

H B

148

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

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May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

House Hess 3/12/87 and 3/13/87

# HOUSE COMMITTEE REPORT

(7)

Date referred: 2/25/87

FURTHER REFERRALS: Finance

DATE: \_\_\_\_\_

The Health, Education and Social Services Committee has considered HB 148

"An Act relating to family education loans."

**RECOMMENDS:**

- replace with \_\_\_\_\_  the same title
- attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

**ADOPTS:**  \_\_\_\_\_ letter of intent

**ATTACHES NEW FISCAL NOTE(S):**

- fiscal impact  same as previous fiscal note published \_\_\_\_\_
- zero fiscal note  same as previous zero fiscal note published \_\_\_\_\_
- zero with analysis

**SIGNING DO PASS:**

*George Stanley*  
 \_\_\_\_\_  
*[Signature]*  
 \_\_\_\_\_  
*[Signature]*  
 \_\_\_\_\_  
 \_\_\_\_\_  
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**SIGNING OTHER RECOMMENDATIONS:**

\_\_\_\_\_

*[Signature]*  
 \_\_\_\_\_

*[Signature]*  
 \_\_\_\_\_

\_\_\_\_\_

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\_\_\_\_\_

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*[Signature]*  
 \_\_\_\_\_  
 Chairman's signature

HB 148 -- An Act relating to family education loans.

File Contents

- 1) Copy of HB 148
- 2) Section Analysis of Bill Establishing the Family Education Loan Program
- 3) Fiscal Note by Kerry Romesburg
- 4) Minutes of 3/12/87
- 5) Minutes of 3/13/87

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: The Honorable Cliff Davidson  
Alaska State Representative

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

SUBJECT: Section Analysis of Bill Establishing the Family Education  
Loan Program

DATE: February 19, 1987

Section 1. The first section sets out the foundation and justification for establishing the new education loan program.

Section 2.

AS 14.43.710. Establishes the Alaska family education loan program.

AS 14.43.720. Creates the family education loan revolving loan fund within the existing scholarship loan fund and provides that all repayment of family loans be paid into this revolving fund.

AS 14.43.730. This provides that the loan program will be administered by the Postsecondary Education Commission.

AS 14.43.740. This section provides the following:

- a. Maximum loans will be \$5,500 for undergraduate programs and \$6,500 for graduate programs.
- b. Appeals on denied loans may be made to the financial aid committee (Postsecondary Commission).
- c. Limits the use of loans to tuition and fees, room and board, and books and supplies.
- d. Requires that a student remain full time and in good standing in order to continue receiving loan disbursements.
- e. Limits loans to accredited or approved schools or schools having operated for at least two years.
- f. Limits loans to a maximum of eight years for an individual student, with no more than five for undergraduate study and five for graduate study.
- g. Provides for registered or certified notice on defaulted accounts.
- h. Permits repayment to extend to 15 years upon a hardship basis.

- i. Prohibits discrimination upon the basis of race, creed, sex, color, ancestry, national origin, or membership in fraternal or political organization.
- j. Provides for up to 50% forgiveness if the student completes the program of study for which the loan was made and lives in Alaska the prescribed period of time.
- k. Declares defaulted accounts ineligible for forgiveness benefits.
- l. Defines residency as physical presence.
- m. Establishes loan interest rate at 5% unless the loan is in default, at which time the interest is 10%.
- n. Provides for loans to be repaid over a 10-year period in monthly installments beginning the first of the month immediately following loan disbursement.
- o. Permits a charge back to the borrower for costs of collection of delinquent or defaulted loans.

AS 14.43.750. Establishes the eligibility for a family education loan. This includes:

- a. two-tier residence at time of borrowing;
- b. ability to borrow for any dependent; and
- c. non-delinquency or default on previous Alaska student loans.

This section also clarifies that a family loan may not be obtained for a person who has already received or is receiving a scholarship loan or teacher loan for the same time period.

Section 14.43.79. Sets out definitions of default and delinquent and provides for definitions in the scholarship loan program to be applicable in this program.

Section 14.43.125. Clarifies that a person for whom a loan is obtained under this loan program may not also borrow under the scholarship loan program or the teacher loan program for the same time period.

Section 14.43.650. Provides a similar exclusion as above for the teacher loan program.

#### DRAFT FISCAL NOTE

1st year - about \$64,000 (\$60,000 for reprogramming the computer)  
Years after - \$6,000 to 10,000 for forms and advertising

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

REQUEST: \_\_\_\_\_  
 Revision Date: 2/25/87  
 Title: An Act Re: Family Education  
Loans  
 Sponsor: Davidson  
 Requestor: House HESS

Bill Version: HB148  
 Publish Date: 2/25/87

Agency Affected: Education  
 BRU: Postsecondary Commission  
 Components: Student Loan Admin

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL		62.5	5.0	8.5	11.5	11.6
SUPPLIES		1.5	1.6	1.6	1.6	1.7
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	N.A.	64.0	6.6	10.1	13.1	13.3

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	N.A.	64.0	6.6	10.1	13.1	13.3
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

- a. FY88 includes \$60.0 for data processing system change to accommodate overlapping repayment periods and multiple loans.
- b. Also included are supplies, forms, and yearly repayment booklets.

Prepared by: Kerry D. Romesburg, Executive Director Phone: 465-2854  
 Division: Postsecondary Education Date: 2/25/87

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
 Agency: \_\_\_\_\_

Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)  
 Senate Secretary

ADDITIONAL FISCAL ANALYSIS FOR HB148  
FAMILY EDUCATION LOANS

Assumptions: Since it is difficult to compare 5% multiple disbursement, multiple payment with 8% deferred interest loans, two sample loan cases will be used.

1. Four years of borrowing at \$5,000 each year, with loans disbursed upon a semester basis at \$2,500 each semester.
2. One year of borrowing, single disbursement at \$5,000.

Case 1: 4 years, \$5,00 each year, \$2,500 disbursed each semester

Year	Family Loan (5%)		Student Loan (8%)	
	Principal	Interest	Principal	Interest
1st	\$ 374.94	\$ 102.60	\$ -0-	\$ -0-
2nd	874.86	239.40	-0-	-0-
3rd	1,374.78	376.60	-0-	-0-
4th	1,874.70	513.00	-0-	-0-
5th	1,999.68	547.20	Grace	Grace
6th	1,999.68	547.20	2,000.00	545.56
7th	1,999.68	547.20	2,000.00	545.56
8th	1,999.68	547.20	2,000.00	545.56
9th	1,999.68	547.20	2,000.00	545.56
10th	1,999.68	547.20	2,000.00	545.56
11th	1,624.74	444.60	2,000.00	545.56
12th	1,124.82	307.80	2,000.00	545.56
13th	624.90	171.00	2,000.00	545.56
14th	128.18	35.08	2,000.00	545.56
15th	-0-	-0-	2,000.00	545.56
<b>TOTAL</b>	<b>\$20,000.00</b>	<b>\$5,473.28</b>	<b>\$20,000.00</b>	<b>\$5,455.60</b>

Case 2: 1 year, \$5,000

Year	Family Loan (5%)		Student Loan (8%)	
	Principal	Interest	Principal	Interest
1st	\$ 500.00	\$ 136.36	\$ -0-	\$ -0-
2nd	500.00	136.36	Grace	Grace
3rd	500.00	136.36	500.00	228.04
4th	500.00	136.36	500.00	228.04
5th	500.00	136.36	500.00	228.04
6th	500.00	136.36	500.00	228.04
7th	500.00	136.36	500.00	228.04
8th	500.00	136.36	500.00	228.04
9th	500.00	136.36	500.00	228.04
10th	500.00	136.36	500.00	228.04
11th	-0-	-0-	500.00	228.04
12th	-0-	-0-	500.00	228.04
<b>TOTAL</b>	<b>\$5,000.00</b>	<b>\$1,363.60</b>	<b>\$5,000.00</b>	<b>\$2,280.40</b>



Official Business

**COMMITTEE:**

H E S S

**DATE:** 3-12-87

**SIGN-IN**

**Subject of meeting:**

HB 107

HB 148

NAME	ADDRESS	PHONE	REPRESENTING	DO YOU WANT TO TESTIFY? / <sup>What</sup> bill
Eds. Rohde	P.O. Box 80316 Fairbanks	474-7272	UA	NO
Gerald H. Hart	9231 maintenance Anchorage	346-3443	ACCFT	NO
Charles D. Ahlberg	2505 Loussac Dr. Anch		U A A	NO
JOHN E. VISSER	Box 211045 AUK BAY, AK	789 4525	U A J	NO
P. F. Behrend	Box 180 UAF Fairbanks	474-6302	U. A. System	No
<del>Jan Phillips</del>	Box 3304 Homer, AK 99603	235-6748	ALASKA ASSOCIATION of Comm College Councils	Yes - 107
<del>P. J. O'Connell</del>	Univ of AK Fairbanks, 99775	474-7311	U AK. System	Yes 107
ROSIE PETERSON	GOVERNOR'S COUNCIL	6-1736	GOV. COUNCIL	YES
Ruth Burnett	Alaska Board of Regents Commissioner of Post/Sec	452-5571	U of A - Post/Sec	NO
<del>Brian Rogers</del>	812 Gruening U of A Fairbanks	474 6490	UA	<del>NO</del> Yes - on fiscal impact 107



Official Business

COMMITTEE:

DATE:

# SIGN-IN

Subject of meeting:

NAME	ADDRESS	PHONE	REPRESENTING	DO YOU WANT TO TESTIFY?
Mary Bennett	12010 Shore Circle Anch.		Univ of AK	NO
<del>Ross Lindberg</del>	16810 Tulemeun-An Crescent Circle Anch 99516	274-8638	U of A.	Yes
Richard Stuck	522 Water	225-5386	KECC	Yes
Don Abel	1800 Branta Rd	789-7699	U of A	Yes
Paul Jay	12921 Jack's Circle, Anch	345-6287	ACL	No
Mark Americas	8600 SULTANA ANCHORAGE	345-0594	U of A	No
<del>Richard Kojan</del> Richard Kojan	8452 KIMBERLY ST, JUNEAU	789-7394	AK Comm. College Coalition	YES
Ralph J. M. Smith	5889 Kenyhill Anchorage	333-0001	AK Comm College	Yes
KERRY ROME-BURG	POSTSECONDARY COMMISSION	2854	POSTSEC. COM.	Yes
Steve Hole	DEPT OF ED	2800	DOE	NO



Official Business

**COMMITTEE:**

HSSS (House)

**DATE:** 3/13/87

**SIGN-IN**

**Subject of meeting:**

HB 107, HB 148, HB 76, HB 96

Note the bill you are here for!

NAME	ADDRESS	PHONE	REPRESENTING	DO YOU WANT TO TESTIFY? <small>which Bill</small>
K. Romesburg	POSTSEC. EDUC.	2554	POSTSEC. EDUC.	YES ✓
ROSIE PETERSON	205 W. FRANKLIN JUNEAU	6-1736	GOVERNOR'S COUNCIL	YES ✓
Joan Hope	Rm 105 Capitol	3835	Sen Fairbank	NO
John F. Visser	U A J		U A J	NO
Carol Gray	4410 N. Douglas Hwy Juneau	586-6913	self	yes
<del>Don Abel</del>	1800 Grant Rd. Juneau	789-7039	Board of Regents	yes
Dick Spaliani	8452 Kimberly, JUNEAU	789-9394	CCCA # 107	YES
<del>Gerald H. Paet</del>	9231 main tree	346-3443	ACCFT	NO
<del>Ralph F. McGrath</del>	5889 KENNYHILL	333-0001	ACCFT	YES
Amelia Endorf	P.O. Box 31485 Juneau	789-1334	self	yes



Official Business

COMMITTEE: Hess  
(House)

DATE: 03-13-87

# SIGN-IN

Subject of meeting:

HB 107, HB 148, HB 76

HB 96

NAME	ADDRESS	PHONE	REPRESENTING	DO YOU WANT TO TESTIFY?
Evelyn Hazelton	531 F. 5th St. Juneau 99801	586-3937	self	yes ✓
Herb Lyon	12921 Jacks Circle Anch 99511	786-1101	ACC	No
Kaaren Kubley	Bx 210549 Auke Bay	789-1473	Sen. Bunkley	no
Sue G. Miller	P.O. Box 211248 Auke Bay AK	789-0479	self	yes
<del>Annie Caskey</del>	PO Box 6 Juneau Alaska 99811	465-2841	DOE	yes HB 96
Celestine Agardak	B 700 Gold St. Apt 3 Juneau 99801	463-3087	self	NO