

SB

259

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
707 465 3800

MEMORANDUM

April 9, 1987

SUBJECT: College work program
(Work Order 5-0739A)

TO: Senator Mitch Abood

FROM: Tamara Brandt Cook *TBC*
Director
Division of Legal Services

Here is the sectional analysis that you requested of the draft bill establishing a college work program dated 4/6/87.

Section 1. This is a new section which permits a student who works for a college or university in the state to elect to have part of a scholarship loan forgiven instead of receiving a salary for the work. The forgiveness option applies only for up to 20 hours of work each week. The amount of forgiveness is based on the amount of net salary normally paid for performing comparable duties. The cost of benefits the student is entitled to as a result of the employment is borne by the college. The Alaska Commission on Postsecondary Education is authorized to enter into agreements with colleges and with borrowers necessary to carry out the purposes of the section.

TBC:mkr
m10/130

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version: SB 259
Publish Date: April 14, 1987

Revision Date: _____

Agency Affected: Education

Title: RE: College Work Program

BRU: Postsecondary Commission

Sponsor: Abood

Components: Student Loan Fund

Requestor: Senate: State Affairs

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	N.A.	-0-	-0-	-0-	-0-	-0-

CAPITAL	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	N.A.	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	N.A.	-0-	-0-	-0-	-0-	-0-

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. Romesburg, Executive Director Phone: 465-2854
Division: Alaska Commission on Postsecondary Education Date: April 27, 1987

Approved by Commissioner: _____ Date: _____
Agency: _____

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

Analysis and Discussion

General. *This bill establishes a college work program whereby students would be able to work for their in-state college or university and have their student loans reduced by the amount "earned" through the work program.*

Fiscal Impact.

a. *Postsecondary Commission:*

1. *Operating Budget. There is no fiscal impact on the operating budget, since the necessary accounting work would be done by existing staff.*
2. *Loan Fund. The loan fund would be impacted negatively, in that funds credited for work rendered would not be collected and, hence, would not revolve. The amount of this "loss" cannot be determined, since there is no good guage to guess student participation levels.*

b. *Institutions:*

The colleges and universities would incur the indirect cost expense of keeping records on the student employees and would need be absorb the employee benefit expenses (F.I.C.A., etc.).

FISCAL NOTE

REQUEST: _____

BUI Version: SB 259
 Publish Date: 7/19/87

Revision Date: _____
 Title: An act establishing a college work program

Agency Affected: University of Alaska
 BRU: University of Alaska

Requester: Health, Education & Social Services & Finance

Comments: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		133.9	128.9	128.9	128.9	128.9
TRAVEL						
CONTRACTUAL		2.5	2.5	2.5	2.5	2.5
SUPPLIES		2.5	2.5	2.5	2.5	2.5
EQUIPMENT		5.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		133.9	128.9	128.9	128.9	128.9

CAPITAL	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92

REVENUE	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92

FUNDING: (Thousands of Dollars)

GENERAL FUND		133.9	128.9	128.9	128.9	128.9
FEDERAL FUNDS						
OTHER						
TOTAL		133.9	128.9	128.9	128.9	128.9

POSITIONS:

FULL-TIME		2	2	2	2	2
PART-TIME		2	2	2	2	2
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Projected costs for FY88 is \$133.9 (see attached).

Prepared by: James Lynch *Jim Lynch*
 Division: University of Alaska

Phone: 474-7711
 Date: 8/26/87

Approved by Commissioner: _____
 Agency: University of Alaska

Date: 8/26/87

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

CONTINUATION OF FISCAL NOTE ANALYSIS

For Bill/Resolution No. Senate Bill 259

Analysis:

The primary purpose of the legislation is the forgiveness of student loan debt in lieu of salary for up to 20 hours of labor per week for a college or university

Assumptions:

1. The Post Secondary Education Commission will absorb the cost of the debt forgiveness incurred through this bill.
2. That students working less than 20 hours per week accrue no staff benefits.
3. The following additional positions will be required at the university to maintain records, verify status and meet the additional workload generated by SB259:

Full-time Staffperson Financial Aid Office - Fairbanks
 Full-time Staffperson Financial Aid Office - Anchorage
 Half-time Staffperson Financial Aid Office - Juneau
 Half-time Staffperson Payroll - Statewide Administration

Expenditures*:

Personal Services

Fairbanks - Financial Aid Advisor	33,800	
Anchorage - Financial Aid Advisor	30,700	
Juneau - Financial Aid Advisor	16,900	
Fairbanks - Statewide Payroll Clk	16,900	
Benefits for Above Positions	<u>25,600</u>	
		123,900

Contractual Services

Postage, Reproductive Costs, Phone	2,500	
		2,500
Office	2,500	
		2,500

Equipment

Desks, calculators etc. (1st Year)	5,000	
		<u>5,000</u>

Total FY88 \$ 133,900

Total FY89 and thereafter \$ 128,900

* If the university has no additional cost to the university.