4985
Position Statement: Explanation and support of CSHB 161

PREVIOUS ACTION

Please refer to House Special Committee on
State Loans, -State-wide Teleconference for
HB 161, HB 185 and HB 197 Minutes for
2/26/85 and 2/27/85.

HB 161 returned to sponsor for revisions
(see HSCSL minutes for 2/27/85.)

HB 197 and HB 185 combined to make CSHB 185
(see HSCSL minutes for 2/27/85.)

ACTION NARRATIVE

TAPE #10, SIDE ONE
Recording
Number 001

The meeting was called to order at 3:35
p.m. by Chairman Sund. Members present were
Representatives Uehling and Sund.
Representatives Duncan and Fuller arrived at
4:15 p.m.

Chairman Sund announced that P.S. Dhillon
and John Hartle were present to provide
information on the different loan accounts,
e.g. how much cash is in accounts, the
expected demand, etc.

Number 045

Mr. P.S. Dhillon, fiscal analyst for
Legislative Finance, discussed cash balances
in the various loan programs as of 6/30/84
and 1/31/85. He said that Legislative Audit
Division had identified some over-

capitalization of the loan funds, after which Legislative Finance followed up by looking at some of the demand projections and comparing their findings with those of DCED. They also looked at one loan program in the Dept. of Revenue, the Fisheries Products Revolving Loan Fund.

Number 090

Mr. Mike Greany, Director of Legislative Finance, explained that there are two reasons why there is a cash balance in some of the loan programs:

(1) Some of the programs are starting to see a significant payback; and

(2) Because interest rates are different now than they were when the programs were started, it is now more attractive for some borrowers to go to the commercial market. He added that the departments had verified the figures in the cases where there a cash surplus was found to exist.

Number 120

Chairman Sund asked if the Governor had any appropriation in his FY 86 budget for the Mining Loan Fund.

Number 125

Mr. Hartle answered that no, the governor had no appropriation for the Mining Loan Fund in the budget.

Number 130

Mr. Dhillon explained that the Small Business Loan Fund and Tourism Revolving Loan Fund are not applicable because the balance in those funds is automatically transferred into the general fund at the end of the fiscal year. He went on to explain that the Veteran's Loan Fund is no longer being used to make new loans, but there is \$8.8 million in the fund now that could be reappropriated. About \$5 million more will be added to the fund as the remaining loans are paid off.

Number 235

Mr. Dhillon went onto discuss the Residential Energy Loan Fund, which is expected to have a cash surplus of about \$7 million at the end of FY 86.

Number 250

Mr. Hartle made the point that none of the loan funds on the list (showing a surplus) are in the Governor's budget for this year.

- Number 255 Mr. Dhillon said that Commercial Fish, Fish Enhancement, and Alternative Technology show a deficit and are included in the Governor's budget.
- Number 320 Chairman Sund asked Mr. Dhillon to explain the fact that the Power Development Loan Fund shows a \$12 million surplus.
- Number 325 Mr. Dhillon explained that \$210 million was appropriated in 1984 for the Four Dam Pool. APA has a loan for \$198 million from the DCED. The balance is \$12 million, and to date there is no known use for the money. He added that future demand for the money would depend on the outcome of the Four Dam Pool negotiations.
- Number 380 Mr. Dhillon explained that \$4 million in the Power Projects Fund relates to an appropriation (1981) for a loan to the City of Fairbanks Municipal Utility, but that, since the utility is not authorized to incur any debt, there has been no loan application. The legislature would have to take action in order to lapse the money.
- Number 400 Mr. Dhillon discussed the fact that there is a \$38.5 million surplus in the Fish Product Revolving Loan Fund, with no new loan applications pending.
- Number 450 There was some discussion about taking a look at loan programs in the future.
- Number 565 Chairman Sund opened the meeting for consideration of student loan bills.
- Number 568 Representative Binkley explained the changes that had been made to HB 161 as follows: Sec. 1 remains the same, with interest rates going to 8%; Sec. 2 incorporates the language from HB 185, and the needs-based portion of the section has been deleted; and Sec. 3 phases out forgiveness over the next 5 years.
- Number 630 Representative Uehling suggested that it would be more fair to the current student loan recipients to eliminate forgiveness all at once at a future date (possibly 1989), since they started school with the belief that they would be able to get forgiveness.

Number 645 Representative Fuller said that the Alaska Student Loan Program is one of the finest in the nation, and that it is time to stop rewarding people for coming back to Alaska.

CHANGE TAPE #10, SIDE TWO

Number 040 Representative Duncan said that he was not in favor of eliminating the forgiveness clause, because the problems would outweigh the cost savings. He said it would cause concern among students and parents.

Number 060 Representative Binkley said that the big savings would be that students would no longer have the idea that the more they borrow, the more the state will subsidize their education.

Number 083 Chairman Sund asked Representative Uehling to clarify his concerns regarding the elimination of forgiveness.

Number 090 Representative Uehling said that, although the state has no contract guaranteeing students forgiveness in upcoming years, he would prefer to see forgiveness eliminated after the students that are in school now have had a chance to finish.

Number 100 Representative Binkley said that student loans are made on a year to year basis, with no guarantee that the money will be available next year.

Number 127 Representative Duncan said that he agrees with Representative Uehling, and that it would be better administratively to eliminate forgiveness all at once in 1989 than to phase it out over several years.

Number 148 Representative Binkley said that Dr. Romesburg had indicated to him that a gradual phase-out of forgiveness would not be that difficult to do.

Number 200 Chairman Sund asked the committee to set aside CSHB 161 in order to act first on CSHB 185, for which an amendment had been written. He went on to explain that Sections 1 and 2 of CSHB 185 are the identical language that was in HB 197. Section 3 is the original HB 185, and the proposed amendment limits the time period

- after which a person leaves Alaska, that she/he can still apply for a loan.
- Number 290 Lisa McLaren explained some of the language in the amendment.
- Number 320 Representative Uehling moved and asked unanimous consent that the committee adopt CSHB 185. There were no objections and CSHB 185 was adopted.
- Number 330 Amendment number 1 for CSHB 185 was moved and adopted.
- Number 335 A motion was made to move CSHB 185 as amended, with individual recommendations. There were no objections.
- Number 340 Representative Uehling moved and asked unanimous consent that the committee adopt CSHB 161. There were no objections.
- Number 390 Representative Uehling moved and asked unanimous consent that amendment number 1 for CSHB 161 be adopted and inserted in Section 2, page 1. There were no objections.
- Number 400 Representative Duncan moved that Section 3 of CSHB 161 be eliminated, and in Section 6 change the reference to number 3 to number 2. which would have the effect of eliminating the forgiveness all at once in 1990.
- Number 410 There was some committee discussion regarding the motion.
- Number 415 The committee voted 3 to 1 to adopt amendment number 2.
- Number 460 Representative Uehling moved and asked unanimous consent the the committee pass out CSHB 161, as amended. There were several objections.
- Representative Uehling withdrew his motion.
- Number 480 Representative Duncan introduced an amendment that would keep the interest rate at 5% for the first three years of repayment and raise it to 8% for the remainder. The intent, he said, is to encourage people to repay their loans quickly.

Number 500 There was discussion regarding
Representative Duncan's amendment.

Number 530 Representative Duncan withdrew the
amendment.

Number 535 Representative Uehling moved and asked
unanimous consent that CSHB 161 be passed
out of committee, with amendments 1 and 2 as
adopted, with individual recommendations.

Number 538 Representative Duncan objected.

Number 540 The committee voted 3 to 1 in favor of the
motion.

Number 545 The meeting was adjourned at 5:00 p.m.

16

STATE OF ALASKA

STUDENT

FINANCIAL AID

PROGRAMS

ANNUAL REPORT
1983-1984

Alaska Commission on Postsecondary Education
Pouch FP, 400 Willoughby Avenue
Juneau, Alaska 99811



STATE OF ALASKA

S T U D E N T
F I N A N C I A L A I D
P R O G R A M S
ANNUAL REPORT
1983-84

Document Number 85-1

Alaska Commission on Postsecondary Education
Pouch FP, 400 Willoughby Avenue
Juneau, Alaska 99811

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

Mr. Gordon Evans, Chairman (Juneau)
Ms. Patricia Abney (Anchorage)
Ms. Ruth Burnett (Fairbanks)
Ms. Patricia Clark (Fairbanks)
Mr. Lee Demmert (Sitka)
Ms. Susan Greene (Talkeetna)
Ms. Ernestine Griffin (Sitka)
Mr. Richard Helms (Anchorage)
Senator Joe Josephson (Anchorage)
Representative Terry Martin (Anchorage)
Ms. Barbara Thompson (Juneau)
Mrs. Blanche Walters (Nome)
Mr. Walter Ward (Soldotna)

COMMISSION OFFICE

Dr. Kerry D. Romesburg
Executive Director
Alaska Commission on Postsecondary Education
Pouch FP, 400 Willoughby Avenue
Juneau, Alaska 99811
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ALASKA STUDENT LOAN PROGRAM

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WICHE STUDENT EXCHANGE AND STATE EDUCATIONAL INCENTIVE GRANT PROGRAMS

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PREFACE

The Annual Report on Alaska Student Financial Aid Programs for 1983-84 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 1983-84 included:

Ms. Patricia Abney, Chairman (Anchorage)
Ms. Patricia Clark (Fairbanks)
Ms. Ida Greiner (Fairbanks)
Ms. Carol Johnsen (Sitka)
Ms. Marie MacKenzie (Anchorage)
Dr. Ed Nichols (Anchorage)

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


Kerry D. Romesburg
Executive Director

August 1984

(Date)

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INTRODUCTION

The State of Alaska provides student financial assistance for postsecondary study through three programs: the Alaska Student Loan Program, the WICHE Student Exchange Program, and the State Educational Incentive Grant (SEIG) Program. The three programs provide Alaskans with access to postsecondary education which otherwise might not be available. Through the loan and grant programs direct financial assistance is awarded to students in an effort to remove or lessen financial barriers to postsecondary education. Through the student exchange program, Alaskans have access to graduate, professional, and highly specialized fields which are unavailable in-state.

This report briefly summarizes each of these programs and the participation levels for 1983-84. The Student Loan Program will be discussed first, then the WICHE Student Exchange Program, and finally, the Incentive Grant Program.

ALASKA STUDENT LOAN PROGRAM

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 postsecondary level. The program has grown from serving just over 1,000 Alaskans, in 1971-72, to the current 1983-84 level of serving nearly 15,000 Alaskans.

The Alaska Student Loan Program had its origin in a program of scholarship loans established by the 1968 Alaska State Legislature. This program was amended in 1970 and completely restructured in 1971, when the Legislature established the loan program generally as it exists at present. In the twelve years of operation since then, nearly 63,000 student loans have been awarded to Alaskan residents, for a total of nearly \$150 million.

Educational loans of up to \$6,000 and \$7,000 per year for undergraduate and graduate study, respectively, are provided to eligible state residents. These loans, to be used only to offset the costs of tuition, room, board, and books, offer the borrower a ten-year repayment period at an annual interest rate of five percent. The loans may be used for full-time attendance at any accredited or approved college, university, or vocational-technical program. An incentive of up to fifty percent cancellation is offered to those borrowers who reside in Alaska after completion of their programs of study.

Program Summary

During the 1983-84 school year over 16,000 loans were awarded, and 14,785 were finalized and used for postsecondary attendance. Of these 14,785 loans, 50.5 percent were for attendance in Alaska, and 49.5 percent were for attendance out-of-state.

Undergraduate loans continue to dominate the loan volume, with only 13.2 percent of the 1983-84 loans going for graduate study. The largest single group of loans were for freshman borrowers, who accounted for 27.7 percent of all the 1983-84 loans.

Alaskans use these loans for study throughout the United States, and in a number of foreign countries. During the 1983-84 loan year, students from Alaska used state loans for attendance in every state in the Union and in seventeen foreign countries. The most frequent choice continues to be Alaska by more than a four-to-one margin over any other state.

Loan Award Amounts

The average loan award continued to rise slightly in 1983-84, following the dramatic rise in 1981-82 when the borrowing maximums were raised. For 1983-84, an undergraduate average loan was \$4,171 while the average graduate loan was \$5,097. Out-of-state student loans continue to be higher, on the average, than in-state loans, due largely to non-resident tuition fees. This is graphically presented in Figure 1. It is anticipated that the trend toward higher average loans will continue in the years ahead as tuition rates continue to increase.

Table 1 contains average loan amounts by student level for the last three years, 1981-82, 1982-83, and 1983-84. In general all loans, regardless of level, have steadily increased, for students attending in-state, and have leveled, or even dropped slightly, for those attending out-of-state. The out-of-state borrower averages a higher loan amount than the in-state borrower for every classification other than vocational.

FIGURE 1
MEAN LOAN AMOUNT FOR ALL LOANS
IN-STATE, OUT-OF-STATE, AND COMBINED

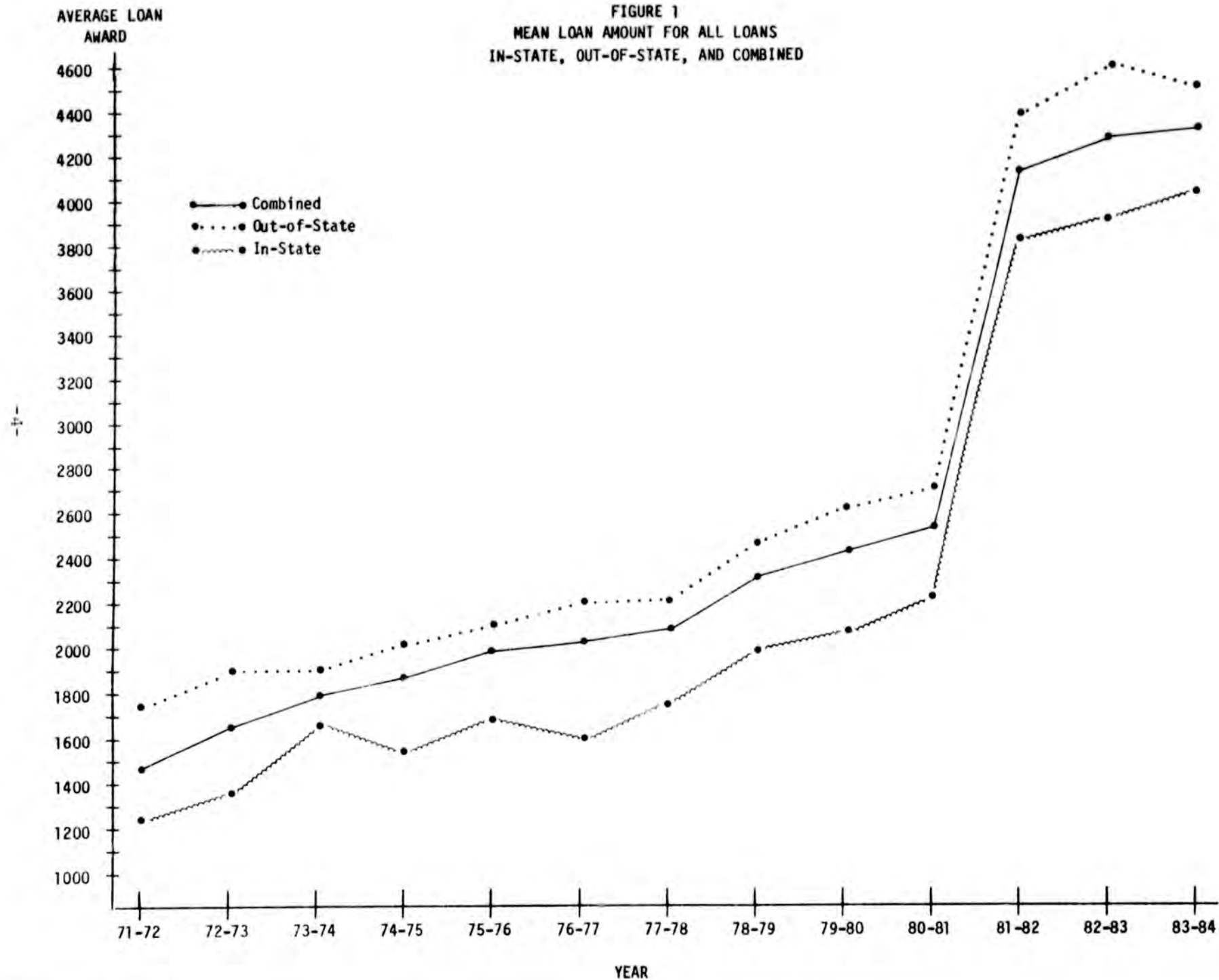


TABLE 1
MEAN LOAN AMOUNT PER RECIPIENT BY
IN-STATE/OUT-OF-STATE AND STUDENT LEVEL
1980-81 thru 1983-84

Student Level	In Alaska			Out-of-State			Combined		
	81-82	82-83	83-84	81-82	82-83	83-84	81-82	82-83	83-84
Freshman	\$3,485	\$3,236	\$3,275	\$3,985	\$4,322	\$4,166	\$3,727	\$3,739	\$3,681
Sophomore	3,782	3,693	3,687	4,056	4,371	4,377	3,925	4,046	4,045
Junior	3,758	3,705	3,889	4,200	4,503	4,541	4,000	4,143	4,249
Senior	3,722	3,745	3,920	4,041	4,480	4,450	3,897	4,140	4,180
Vocational	4,645	5,076	5,224	4,925	4,769	4,544	4,812	4,996	5,028
Undergraduate	3,751	3,847	3,992	4,180	4,432	4,377	3,977	4,122	4,171
Graduate	4,630	4,454	4,527	5,401	5,336	5,257	5,218	5,129	5,097
TOTAL	\$3,796	\$3,872	\$4,013	\$4,345	\$4,558	\$4,502	\$4,098	\$4,213	\$4,255

Undergraduate Loans

The number of undergraduate students receiving loans under the state program has increased greatly over the past twelve years. In 1971-72, 990 undergraduates received assistance, while in 1983-84, the number has grown to 13,449. Of these 13,449 loan recipients, 53.3 percent used their loans for attendance in Alaska, and 46.7 percent used their loans out-of-state. The states most frequently chosen by undergraduates in 1983-84 are presented in Table 2.

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, followed by Washington, Oregon and California.

The average loan amount increased in almost every case, with the most pronounced increase in loans for attendance in Arizona, Colorado, and Alaska. Hawaii continues to be one of the states for which undergraduate loan amounts are the lowest, (\$3,426), and two of the top ten states of attendance have lower average loans than does Alaska.

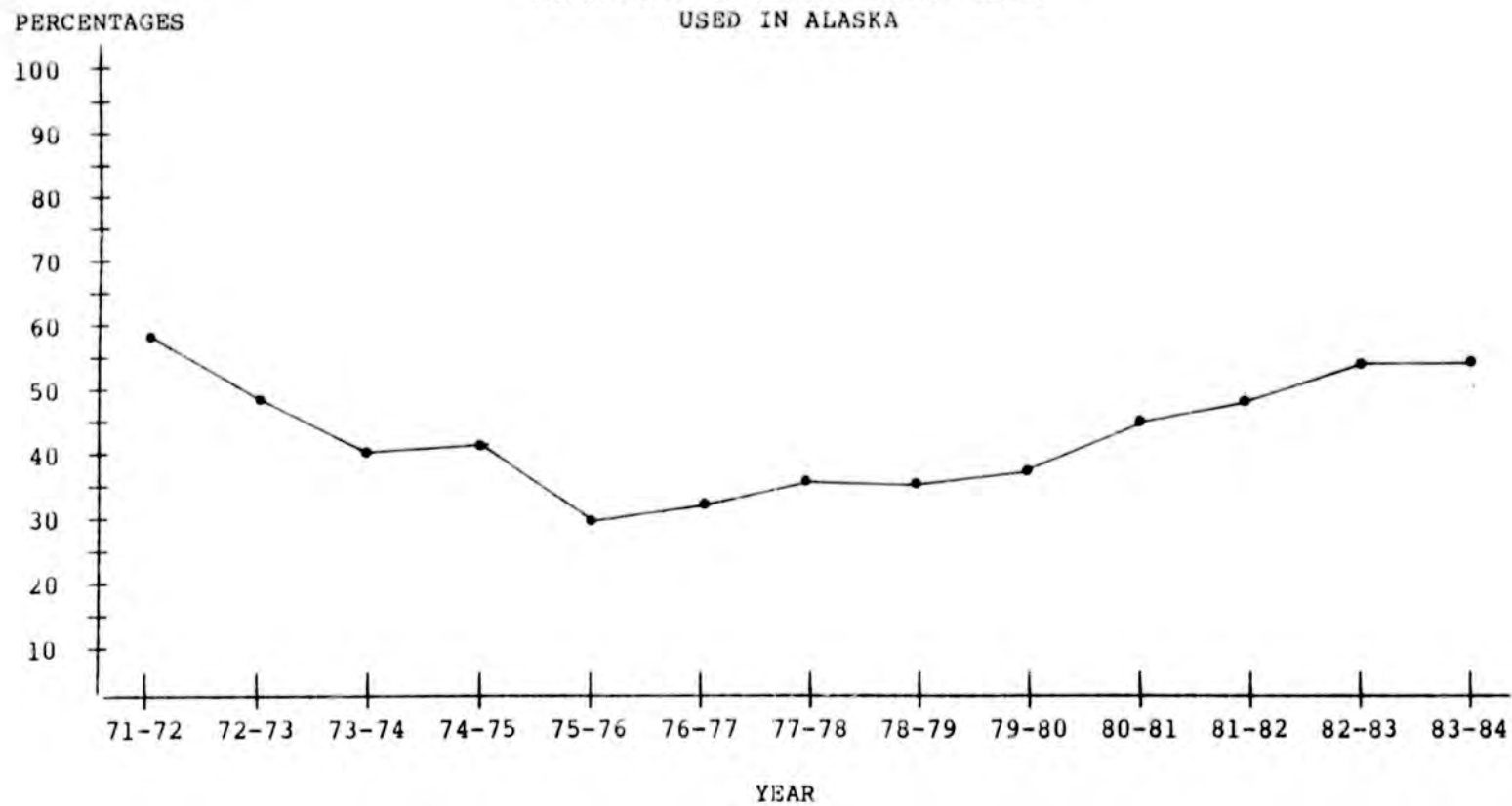
The percent of undergraduates using their loans for attendance in Alaska increased slightly this year. In fact, as can be seen in Figure 2, the 1983-84 rate of 53.3 percent is the highest in-state rate since 1971-72.

The increasing drawing power of Alaskan institutions is hypothesized to be the result of a number of factors including the maturation of Alaska's schools and the accompanying wider array of offerings, as well as the increased cost of attendance at schools outside of Alaska.

TABLE 2
TEN TOP STATES OF ATTENDANCE
FOR ALASKANS WITH
UNDERGRADUATE LOANS
1978-79 through 1983-84

STATE	NUMBER					AVERAGE LOAN				
	79-80	80-81	81-82	82-83	83-84	79-80	80-81	81-82	82-83	83-84
Alaska	1,245	2,606	4,225	6,305	7,175	\$1,983	\$2,137	\$3,751	\$3,847	\$3,992
Washington	479	700	1,045	1,314	1,549	2,394	2,495	4,091	4,610	4,511
Oregon	372	500	746	908	949	2,360	2,506	4,242	4,756	4,590
California	191	280	373	556	664	2,517	2,519	4,268	4,858	4,919
Colorado	157	151	280	372	408	2,549	2,502	4,584	5,050	5,233
Arizona	104	142	206	352	404	2,261	2,413	4,344	4,444	4,717
Idaho	94	125	199	265	253	2,217	2,407	3,826	3,866	4,002
Hawaii	89	79	160	258	248	1,888	2,076	3,463	3,514	3,426
Utah	53	85	153	202	209	2,091	2,029	3,564	3,664	3,763
Texas	45	93	114	153	187	2,219	2,331	4,003	4,189	4,227
Remaining										
U.S.	613	1,000	1,442	1,184	1,369	N.A.	N.A.	N.A.	N.A.	N.A.
Foreign	N.A.	N.A.	N.A.	26	34	N.A.	N.A.	N.A.	4,101	4,234
TOTAL	3,448	5,751	8,935	11,879	13,449	\$2,393	\$2,319	\$3,977	\$4,139	\$4,171

FIGURE 2
PERCENTAGE 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 of the Union. The predominance of the West and Northwest is quite evident, with only Alaska, Washington, Oregon, California, Colorado, Arizona, Idaho, Hawaii and Utah, receiving over 200 Alaskan undergraduates on state loans. Of the thirteen western states comprising the WICHE compact (Western Interstate Commission for Higher Education), only Wyoming received fewer than 35 Alaska undergraduates on state loans. In fact, the WICHE states account for 90.1 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.

As can be seen in Table 3, Alaska attendance accounts for a very high percentage of vocational borrowers (71.2% in 1983-84). Also, more than half (54.4%) of the freshman borrowers elected to attend in Alaska in 1983-84. There seems to be an increased tendency toward attendance out-of-state as student level increases, however this could be due to a number of factors including the changing attendance patterns the last few years and the propensity to remain in school rather than stop-out or drop-out. Hence, caution should be used in drawing inferences from these data.

TABLE 3
IN-STATE/OUT-OF-STATE ATTENDANCE
BY STUDENT LEVEL
1982-83 through 1983-84

STUDENT LEVEL	1982-83				1983-84			
	Alaska		Out-of-State		Alaska		Out-of-State	
	No.	%	No.	%	No.	%	No.	%
Freshman	2,041	53.8	1,756	46.2	2,229	54.4	1,868	45.6
Sophomore	1,255	47.9	1,364	52.1	1,331	48.1	1,439	51.9
Junior	871	45.0	1,063	55.0	956	44.8	1,176	55.2
Senior	793	46.3	918	53.7	850	44.5	1,060	55.5
Vocational	1,334	74.0	468	26.0	1,809	71.2	731	28.8
TOTAL	6,294	53.1	5,569	46.9	7,175	53.3	6,274	46.7

Graduate Loans

The number of Alaskans receiving loans for graduate study has increased nearly twelve fold since the program began in 1971-72. This year 1,336 students received assistance for the pursuit of graduate study. Of these 1,336, 78.1 percent used their loans for attendance outside of Alaska, while 21.9 percent used them for attending school in-state. The percentage of graduate loan recipients attending school in Alaska has been relatively stable the last few years, after decreasing steadily from 1971-72 through 1977-78. This trend is presented in Figure 4, and is probably largely due to the increased availability of programs in Alaska.

The states most frequently chosen by graduate students from Alaska in 1983-84 are presented in Table 4. Again, as with undergraduates, the students' preference is quite stable.

The average loan award for 1983-84 increased for some states and decreased for others, with the largest increases for students attending graduate institutions in Hawaii and California.

Alaskans pursuing graduate educational goals are also distributed quite widely across the nation, with Alaskan graduate loan recipients attending institutions in all but four 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 100 Alaskan graduate students on state loans. The thirteen states comprising the WICHE compact account for 74.5 percent of all the graduate Alaskan loan recipients for 1983-84.

FIGURE 4
PERCENT OF GRADUATE LOANS
USED IN ALASKA

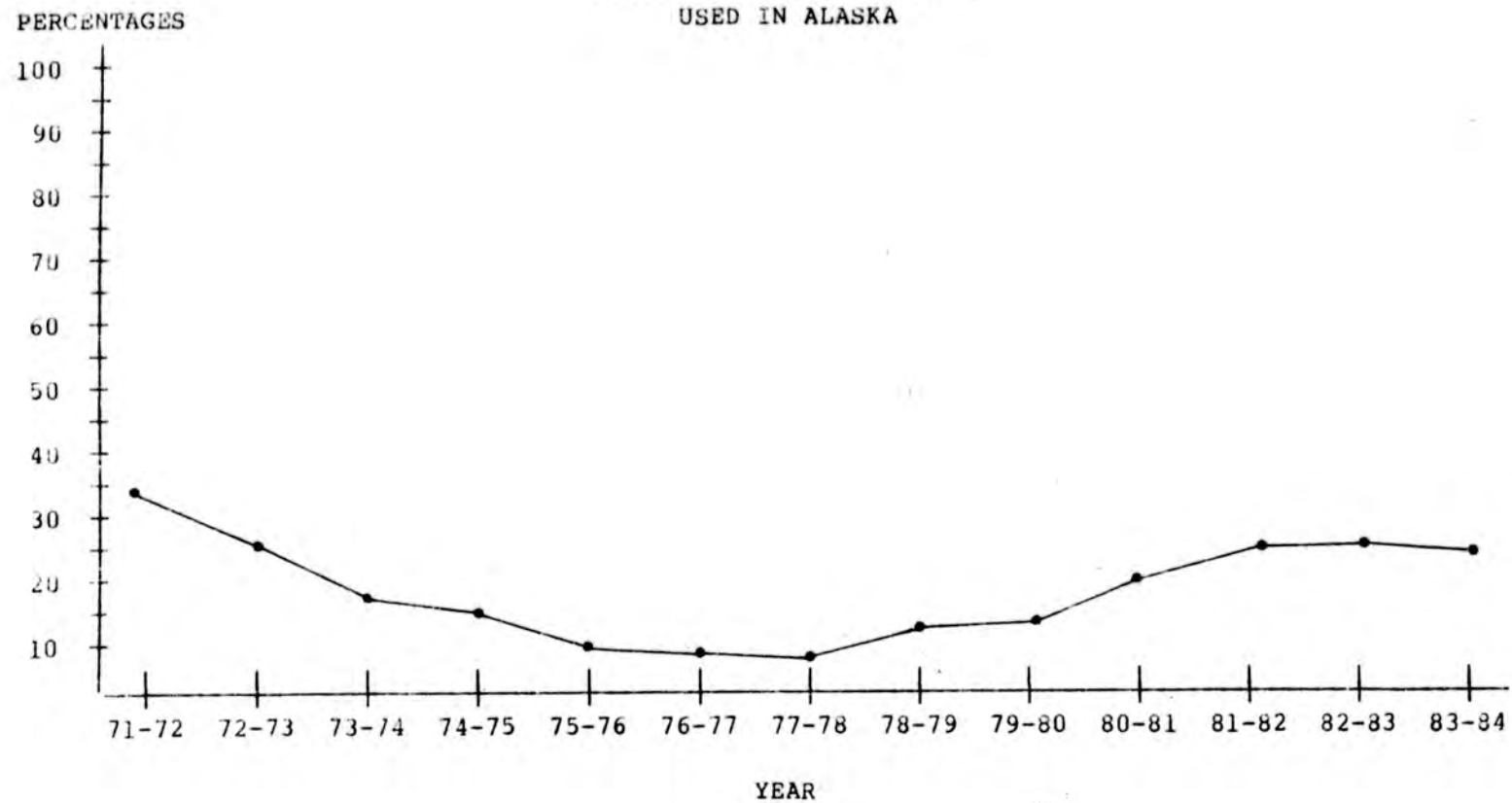


TABLE 4
TEN TOP STATES OF ATTENDANCE
FOR ALASKANS WITH
GRADUATE LOANS
1979-80 through 1983-84

STATE	NUMBER					AVERAGE LOAN				
	79-80	80-81	81-82	82-83	83-84	79-80	80-81	81-82	82-83	83-84
Alaska	58	127	229	276	292	\$2,906	\$3,086	\$4,630	\$4,454	\$4,527
California	73	90	113	183	237	3,441	3,937	5,693	5,599	5,783
Washington	77	129	148	161	164	3,847	3,848	5,740	5,447	5,535
Oregon	49	75	91	127	143	3,526	4,011	5,103	5,351	4,682
Colorado	18	19	27	35	42	3,972	4,149	5,303	5,369	5,210
Massachusetts	9	18	25	32	33	3,911	4,953	5,927	6,217	6,404
Arizona	9	17	18	29	32	3,586	3,041	4,408	4,822	4,950
Hawaii	8	19	21	26	30	2,988	3,393	5,079	3,909	4,457
Texas	3	10	20	23	28	3,600	3,204	4,445	4,830	4,971
Utah	4	7	10	22	28	3,200	3,426	4,858	4,710	4,644
Remaining										
U.S.	162	193	261	265	284	N.A.	N.A.	N.A.	N.A.	N.A.
Foreign	N.A.	N.A.	N.A.	14	23	N.A.	N.A.	N.A.	5,084	4,410
TOTAL	470	709	963	1,179	1,336	\$3,646	\$3,746	\$5,218	\$5,151	\$5,097

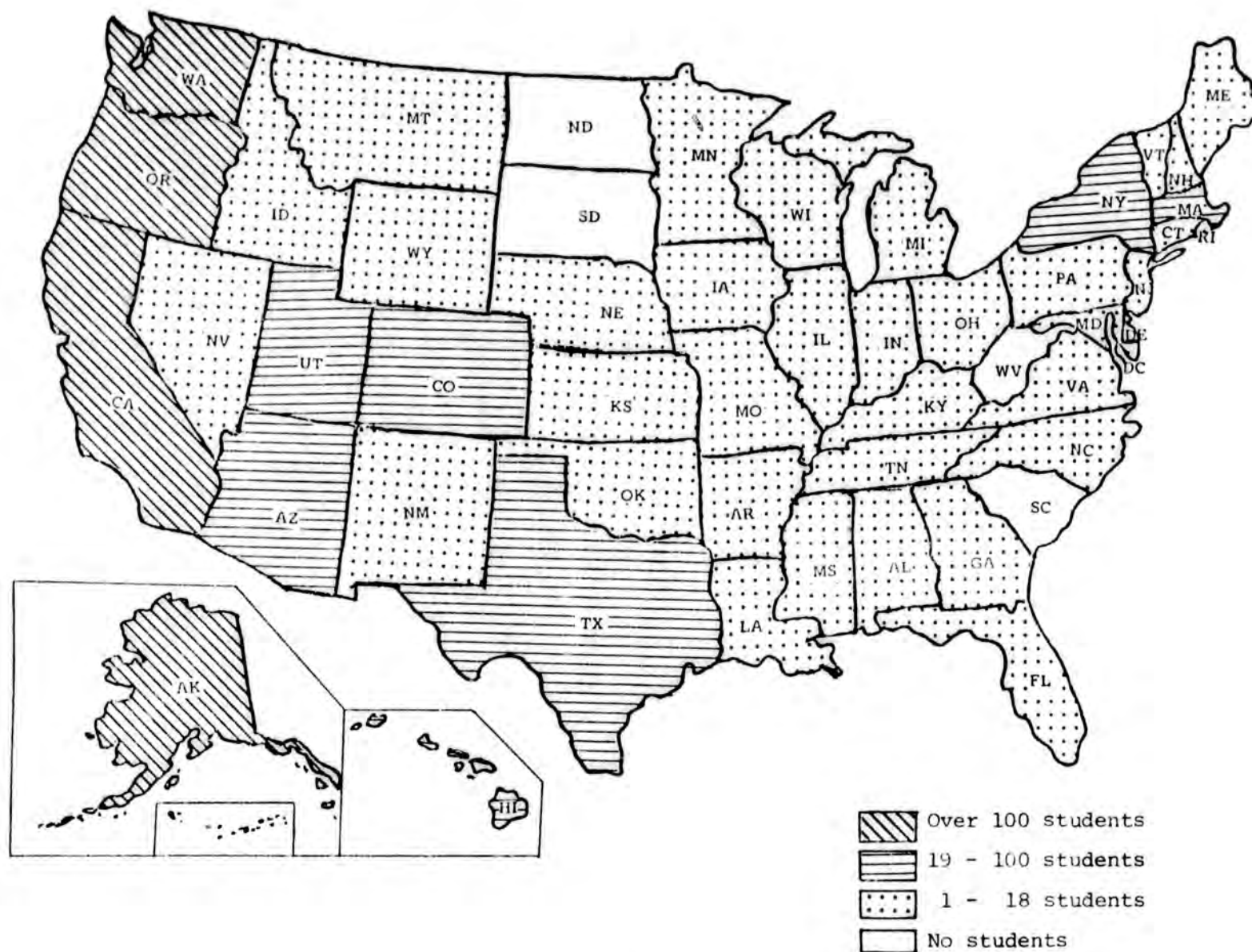


FIGURE 5
GEOGRAPHIC DISTRIBUTION OF ALASKANS UTILIZING
STATE LOANS FOR GRADUATE EDUCATION IN 1983-84

Foreign Study

Alaskans used state loans for study in forty different institutions in seventeen foreign countries in 1983-84. The distribution of these students by country of attendance is presented in Table 5. Not too surprisingly, Canada is the most popular foreign country for attendance of Alaskan students.

TABLE 5
DISTRIBUTION OF BORROWERS
BY FOREIGN COUNTRY OF ATTENDANCE
1983-84

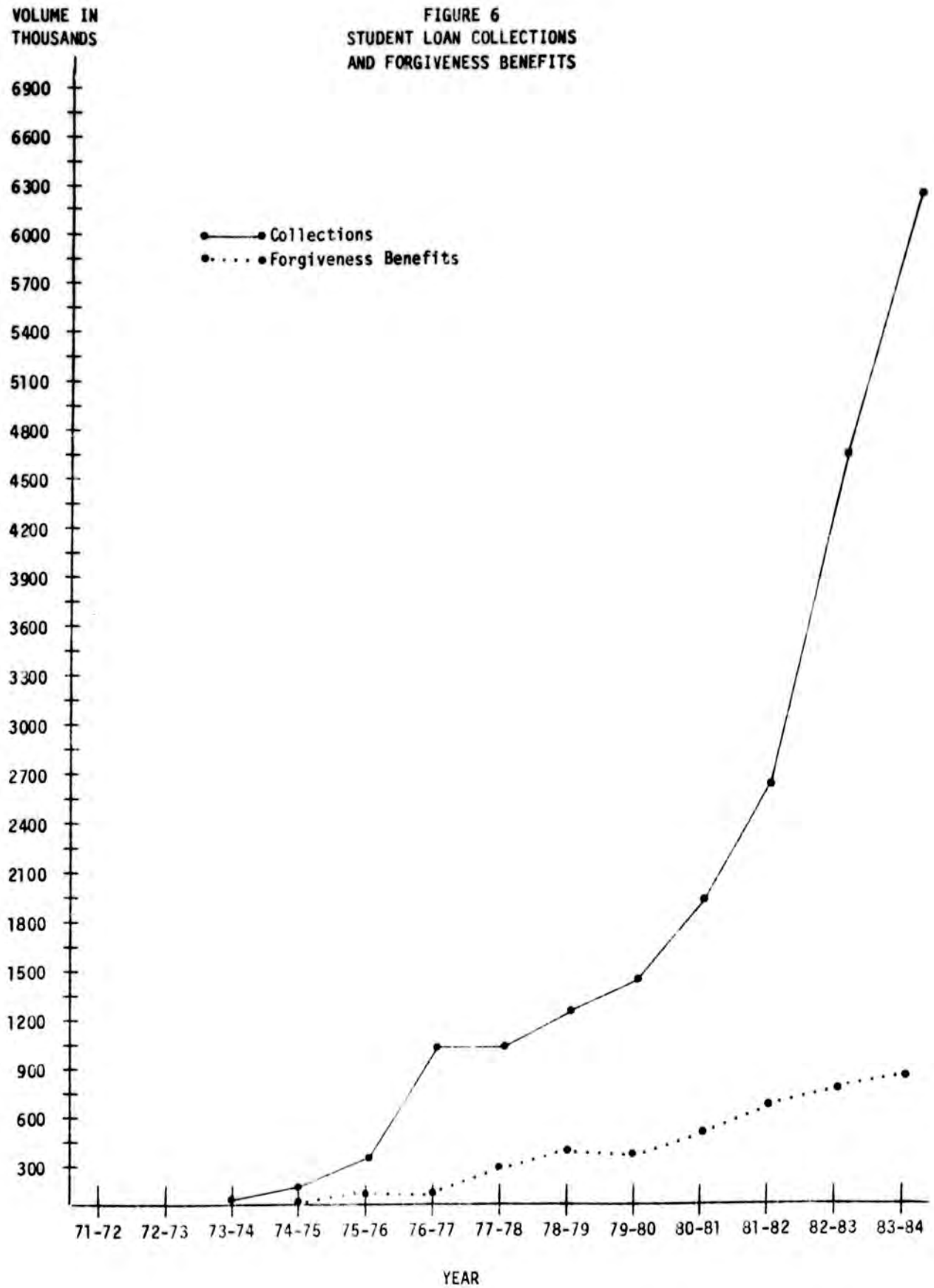
FOREIGN COUNTRY	UNDERGRADUATE		GRADUATE	
	Number	Average Loan	Number	Average Loan
Austria	1	\$3,000	--	\$ -0-
Australia	2	3,700	1	7,000
Belgium	--	-0-	1	2,100
Canada	12	4,980	12	4,250
Denmark	3	2,850	--	-0-
England	2	3,150	5	4,006
Finland	1	3,550	--	-0-
France	3	4,500	2	5,550
Ireland	1	4,400	--	-0-
Japan	2	6,000	2	5,100
Mexico	1	3,000	--	-0-
New Zealand	1	4,150	--	-0-
Norway	1	4,900	--	-0-
Philippines	1	1,050	--	-0-
Scotland	1	3,000	--	-0-
Spain	1	6,000	--	-0-
Sweden	1	1,700	--	-0-
TOTAL	34	\$4,402	23	\$4,410

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 \$22 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 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 forgiven. Beginning with the first such forgiveness in 1974-75, the total amount of loan funds (including interest) which the State of Alaska has forgiven has generally shown large annual increases, with the exception of 1979-80 when forgiveness benefits temporarily leveled. During 1983-84 nearly 2,500 Alaskans received partial forgiveness of their student loans. 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 FORGIVENESS BENEFITS



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 had been doing considerably better than the federal loan programs, the default rate has begun to rise during 1983-84. As can be seen in Table 6, the default rate had been steadily decreasing since the concerted effort began in 1975-76 to pursue these bad debts. However, during 1983-84 default volumes outstripped available manpower and the rate rose dramatically. It is anticipated that the use of private collection agencies during 1984-85 will bring the default rate back down.

TABLE 6
ANNUAL DEFAULT RATES OF
ALASKA STATE STUDENT LOANS
1971-72 through 1983-84

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%
1981-82	9.2%
1982-83	9.1%
1983-84	13.5%

*Default is 120+ days past due.

Statistical Data

In the Appendix are Tables 11-17 containing data on the Alaska Student Loan Program from 1971-72 through 1983-84. 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 11-14. Table 15 contains summaries of the average size loan awarded each year, and Tables 16 and 17 contain data on institutions most frequently attended by Alaska Student Loan borrowers.

WICHE STUDENT EXCHANGE PROGRAM

Through its participation in the thirteen-state Western Interstate Commission for Higher Education (WICHE), Alaska provides residents with access to sixteen fields of professional education not available in-state. The WICHE Student Exchange Program provides access to these sixteen fields at participating institutions throughout the compact states, and makes these programs available at a reduced tuition rate to the out-of-state WICHE students. These reduced rates usually amount to the normal in-state tuition rate at public colleges and universities and one-third the regular tuition rate at private colleges and universities. Alaskans certified for participation in this exchange program may also expect preferential admissions consideration by the schools to which they apply. For this, Alaska pays the college or university in which the Alaskan exchange student enrolls a set fee for a particular field of study. This fee, the support fee, 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 under this program.

Exchange Fields

The WICHE exchange fields in which Alaska would support students for the 1983-84 year included:

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

A student eligible for state certification in any of these fields must apply for and gain admission to the program of study. The admission decision rests solely with the receiving institution.

Support Fees

The amount of the support fee to be paid for each field of study is set annually by the WICHE Commission, with membership from all thirteen member states. These fees have increased more or less steadily over the last six years, and at the same time, Alaska's participation level has also steadily increased. As can be seen in Table 7, the total support fees exceeded \$1.5 million.

TABLE 7
WICHE STUDENT EXCHANGE PROGRAM SUPPORT COSTS
1976-77 through 1983-84

Academic Year	Total Students	Total Fees
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
1981-82	269	1,223,091
1982-83	300	1,498,232
1983-84	234	1,591,440
TOTAL	1,713	\$7,770,062

Participation Rates

Law continues to be the most popular field for Alaskan students. In 1982-83 Law students accounted for 60.0 percent of the students supported under the exchange program. In 1983-84, Law represented 58.1 percent of the exchange students. The growth fields for 1983-84 were Architecture, Graduate Nursing, Occupational Therapy, Veterinary Medicine, and Osteopathy. For the first time, Law experienced an appreciable decline. These data are listed in Table 8.

TABLE 8
WICHE EXCHANGE STUDENTS BY FIELD
1976-77 through 1983-84

Field of Study	77-78	78-79	79-80	80-81	81-82	82-83	83-84
Architecture	6	9	7	9	15	17	18
Dental Hygiene*	1	1	1	0	1	0	0
Dentistry	11	13	13	15	18	15	15
Forestry	4	10	9	7	6	6	6
Graduate Library	2	5	2	11	8	7	9
Graduate Nursing	1	1	2	6	3	4	7
Law	64	75	100	142	155	180	165
Maritime Technology	N.A.	N.A.	N.A.	N.A.	7	7	4
Medicine	12	11	8	6	11	11	11
Occupational Therapy	3	1	1	3	3	4	6
Optometry	4	7	7	5	5	4	3
Osteopathy	N.A.	N.A.	N.A.	N.A.	3	6	10
Pharmacy	3	4	3	5	3	5	3
Physical Therapy	4	3	2	2	6	9	4
Podiatry	0	2	2	3	4	2	1
Public Health	1	2	1	10	14	11	7
Veterinary Medicine	7	8	8	8	7	12	15
TOTAL	123	152	166	232	269	300	284

*Discontinued as an exchange field in 1981-82.

The cost of the student exchange for 1983-84 is detailed in Table 9. It can be seen that because of the relatively low support fee for Law, Law exchange students accounted for only 40.0 percent of the total exchange cost (as opposed to accounting for 58.1 percent of the students).

TABLE 9
WICHE SUPPORT COSTS BY FIELD OF STUDY
1983-84

Field of Study	Support Fee	Total Students	Total Costs
Architecture	\$ 3,200	18	\$ 57,600
Dentistry	10,500	15	185,500
Forestry	3,000	6	16,550
Graduate Library	4,000	9	42,600
Graduate Nursing	5,800	7	31,900
Law	3,800	165	619,030
Maritime Technology	7,300	4	24,334
Medicine	20,000	11	220,000
Occupational Therapy	3,500	6	19,250
Optometry	5,600	3	16,800
Osteopathy	9,000	10	90,000
Pharmacy	4,400	3	15,400
Physical Therapy	4,100	4	19,134
Podiatry	6,200	1	6,200
Public Health	4,900	7	30,626
Veterinary Medicine	13,100	15	196,500
TOTAL	N.A.	284	\$1,591,440

STATE EDUCATIONAL INCENTIVE GRANT (SEIG) PROGRAM

The State Educational Incentive Grant (SEIG) Program provides need-based grants to eligible Alaskans enrolled in undergraduate programs. Grant awards range from a minimum of \$100 to a maximum of \$1,500 each, depending upon demonstrated need. One-half of each grant is federally funded and one-half is provided by the State. Grants are awarded to eligible applicants in order of greatest financial need as measured by a standard need analysis.

Participation Rates

1983-84 was the sixth year of operation of the SEIG Program in Alaska. Over 2,000 Alaskans applied for grant funds in 1983-84, but because of fund limitations, only 126 grants were awarded. As can be seen in Table 10, this is a decrease from 1982-83 when 161 grants were awarded. The decline is the result of reductions in funds at the federal level. The grant funds available in 1983-84 were 13.0 percent less than the previous year.

Also listed in Table 10 are the awards for in-state and out-of-state attendance and an institutional listing of the in-state awards. As in the past, University of Alaska, Anchorage students received the most SEIG awards.

TABLE 10
DISTRIBUTION OF STUDENTS RECEIVING STATE
EDUCATIONAL INCENTIVE GRANTS
1978-79 through 1983-84

Institution	Number of Grants						Award Totals					
	78-79	79-80	80-81	81-82	82-83	83-84	78-79	79-80	80-81	81-82	82-83	83-84
U of Alaska, Anchorage	87	85	84	43	29	17	\$ 61,225	\$119,219	\$118,511	\$ 55,750	\$ 41,500	\$ 25,500
U of Alaska, Fairbanks	42	12	24	25	20	17	30,464	12,357	28,500	36,500	27,000	25,500
U of Alaska, Juneau	11	6	1	2	6	2	6,082	6,798	1,500	3,000	7,500	3,000
Anchorage CC	*	*	35	18	23	17	*	*	52,500	22,744	34,000	25,500
Kenai Peninsula CC	*	5	4	5	10	1	*	7,500	6,000	6,000	14,250	1,500
Mat-Su CC	*	*	3	1	3	2	*	*	4,500	1,500	4,500	3,000
Tanana Valley CC	**	**	0	1	0	0	**	**	0	2,250	0	0
Sheldon Jackson College	46	8	5	6	11	4	26,753	12,000	7,500	9,750	14,250	6,000
Alaska Pacific University	4	0	2	0	1	0	2,265	0	3,000	0	750	0
Alaska Business College	0	0	0	0	1	1	0	0	0	0	1,500	1,500
Kuskokwim Community College	0	0	0	0	1	0	0	0	0	0	1,500	0
Islands Community College	0	0	0	0	0	3	0	0	0	0	0	4,500
Ketchikan Community College	0	0	0	0	0	2	0	0	0	0	0	3,000
Prince William Sound	0	0	0	0	0	1	0	0	0	0	1,500	1,500
Gordon's Aviation	0	0	0	0	0	1	0	0	0	0	1,500	1,500
Total In-State	190	116	158	101	110	68	\$126,789	\$157,874	\$222,011	\$136,994	\$146,750	\$102,000
Total Out-of-State	3	61	80	73	51	58	\$ 2,323	\$ 82,731	\$116,909	\$102,030	\$ 70,500	\$ 87,000
TOTAL	193	177	238	174	161	126	\$129,112	\$240,605	\$338,920	\$239,024	\$217,250	\$189,000

*Reported in UAA totals.

**Reported in UAF totals.

APPENDIX

ALASKA STUDENT LOAN PROGRAM
ADDITIONAL DATA

ALASKA STUDENT LOAN PROGRAM
(1971-72 through 1983-84)

TABLE 11
THIRTEEN-YEAR SUMMARY
(1971-72 through 1983-84)

STUDENT LEVEL	STUDENTS ATTENDING IN-STATE				STUDENTS ATTENDING OUT-OF-STATE				TOTAL	
	Number of Loans	Percent of Total	Loan Amount	Percent of Total	Number of Loans	Percent of Total	Loan Amount	Percent of Total	Number of Loans	Loan Amount
Under- graduate	26,951	47.2	\$84,586,275	45.9	29,782	52.8	\$ 99,728,023	54.1	56,373	\$184,314,298
Graduate	1,245	19.5	\$ 4,858,054	17.4	5,152	80.5	\$ 23,045,685	82.6	6,397	\$ 27,903,739
TOTAL	27,836	44.3	\$89,444,329	42.1	34,934	55.7	\$122,773,708	57.9	62,770	\$212,218,037

TABLE 12
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	955,274	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
1981-82	4,225	47.3	15,846,331	44.6	4,710	52.7	19,688,486	55.4	8,935	35,534,817
1982-83	6,305	53.1	24,254,812	49.5	5,574	46.9	24,705,330	50.5	11,879	48,960,142
1983-84	7,175	53.3	28,642,717	51.1	6,274	46.7	27,459,737	48.9	13,449	56,102,454
TOTAL	26,591	47.2	\$84,586,275	45.9	29,782	52.8	\$99,728,023	54.1	56,373	\$184,314,298

TABLE 13
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	69,813	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
1981-82	229	23.8	1,060,365	21.1	734	76.2	3,964,317	78.9	963	5,024,682
1982-83	276	23.4	1,229,172	20.3	903	76.6	4,818,081	79.7	1,179	6,047,253
1983-84	292	21.9	1,321,950	19.4	1,044	78.1	5,487,912	80.6	1,336	6,809,862
TOTAL	1,245	19.5	\$4,858,054	17.4	5,152	80.5	\$23,045,685	82.6	6,397	\$27,903,739

TABLE 14
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	898	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	1,275,122	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	2,637,873	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	57.7	10,030,815	62.7	6,460	15,991,280
1981-82	4,454	45.0	16,906,695	41.7	5,444	55.0	23,652,804	58.3	9,898	40,559,499
1982-83	6,581	50.4	25,493,984	46.3	6,477	49.6	29,523,411	53.7	13,058	55,007,395
1983-84	7,467	50.5	29,964,667	47.6	7,318	49.5	32,947,649	52.4	14,785	62,912,316
TOTAL	27,836	44.3	\$89,444,329	42.1	34,934	55.7	\$122,773,708	57.9	62,770	\$212,218,037

TABLE 15
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	\$ 348,194	\$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	1,723	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
1981-82	4,454	16,906,695	3,796	5,444	23,652,804	4,345	9,898	40,559,499	4,098
1982-83	6,581	25,483,984	3,872	6,477	29,523,411	4,558	13,058	55,007,395	4,213
1983-84	7,467	29,964,667	4,013	7,318	32,947,649	4,502	14,785	62,912,316	4,255
TOTAL	27,836	\$89,444,329	\$3,213	34,934	\$122,773,708	\$3,514	62,770	\$212,218,037	\$3,381

TABLE 16
DISTRIBUTION OF ALASKA STATE LOANS
FOR STUDENTS ATTENDING IN ALASKA
(1983-84 Loans)

Institution	1983-84	
	No.	Amount
University of Alaska, Fairbanks	1,999	\$ 6,777,050
University of Alaska, Anchorage	1,264	4,393,700
Anchorage Community College	1,262	4,572,700
Kenai Peninsula Community College	283	1,097,950
University of Alaska, Juneau	233	759,950
New Anchorage Beauty School	231	1,233,000
Testing Institute of Alaska	199	1,085,250
Alaska Pacific University	176	615,150
Alaska Vocational-Technical Center	171	504,200
Tanana Valley Community College	157	545,800
Gordon Aviation, Inc.	149	855,050
Sheldon Jackson College	135	470,650
Alaska Business College	131	753,900
Matanuska-Susitna Community College	111	468,100
North Pacific Business Institute	102	556,200
Wilbur's Flight Operation	88	497,650
Aero Tech Flight School	73	405,700
Fort Richardson Flying Club	68	376,850
Trend Setters School of Beauty	61	319,000
World Security Police Academy	56	174,350
Hutchison Career Center	50	180,500
Anchorage Alaska School of Barbering	49	271,250
Academy of Hair Design	49	247,550
Alaska Masonry School	46	275,450
Bookkeeping Concepts	46	193,650
Headquarters Barber & Beauty Academy	44	219,000
Ketchikan Community College	44	165,300
Clerical Skills Training	39	224,650
Alaska Computer Institute of Technology	38	217,050
Islands Community College	30	114,400
Prince William Sound Community College	29	99,050
Flight Training Devices	28	148,050
Peninsula Hair Styling Academy	27	123,400
A.I.R. Center	24	132,750
Elmendorf Aero Club	24	134,500
Larry's Flying Service	19	111,000
Fairbanks Beauty School	16	81,250
St. Herman's Theological Seminary	16	67,950
Rodiak Community College	14	47,100
Alaska Bible College	13	43,650
New Concepts Beauty School	11	43,600
Kotzebue Technical Center	10	52,900

TABLE 16
(Continued)

Institution	1983-84	
	No.	Amount
Alaska Air Academy	9	\$ 53,000
Peninsula Institute of Welding Technology	9	50,700
Air Cushion Technologies	9	40,900
Chapman College	8	33,800
Delta Greely Rural Educational Center	7	26,200
Alaska Vocational School	6	23,450
University of LaVerne	5	20,900
Kuskokwim Community College	5	9,900
People Count, Inc.	3	14,000
Scruples II, Action School of Broadcasting	3	8,850
University of Alaska, Rural Education	3	8,550
American Pacific Aviation	2	12,000
Alaska Native Training Institute	2	10,650
Northwest Community College	2	3,050
Eielson AFB Aero Club	1	5,500
Far North Bible College	1	5,150
Abbott Loop Bible College	1	3,000
Far West Travel Services	1	1,700
TOTAL	7,692	\$29,987,650

TABLE 17
INSTITUTIONS AT WHICH AT LEAST FIFTY ALASKA
STUDENT LOAN BORROWERS ATTENDED
(1983-84 Loans)

Institution	1983-84	
	No.	Amount
*University of Alaska, Fairbanks	1,999	\$6,777,050
*University of Alaska, Anchorage	1,264	4,393,700
*Anchorage Community College	1,262	4,572,700
*Kenai Peninsula Community College	283	1,097,950
University of Oregon	233	1,054,900
*University of Alaska, Juneau	233	759,950
*New Anchorage Beauty School	231	1,233,000
University of Washington	221	1,015,250
Oregon State University	216	1,042,000
*Testing Institute of Alaska	199	1,085,250
Western Washington University	188	738,400
*Alaska Pacific University	176	615,150
*Alaska Vocational-Technical Center	171	504,200
Brigham Young University (UT)	166	572,600
*Tanana Valley Community College	157	545,800
*Gordon Aviation, Inc.	149	855,050
International Air Academy (WA)	135	521,550
*Sheldon Jackson College	135	470,650
Arizona State University	134	677,500
*Alaska Business College	131	753,900
Washington State University	122	591,750
*Matanuska-Susitna Community College	111	468,100
University of Puget Sound (WA)	108	572,000
*North Pacific Business Institute	102	556,200
University of Hawaii, Manoa	102	372,650
Gonzaga University (WA)	93	527,650
Willamette University (OR)	91	476,050
University of Idaho	91	358,450
Northern Arizona University	90	375,900
Pacific Lutheran University (WA)	89	438,350
*Wilbur's Flight Operation	88	497,650
Central Washington University	87	413,150
University of Arizona	82	358,850
Seattle Pacific University (WA)	80	354,300
Montana State University	78	267,350
University of Hawaii, Hilo	77	241,750
*Aero Tech Flight School	73	405,700
*Fort Richardson Flying Club	68	376,850
Lewis and Clark College (OR)	68	336,900
Seattle University (WA)	62	287,350
*Trend Setters School of Beauty	61	319,000

*Alaskan Schools

TABLE 17
(Continued)

Institution	1983-84	
	No.	Amount
American Diesel and Automotive School (CO)	59	\$ 298,800
University of Montana	59	221,100
Highline Community College (WA)	59	196,800
Colorado State University	58	305,350
University of Colorado, Boulder	56	291,000
Linfield College (OR)	56	276,350
*World Security Police Academy	56	174,350
Eastern Washington University	55	243,800
*Hutchison Career Center	50	180,500

*Alaskan School