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HOUSE COMMITTEE REPORT

(7) Date Referred: January 21, 1991 FURTHER REFERRALS: Finance

Date of Committee Action: _____

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered: HB 32

HOUSE BILL NO. 32 STUDENT LOAN REIMBURSEMENT & TAXATION

"An Act relating to reimbursement and taxation of certain student loans; and providing for an effective date."

RECOMMENDATIONS: C's HB 32 (HES) the same title
 be replaced with _____ a new title

- have attached amendments(s)
- do pass
- do not pass
- no recommendations
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) APPROVES PREVIOUS: (Dept/Date)
 fiscal impact 3/11/91 (Post Secondary Ed.) fiscal note(s) _____
 zero fiscal note _____ zero fiscal note(s) _____

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

	Check appropriate column:	Do Not Pass	No Rec	Amend
<i>Pattil King</i>				
<i>Chen Davis</i>				
<i>Mary Miller</i>				
<i>Betty Davis</i>	<i>Mark Hamler</i>		X	
	<i>Bruce J. Davis</i>		X	
	<i>John C. Douglas</i>		X	

Pattil King

 Chairman's Signature

Alaska State Legislature
Representative Niilo Koponen

Pouch V
Juneau, Alaska 99811
(907) 465-4992

House District 21

119 N. Cushman, Suite 207
Fairbanks, Alaska 99701
(907) 456-8172

POSITION PAPER for HB 32

Early Childhood Development educators have long been underpaid, even though the task of educating young children is of paramount importance. In order to respond to mounting evidence of the need for trained childcare workers, we must create an incentive to encourage people to enter the field. In July of 1990, the statewide average wage for Child Care Workers was \$6.12 an hour. The statewide low, \$4.30, was the same wage earned by courtesy clerks in grocery stores and by fast food workers. The high, \$15.00, was earned by only one person (of 276 State Daycare employees).

Long term national research shows a correlation between inadequate early childhood experiences and social and economic problems in later life. Studies have shown that teen pregnancy, unemployment, school drop-out and juvenile delinquency rates are lower for children who participate in quality ("quality" being a licenced daycare with licenced workers, able to provide education in addition to childcare) early childhood education programs than for those who did not. Insecurity, a lack of adventurism, and a diminished sense of trust characterize children who have not received quality child care. Conversely, children who have received quality child care tend to succeed in school, display social and emotional competence, and enjoy improved opportunities for good health.

This bill provides an incentive designed to attract more people into this field. A 70% reimbursement of graduates' Alaska State Student Loans would be provided after they have begun teaching in or administering an Early Childhood Development program. They will be eligible for reimbursement as long as they continued teaching in Alaska.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. HB 32

Revision Date: _____ Department Affected: Education

Title: An Act relating to reimbursement and taxation of certain student loans ~~FROM:~~ Alaska Student Loan Corporation
~~COMPONENT:~~ Student Loan Program

Sponsor: Representative Koponen

Requestor: HESS

COMPONENT SERIAL NO.

0	2	1	8
---	---	---	---

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE LOANS BUDGET	-0-	1.2	2.7	4.4	6.4	8.7
-----------------------------	-----	-----	-----	-----	-----	-----

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	1.2	2.7	4.4	6.4	8.7
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	1.2	2.7	4.4	6.4	8.7

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: \$0

ANALYSIS: (Attach a separate page if necessary.)

SEE ATTACHED

Prepared By: Jane Byers Maynard, Executive Director Phone: 465-2165

Division: Alaska Commission on Postsecondary Education Date: February 11, 1991

Approved by Commissioner: _____

Agency: _____ Date: _____

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

HB 32
Fiscal Analysis

Approximately seven eligible borrowers graduating per year beginning with 1987-88 loan year. Fiscal impact minimal for FY93 through FY98 due to bill provision requiring full loan repayment prior to application for reimbursement.

Assume one borrower each year may repay early rather than on standard ten-year repayment cycle. Most eligible borrowers will be able to apply for the 70% reimbursement in one lump sum, having already been employed for five years.

	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>
General Fund						
Appropriation	\$ 8.7	87.7	88.5	89.4	90.3	90.3

1990-91 average annual loan per borrower \$4,890 (figures projected include 1% annual increase in average loan amount up to maximum of \$5,500) x 2.5 years of borrowing = \$12,225 (average total debt/borrower).

DIVISION OF LEGAL SERVICES

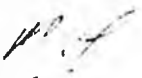
**LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

*P.O. Box Y, Juneau, Alaska 99811
(907) 465-3867 or 465-2450
FAX (907) 465-2029*

*Deliveries to: 240 Main Street
Court Plaza, Room 500
Mail Stop 3101*

MEMORANDUM

January 23, 1991

SUBJECT: Sectional analysis (HB 32)
TO: Representative Niilo Koponen
FROM: Michael F. Ford 
Legislative Counsel

The following is a section by section analysis of HB 32:

Section 1 - Provides for partial reimbursement of student loans made to borrowers who graduate from early childhood education programs and who are employed in early childhood education. Requires the postsecondary commission to adopt regulations permitting a borrower to exclude the reimbursed portion of a loan from taxable income if allowed by federal law. Provides that reimbursement is subject to legislative appropriation and that bonds sold by the Student Loan Corporation may not be appropriated for reimbursement of loans.

Section 2 - Provides that only employment in early childhood education that occurs after July 1, 1991 qualifies a person for purposes of loan reimbursement.

Section 3 - Effective date.

MFF:gc
91-027.glc



NEA-ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

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105 MUNICIPAL WAY, SUITE 302
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FAIRBANKS REGIONAL OFFICE

2118 CUSHMAN STREET
FAIRBANKS, ALASKA 99701
(907) 456-4435
FAX: (907) 456-2159

February 26, 1991

To: **Representatives Carney and Lincoln, Co-Chairs
Members, House HESS Committee**

Re: **HB 32: *An Act relating to reimbursement and taxation of certain
student loans; and providing for an effective date.***

NEA-Alaska supports and encourages your favorable consideration of HB 32.

Early childhood education is a critical component in enhancing the probability that each child will realize his or her full potential in our public school system. It has become even more important as a result of a changing society which doesn't always have the essential support systems for children in their formative years.

Unfortunately, professional career options in early childhood education don't receive the attention and emphasis that is placed on other opportunities for our youth. This fact, combined with relatively low pay scales in this field make it essential that some changes be made.

HB 32 properly provides for reimbursement under the student loan program and should be an incentive for more people to consider early childhood education as a professional career alternative. The qualifying criteria in the legislation more than adequately protect against the potential abuse of process.

Thank you for your consideration of our recommendation.

Respectfully submitted,

Bob Manners
Executive Director

Don Oberg
President

cc: **Representative Koponen**

2/19/91 LAG TELECONFERENCE

Testimony by Jo Kuykendall, University of Alaska School of Career and Continuing Education Early Childhood Development Department in support of \$78,400 in the UAF budget for SCCF ECHD, AND HB 32.

I am here tonite to share information with you about our role in meeting the needs of young children and families.

According to the 1988 Governor's Interim Commission on Children and Youth report, the care and nurturance of young children NOW "will pay a far greater economic and social dividend for this state's future than all of its other financial investments." (p. 1)

While all children have basic rights, the realities of life falls SHORT for too many children in Alaska. I don't have to tell you that within the US 50% of all married mothers with infants were employed in 1988. By 1995 they predict 80% of women between 25 and 34 will be working and 90% of them will be mothers (ACEI Exchange 1/91).

We are concerned about continuing to improve the quality of existing care, and also worry about what life will be like for children in four years. What kind of care will our children receive?

Research studies have soundly documented the importance of 3 main factors to quality care: 1. Education and training in child development theory and practice of the lead teacher or caregiver; 2. Appropriate group size; and, lastly this past summer we learned about the importance of teachers' salaries. (These research studies were all nationwide, large studies: National Day Care Study, National Day Care Home Study, and National Child Care Staffing Study.)

Education and training in child development theory and practice influences what teachers and caregivers expect from children, the kinds of support they DO or DON't provide families, and how they teach, nurture and discipline during the 10-11 hours a day children are in care. Teachers serve as models to many new parents, and assist many by providing advice and support with the difficult tasks involved in parenting.

The Early Childhood Development program at SCCE in Fairbanks currently has approximately 250 students enrolled in courses. The number of certificate and degree STUDENTS has approximately doubled in the last three years, increasing 40% from Fall 1989 to Fall 1990. The total number of CREDIT HOURS students are pursuing has increased 133% since 1987 (just 3 years). Most of our degree students are currently working in centers and homes and go to school part time. Because of this, many will not graduate for 2-3 years.

We are struggling to increase our services to local providers, staff and interested parents with a 1/2 time position and minimal space. If we DOUBLE our current numbers, we will just begin to touch the extreme need of understanding young children that is widely apparent in Fairbanks today, let alone meet the increasing education and training needs required by Federal, State and specific agency programs.

Will any kind of care do for our children and our grandchildren? I urge your support of the \$78,400 increment in the #1 priority of the President's and Board of Regent's FY92 Operating Budget request-- \$78,400 for Early Childhood Development Program at UAF SCCE.

I also URGE your support of HB 32 to help provide Alaska Student Loan forgiveness to help meet the constantly increasing demand for qualified applicants in the field, and provide them some mechanism to finance their education within a profession notoriously underpaid. INVESTING IN QUALITY CARE IS PREVENTION. THANK YOU.

I was then asked about the current status of the Child Care Grant Education and Training Funds. These funds have gone to the information and referral programs statewide, and in Fairbanks, they are now with the social service agency, Resource Center for Parents and Children. While some time has elapsed during this change as to who and how they will be administered, it is my understanding that KCPC is now providing workshops and some reimbursement for coursework. Reimbursement for coursework is limited; and workshops, while a very helpful part of the entire training network system, lack the emphasis on understanding theory and research, and lack the opportunity for students to have appropriate practice.

* * * * *

Specific stats referred to above:

Total enrollment in ALL ECHD courses, from dept. records:
Fall 87- 72; Fall 90-132 (83% increase).
Spring 88- 160; 90- 231, Spring 91 will be around or over 250.

Total credit hours students pursued in ALL ECHD courses, from dept. records: Fall 87- 148; Fall 90- 345 (133% increase)

Early Childhood Development AAS Degree REQUIRED courses include: *

- Child Development - 3 cr.
- Intro. to Early Childhood - 3 cr.
- Practical Paths to Discipline and Guidance - 1 cr.
- Child Nutrition, Health and Safety - 3 cr.
- Group Management - 1 cr.
- Infant/Toddler Care - 2 cr.
- Activities for Young Children - 3 cr.
- Intro. to the Exceptional Child - 3 cr.
- Culture, Learning and the Young Child - 2 cr.
- Practicum I - 3 cr.; Practicum II - 3 cr.

*(Note: Intro. to Psych and The Family are offered by other departments, but both are also REQUIRED of graduates.) Additional general university degree requirements include English, Speech, Math, and electives.

ELECTIVE courses offered by this department include: Activities for School Age, Personnel Mgt. of ECD Programs, Financial Mgt. of ECD Programs, Parents as Partners in Education, Child-Family Relationships, and 1 credit intensives on current issues, specific activity areas, literacy development, etc.

Additional stats;

1. There are 19 million children under age 5 today, up from 16.5 million in 1980. (ACEI Exchange 1/91)
2. In the US, 17.1 percent of all children live below the poverty line, compared with 5.1 % in Switz., 8.2% in West Germany, 9.6% in Canada, and 10.7 % in the United Kingdom. (ACEI Exchange 1/91)
3. Less than 50% of all child care workers receive employer-provided health coverage. (ACEI Exchange 1/91)
4. By conservative estimates, 7 million children under the age of 13 care for themselves at least part of every day. (1987 stat, ACEI Exchange 1/91)
5. 2/3 of working women are the sole provider for the household or are married to men earning less than \$15,000 (1988 stat, ACEI Exchange 1/91)
6. According to "One Day in the Lives of American Children" (Children 1990 by Children's Defense Fund), every day 1,849 children are abused or neglected; 2,909 children see their parents divorced; 105 babies die before their first birthday; 2,795 teenagers get pregnant; 1,295 teenagers give birth; 135,000 children bring a gun to school; 3,288 children run away from home; 623 teenagers get syphilis or gonorrhea; 211 children are arrested for drug abuse (p. 4).
7. Although parents place quality at the top of their child care concerns, only 30 states maintain child-to-caregiver staffing requirements for the care of infants in child care centers that meet the professionally accepted minimum safety standards. (Children 1990, CDF, p.8)
8. Smaller class size is an important step in increasing children's learning, but only 7 states and DC maintain class sizes that meet standards recommended by experts in the field (Children 1990, p.8)

Other quotes from national authorities:

1. "One of the critical factors that determine quality is the caliber and stability of staff who care for children." (SOS America, by Children's Defense Fund, p. 45)
2. "While millions of families cannot afford safe child care, millions of additional families find that even if they can afford it, the quality of the child care that is available leaves much to be desired." (SOS Am, CDF, p. 45)
3. "The supply of safe and affordable child care in most states and communities is inadequate" (SOS Am, CDF, p. 45)
4. "Programs staffed with teachers who have had a formal education--such as early childhood training in college--and who are rewarded with better wages and benefits, are higher quality child care programs... Activities tailored to a child's age and skill level encourage optimal development and achievement." (SOS Am, CDF, p. 46)
5. "Child care also can play an important role in the treatment of abused children and their parents. Parents can watch program staff work with their children and learn alternative ways to cope with the stress they experience in their childrearing responsibilities, while children receive desperately needed enrichment and stimulation." (SOS Am, CDF, p. 46)
6. States should establish "...scholarships and loan forgiveness programs for individuals seeking early childhood development credentials." (SOS Am, CDF, p. 52)

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

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PHONE: (907) 563-1073

February 4, 1991

POSITION PAPER

RE: House Bill 51

SPONSOR: Representatives Ulmer, Kopenen, B. Davis, Ellis, Brown

Program Effects of the Bill

The bill increases the base amount for the Child Care Grant Program to the \$50 maximum as is allowed under AS 44.47.305(3)(c).

Comments

The Department of Community & Regional Affairs agrees that this amount would be necessary to support the increase in base to the \$50 maximum. At present, there are approximately 15,648 licensed child care spaces statewide. We anticipate 95 percent participation at the higher base rate, which would equate to approximately \$8,919,000. We also anticipate the development of additional child care facilities statewide and these additional spaces will add to the impact on the program even if the percentage of providers using the program is not constant at 95 percent. The higher rate encourages providers who otherwise would not bother with the additional paperwork to participate in the program and take advantage of the funds.

The Department of Community & Regional Affairs supports the Governor's budget. However, if additional funds are received, we would be more than amiable to administering the program in as efficient and cost effective manner as possible.

Edgar Blatchford

Edgar Blatchford, Commissioner

OF SEVENTY STUDENTS SURVEYED (UAF, UAA, UAS) WHO CURRENTLY ARE ENROLLED IN ONE OR MORE CHILDCARE COURSES:

1. 36% are utilizing the Alaska State Student Loan
64% are not (for varying reasons)
2. 80% are planning on completing a 30-credit or AAS in Early Childhood Development
20% are not
3. 69% would be influenced (if the bill were to pass) by the incentive to study in this field
31% wouldn't
4. 53% are currently enrolled in at least 12 credit hours at the University
47% are enrolled in less than 12
5. 64% are currently working in a center, program, or home licensed or certified by the Federal, State, or municipal government
36% are not



Alaska State Legislature

SURVEY

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

1. Are you utilizing the Alaska State Student Loan to assist financing your education? Yes___ No___
2. Are you planning on completing a 30-credit or AAS in early childhood development? Yes___ No___

What are your reasons?

3. Were Bill 32 to pass, one who has graduated from an early childhood deveopment program (received a certificate or AAS) and has begun to teach in a child care center, Head Start Program or in a similar program providing for the education of children who are less than 6 years of age, he/she would begin to make payments on his/her Student Loan, and at the end of the year would collect a certain percentage of reimbursement. Would this incentive have influence on your final decision? Yes___ No___

Comments:

4. Are you currently enrolled in 12 eredit hours or more?
Yes___ No___
5. Are you currently working in a center, program, or home licensed or certified by the Federal, State, or municipal government? Yes___ No___

Please indicate position title _____
Pay per hour (optional) _____

Do you plan to continue working in this field? Yes___ No___

RESULTS OF 20 SURVEYED CHILDCARE DIRECTORS:

120 job openings in the past 12 months
170 people applied - of these 170:

- 4 had a 4 year degree in Child Development Children & Families or Home Economics with a Concentration in Child Development
- 7 had an Associates in the above
- 5 had a 30 Credit Certificate in the above
- 8 had a Child Development Associates
- 8 had a BA in Education with a concentration in Child Development
- 40 had a BA in Education with NO concentration in Child Education

S U R V E Y

How many job openings for employees to work directly with preschool aged children have you advertised in the last 12 months? _____

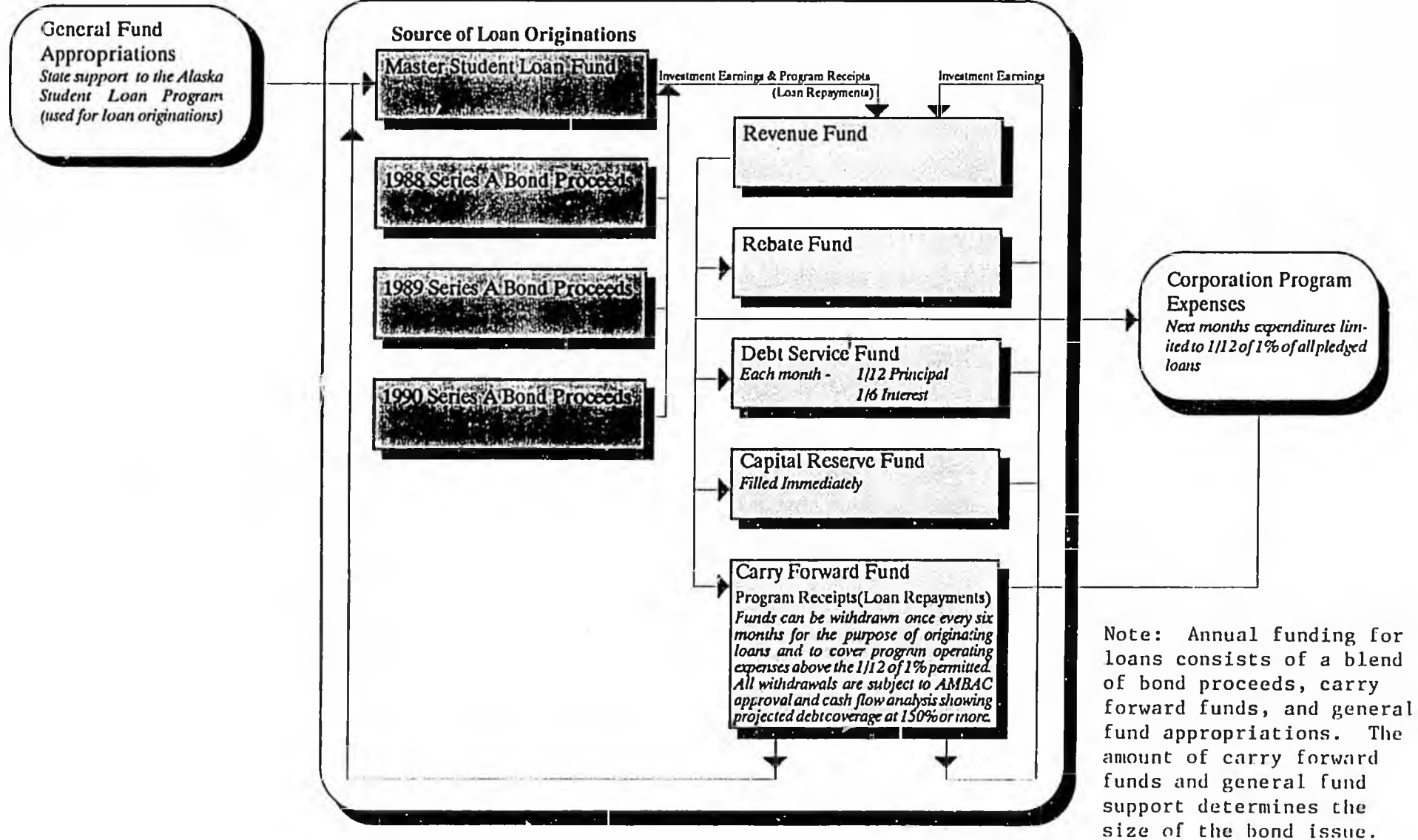
How many applicants applied for the last position that you advertised?
_____ Next to the last position? _____

Of the LAST group of applicants, approximately how many had completed, or almost completed, any of the following:

- a. 4 year degree in CHILD DEVELOPMENT, CHILDREN & FAMILIES, or HOME ECONOMICS WITH A CONCENTRATION IN CHILD DEVELOPMENT? _____
- b. ASSOCIATES degree in same? _____
- c. 30 Credit Certificate in same? _____
- d. Child Development Associate? _____
- e. Bachelors in Education with concentration in child development? _____
- f. Bachelors in Education with no concentration in child development? _____

Alaska Student Loan Corporation

INDENTURE



TITLE:		LOCATION:		AGENCY PRIORITY:	NAME AND PHONE OF AGENCY CONTACT:	
Alaska Student Loan Program		Statewide		1	Jane Byers Maynard, 465-2854	
PROGRAM FUNDING	FY 90	FY 91	FY 92	GOVERNOR	OTHER FINANCIAL INFORMATION (INCLUDING FY 91)	TOTAL
TOTAL ANNUAL LOAN DEMAND	55,483.4	55,500.0	56,332.5		TOTAL APPROPRIATIONS	425,440.1
LOAN BUDGET REQUEST					TOTAL INTEREST RETAINED	52,164.8
1002 FEDERAL RECEIPTS	-0-	-0-	-0-		TOTAL OTHER RETAINED EARNINGS	11,307.8
1004 GENERAL FUNDS	10,000.0	10,000.0	10,000.0		TOTAL BONDS ISSUED	134,889.1
1066 GENERAL OBLIGATION BONDS	-0-	-0-	-0-		BONDS AUTHORIZED BUT NOT ISSUED	-0-
OTHER	27,829.0	29,210.1	16,494.4		TOTAL PROGRAM FUNDING	623,801.8
TOTAL APPROPRIATIONS/REQUEST - LOANS	37,829.0	39,210.1	26,494.4		WHAT ARE THE TOTAL ADMINISTRATIVE COSTS FOR OPERATING THE LOAN PROGRAM FOR FY 91?	
TOTAL APPROPRIATIONS/REQUEST - OTHER APPROPRIATED TO GENERAL FUND	(-0-)	(-0-)	(-0-)	()		\$4,678.3
TOTAL OTHER PROGRAM FUNDING	64,356.5	68,666.9	73,172.5		WHAT AMOUNT OF TOTAL ADMINISTRATIVE COSTS ARE OBTAINED FROM LOAN INTEREST, PRINCIPAL OR FEES?	
ESTIMATED CARRY FORWARD BALANCE	26,588.4	29,273.8	29,838.1			\$4,678.3
INTEREST RETAINED	12,106.1	12,627.7	14,011.5			
OTHER RETAINED EARNINGS	2,775.7	2,893.1	2,834.4			
PRINCIPAL REPAID	22,886.3	23,872.3	26,488.5			

DESCRIBE THE PROGRAM AND EXPLAIN IMPACTS ON THE PROGRAM OF RECEIVING IN FY 92 75% of FY 92 REQUESTED GENERAL FUNDS AND 50% of FY 92 REQUESTED GENERAL FUNDS:

The Alaska Student Loan Program provides low interest (8%) loans to full-time students. In FY 1992, it is expected that the total annual demand will stabilize at \$56,000,000. It is the Corporation's policy to establish a stable general fund base for several years to facilitate planning and to reach a self-sustaining program by the year 2000. In addition, it is important that the general fund base be sufficiently high to provide a favorable presentation to the financial community, including the rating agencies, credit enhancement providers, and investors. To that end, this request references a minimum and continuation level general fund base of \$10,000,000.

L1 LOAN PROGRAM DESCRIPTION

AGENCY Alaska Student Loan Corporation
 TITLE Student Loan Program

FY 92

Page 1 of 5
 Revised Date: _____

If legislation to create a Half-Time Loan Program is enacted in FY 1992, the Corporation will experience a 1.5% loan demand growth. Funding for the Half-Time Loan Program will be provided through loan collections (carry forward funds) so, this program does not impact the Corporation's level of general fund request in FY 1992.

Carry forward funds under other program funding represents loan collections (principal repaid and interest retained on loans) after the Corporation's debt service and operating program expenses have been paid for the year. The aggregate of collections over the year to fund loans is simply not available to the Corporation in time to disburse loans because the loans generating these receipts serve as collateral for the Corporation's bonds. These collections are accessible through the Corporation's trustee and bond indenture only once every six months upon submission of approved projected net cash flow statements. Furthermore, eighty percent of our loans are disbursed within the first six months of the year. This factor, along with the restrictions on loan collections, makes the general fund support and the financing through bond issuance essential in order for the Corporation to fulfill its commitment to students during the first six months of the year.

It is the goal of the Corporation to create a self-sustaining student loan program by the year 2000. The chart on the following page illustrates the interrelationship between the annual general fund support, debt service on bonds, loan growth, and program default rate. As illustrated in the chart, all of these factors directly affect the attainment of this goal.

The cash flow analysis supporting the chart on the following page was performed by the Corporation's financial advisor, Evensen Dodge. A summary of the results of their analysis and additional justification for the Corporation's general fund request is on page 4.

L1

ADDITIONAL
EXPLANATION
FORM

AGENCY Alaska Student Loan Corporation

BRU Student Loan Program

COMPONENT _____

FY 92

Page 2 of 5

Revised Date: _____

ALASKA STUDENT LOAN CORPORATION

Summary of Millennium Plan Results
October 3, 1990
Default Rate = 8.0%

STATE APPROPRIATION (IN MILLIONS)

\$13

10

7

4

0

Legend

- A = Last year required for bond proceeds
- B = Last year required for General Fund support.
- C = Last year with sufficient debt service coverage.
- D = Par amount of bonds (in millions) including Series 1990 bond issue of \$33 million.
- E = General Fund Support (in millions) including FY 1991 appropriation of \$10 million.

	1994 1998 N/A 57.5 80.1	1996 1999 N/A 78.2 98.2	1997 2000 N/A 92.4 109.9	1999 2003 N/A 125.8 147.2	2001 2006 N/A 211.6 189.4
A B C D E					
	1996 1999 N/A 73.0 75.0	1998 2000 N/A 106.6 87.1	1999 2002 N/A 127.7 104.3	2001 2004 N/A 191.6 131.5	After 2006 After 2006 N/A 333.1 160.0
A B C D E					
	1998 2002 N/A 100.7 65.2	1999 2002 N/A 144.5 78.0	2002 2003 N/A 183.6 92.7	After 2006 After 2006 N/A 287.8 114.7	After 2006 After 2006 N/A 413.2 115.0
A B C D E					
	2002 2003 N/A 147.9 57.8	2003 2003 N/A 210.7 58.0	2004 2005 N/A 272.4 63.5	After 2006 After 2006 N/A 427.5 70.0	N/A N/A 2602 613.3 70.0
A B C D E					
	After 2006 N/A N/A 293.9 10.0	After 2006 N/A N/A 353.2 10.0	After 2006 N/A N/A 451.1 10.0	N/A N/A 2001 614.3 10.0	N/A N/A 1999 800.1 10.0
A B C D E					

LOAN DEMAND

(1) Variable represents a 5% decline in FY 1992 followed by an additional 4% decline in FY 1993; 3% decline in FY 1994; 2% decline in FY 1995 and 1% decline in FY 1996. The next three years (FY 1997-1999) have 0% growth; and 1.5% growth thereafter beginning in FY 2000.

26202201/1

FY 92

L1 ADDITIONAL EXPLANATION FORM

AGENCY Alaska Student Loan Corporation

BRU Student Loan Program

COMPONENT _____

Page 3 of 5

Revised Date: _____

EVENSEN DODGE, INC.

MEMO

TO: ALASKA STUDENT LOAN CORPORATION
FROM: EVENSEN DODGE, INC.
Financial Advisor to the Corporation
SUBJECT: Appropriation Request - Justification for \$10 Million

Page 4 of 5
Revised Date:

The Corporation has a continuation of the \$10 million appropriation level.

The Corporation has commissioned Evensen Dodge to prepare a study to assess the long term financing implications of various appropriation levels, default rates, and loan demand. The study measured the number of years and total level of appropriation and bond issues necessary to meet loan demand and maintain the financial adequacy of the Corporation.

The results of the study were analyzed in relation to the Corporation's objectives:

1. Meet anticipated loan demand and Corporation administrative costs.
2. Finance loan demand from carryforward funds, appropriations, and bond proceeds.
3. Minimize the amount and time over which appropriations and bond proceeds will be needed to meet expected loan demand.

The financial projections were analyzed to determine which appropriation level best met the Corporation's objectives. The table below demonstrates that as the amount of annual appropriation increases, total appropriation amounts also increase, total bond proceeds decrease, and the final year when bond proceeds and appropriations are needed is earlier.

The \$13 million annual appropriation rate results in the earliest cessation for the need to issue bonds and seek appropriations as well as to minimize total bond proceeds necessary. However, this level of annual appropriation also results in the highest total general fund appropriation amounts. The table below demonstrates (1):

Annual Appropriation Rate	Bond Proceeds (In Millions)		General Fund Appropriation (In Millions)	
	Total	Last Year	Total	Last Year
\$13 million	\$ 57.5	1994	\$80.1	1998
10 million	\$ 73.0	1996	\$75.0	1999
7 million	\$100.7	1998	\$65.2	2002

(1) Represents default rate of 8% and variable loan demand as obtained from the Millennium Plan Analysis dated October 3, 1990.

The \$10 million annual appropriation rate is recommended because it represents a reasonable balancing of the competing goals of minimizing the amount of bonds and total appropriations. The Corporation will no longer need to issue bonds or request appropriations after the year 2000 for the loan demand level shown in the table.

AGENCY Alaska Student Loan Corporation

BRU Student Loan Program

COMMITMENT

ADDITIONAL EXPLANATION FORM

L1

Finally, this year the Corporation again intends to authorize a competitive sale for the issuance of its bonds. The 1990 bond issue was the third year Alaska Student Loan bonds were sold. The competitive sale was highly successful with substantial cost savings from last year's negotiated sale. Based on the 1990 experience, the planned 1991 competitive sale will allow all interested parties an equal opportunity to bid and will encourage the lowest interest cost to the Corporation over the life of its bonds. In addition, the Corporation should obtain the most favorable underwriting costs through the competitive sale process and bidder options should allow the market place to determine the benefits of insurance on the bonds.

L1

ADDITIONAL
EXPLANATION
FORM

AGENCY Alaska Student Loan Corporation

BRU Student Loan Program

COMPONENT _____

FY 92

Page 5 of 5

Revised Date: _____

OTHER FINANCIAL AND PROGRAM INFORMATION				INFORMATION FOR SUBSIDY CALCULATION			
	FY 90 ACTUAL	FY91 AUTHORIZED	FY 92 REQUEST				
ESTIMATED TOTAL SUBSIDY	-0-	-0-	-0-	STATUTORY LOAN RATE		8%	
ESTIMATED RATE OF SUBSIDY	-0-	-0-	-0-	STATUTORY MAXIMUM LOAN MATURITY		10 Years	
AVERAGE LOAN SIZE	4.2	4.2	4.2	APPROPRIATE MARKET INTEREST RATE		8%	
AVERAGE LOAN LENGTH	N/A	N/A	N/A	ESTIMATED RATE FOR BOND ISSUE		7.5%	
NUMBER OF LOANS MADE	13.1	13.1	13.3	ARE PRINCIPAL DEFERMENTS ALLOWED?	YEARS	YES	NO
VALUE OF LOANS MADE ANNUALLY	55,483.4	55,500.0	56,332.5	IF YES, NUMBER OF YEARS:	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>
VALUE OF OUTSTANDING LOANS AT FY END	464,445.2	496,072.9	525,916.9	ARE INTEREST DEFERMENTS ALLOWED?	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>
AVERAGE DELINQUENCY RATE	15.5%	15.5%	14.0%	IF YES, NUMBER OF YEARS:			
DEFAULT RATE	11.0%	11.0%	10.0%	IS LOAN FORGIVENESS ALLOWED?		<input checked="" type="checkbox"/>	<input type="checkbox"/>
OTHER PROGRAM INDICATORS				IF YES, PERCENT OF LOANS FORGIVEN (Loans prior to July 1987)	50%		
				WHAT IS THE CURRENT LOAN LOSS RATE?	13.4%		

PROGRAM JUSTIFICATION:

The objective of the loan program is to permit qualified Alaskans an opportunity and choice in the pursuit of their individual educational goals. Immeasurable benefits accrue to the State because of its broadly and diversely educated citizens.

The Alaska Student Loan Program permits qualified residents of Alaska (two-year minimum residency) to receive up to \$5,500/year for undergraduate study or \$6,500/year for graduate study for up to eight years (five years maximum of undergraduate or graduate) to attend institutions that are accredited by recognized accrediting agencies or authorized to operate by the Alaska Commission on Postsecondary Education. Loans carry 8% simple interest and ten year payback terms.

L2 LOAN PROGRAM
JUSTIFICATION

AGENCY Alaska Student Loan Corporation

TITLE Student Loan Program

FY 92

Page 1 of 1

Revised Date: _____

Certificate

Early Childhood Education (Paraprofessional Level)

To obtain a certificate in early childhood education, the 30-credit hour "Major Requirement" for the associate of applied science in early childhood education must be completed.

The Certificate is available through the Juneau campus, with many of the required courses available through the Sitka campus. Education for the Child Development Associate award may be obtained through specified courses as well.

This certificate is designed to give intensive training in a specific occupational area. Skills gained are job-entry level in nature and work completed may apply toward degree programs in the field.

Students must demonstrate a level of competence in English equivalent to ENGL 111 and a math competency equivalent to MATH 054 in order to graduate from this program. English and Math placement exams are recommended as part of the admissions procedure.

U.S.

Associate of Applied Science (A.A.S.)

Early Childhood Education

Early Childhood Education courses are designed to prepare teachers for work in preschools, day care programs, Head Start schools, and public school primary grades. The credits earned in the certificate program can be part of the A.A.S. degree.

The Associate degree is offered through the Juneau campus, with many of the required courses available through the Sitka campus. Education for the Child Development Associate award may be obtained through specified courses as well.

With an advisor's help, the A.A.S. degree can be incorporated into a Bachelor's degree in education, which is required for public school teacher certification.

In keeping with an open admissions policy for Associate Degrees, the only admissions requirements are completion of English and Math placement tests for advising purposes.

Degree Requirements: The associate of applied sciences (A.A.S.) degree in early childhood education requires a minimum of 60 credit hours.

General Requirements: 15

Written Communication Skills - 6 credits

ENGL 111 Freshman Composition (3)

and

ENGL 211 Intermediate Composition with Modes of Literature (3)

or

ENGL 212 Technical Report Writing (3)

Oral Communication Skills - 3 credits

Six credits from any one of the following areas:

Humanities, Social Sciences, Natural Sciences, Mathematics - 6 credits

Major Requirements

ED 101 Parents and Teachers as Partners (3)
ED 105 Introduction to Early Childhood Education (3)
ED 119 Child Nutrition and Health (1)
ED 156 Language and Literature Activities for Young Children (1)
ED 157 Arts and Crafts Activities for Young Children (1)
ED 158 Science and Math Cognitive Activities for Young Children (1)
ED 159 Music and Movement Activities for Young Children (1)
ED 210 Positive Approaches to Discipline (3)
ED 250 Practicum in Early Childhood Development I (3)
ED 251 Practicum in Early Childhood Development II (3)
ED 280 The Multicultural Classroom (3)
ED 294 Practicum: Young Children with Special Needs (1)
ED 327 The Exceptional Child in Modern Schools and Society (3)
PSY 150 Human Development (3)

Electives 15

Minimum Credit Hours 60

U 73

Elementary: Early Childhood Education

The ECE endorsement curriculum prepares prospective students to teach kindergarten through third grade, or pre-primary. The specialized skills and understanding required to promote the growth and development of children ages three through eight years are included in the curriculum.

Degree Requirements: Candidates follow the same basic requirements as other Elementary majors. The Early Childhood Education endorsement area consists of 21 credits of professional education courses specific to early childhood education. For students already certified to teach in the elementary schools the 21 credits ECE endorsement courses may be taken which will qualify the student for an ECE endorsement on their Alaska Teaching Certificate.

Common Core General Education Requirements: 34

The complete list of requirements is on page 22-24 of the catalog.
The following courses must be included in the GER for this degree:
HIST 101 and HIST 102 or HIST 131 and HIST 132, MATH 107, PSY 101.

Major Requirements: 73

Professional Education Sequence—46 credits

ED 313	Educational Psychology (3)
ED 322	Introduction to Reading Instruction (3)
ED 327	The Exceptional Child in Modern Schools and Society (3)
ED 328	Children's Literature (3)
ED 332	Evaluation and Measurement (3)
*ED 424	Mathematics in the Elementary School Curriculum (3)
ED 430	Introduction to the Microcomputer and Educational Computing (3)
ED 452	Student Teaching (12)
ED 480	The Multicultural Classroom (3)
HIST 341	History of Alaska (3)
PSY 150	Human Development (3)
MATH 325	Mathematical Problem Solving (4)

Early Childhood Sequence — 21 credits

ED 105	Introduction to Early Childhood Education (3)
ED 119	Child Nutrition and Health (1)
ED 157	Arts and Crafts Activities for Young Children (1)
ED 159	Music and Movement Activities for Young Children (1)
ED 210	Positive Approaches to Discipline (3)
ED 250	Practicum in Early Childhood Development I (3)
ED 361	Young Children and Literacy (3)
ED 364	Classroom Management for the Young Child (3)
ED 465	Math and Science for Young Children (3)

Emphasis Area — 6 credits

Select six credits in one area below. Advisor's permission required.

Educational Technology
Bilingual/Multicultural
Elementary Methods

Approved Electives 18

Select a minimum of 18 credits in an emphasis which supports the elementary education curriculum approved by an education advisor.

Electives 5

Minimum Credit Hours 130

*Note: Math 325 and Math 107 or equivalent competency prerequisite for ED 424.

UAS

Elementary: Early Childhood Education Credential Endorsement

Required:

ED 313	Educational Psychology (3)
ED 321	Social Studies in the Elementary School (3)
ED 327	The Exceptional Child in Modern Schools (3)
ED 332	Evaluation and Measurement (3)
ED 452	Student Teaching (12)
ED 480	The Multicultural Classroom (3)
HIST 341	History of Alaska (3)
ED 105	Introduction to Early Childhood Education (3)
ED 119	Child Nutrition and Health (1)
ED 157	Arts and Crafts Activities for Young Children (1)
ED 159	Music & Movement Activities for Young Children (1)
ED 210	Positive Approaches to Discipline (3)
ED 250	Practicum in Early Childhood Education (3)
ED 361	Young Children and Literacy (3)
ED 364	Classroom Management for Young Children (3)
ED 465	Science and Math for Young Children (3)

Note: Total credit hours must include nine approved education credits earned at UAS. Student teaching must also be completed while enrolled at UAS.

Minimum Credit Hours

51

Note: MATH 325 and MATH 107 or equivalent competency are prerequisites for ED 424.



UNIVERSITY OF ALASKA ANCHORAGE

February 10, 1991 3211 Providence Drive
 to: ECD Students Anchorage, Alaska 99508
 from: Ms Lare', Visting Faculty, ECD
 re: ECD Fall '91 Class Schedule

SCHOOL OF EDUCATION
 (907) 786-1771
 VAX ID: AYSOE
 FAX: 786-1749

The following ECD courses are being recommended for Fall '91. In addition, please remember Psych 245 and DN 145 Child Nutrition.

ECD 194 and ECD 270 may appear with different numbers, or may not appear on the Class Schedule, because they had not made it through the system to be on the computer by the time of printing. Please do check at the time of registration.

ECD 120	PARENTING: MORE THAN DISCIPLINE	3.0 CR
M	7:00P-9:45P Saxton, K.	9/9-12/16
ECD 111	SAFE LEARNING ENVIRONMENTS	1.0 CR
TR	6:30P-8:30P TBA	11/14-12/19
ECD 124	CREATIVE ACTIVITIES FOR YOUNG CHILD.	1.0 CR
TR	6:30P-8:30P TBA	9/5-10/3
ECD 131	GUIDANCE & DISCIPLINE	1.0 CR
W	6:30P-8:30P TBA	9/4-10/2
ECD 132	SOCIAL DEVELOPMENT	1.0 CR
TR	6:30P-8:30P TBA	10/10-11/7
ECD 211	DEVELOPMENT OF SENSE OF SELF	1.0 CR
T	6:30P-8:30P TBA	11/12-12/10
ECD 221	FAMILIES	1.0 CR
W	6:30P-8:30P TBA	10/9-11/16
ECD 133	PROGRAM MANAGEMENT	1.0 CR
W	6:30P-8:30P TBA	11/13-12/11
ECD 123	EXPLORING AND DEVELOPING PERSONAL CAPABILITIES IN TEACHING	1.0 CR
T	6:30P-8:30P TBA	9/3-10/1
ECD 224	PROFESSIONALISM	1.0 CR
T	6:30P-8:30P TBA	10/8-11/5
ECD 194	INTRODUCTION TO THE FIELD OF EARLY CHILDHOOD	3.0 CR
M	6:30P-9:15P TBA	9/9-12/16
ECD 270	PRACTICUM I	3.0 CR
W	6:30P-9:15P TBA	9/4-12/11

7-1-9
Testimony: HESS Hearing HB32
Jo Kuykendall 2/27/91

I am Jo Kuykendall, half-time Visiting Assistant Professor of Early Childhood Development Program for the School of Career and Continuing Education at University of Alaska Fairbanks.

I am very pleased to have the opportunity to speak with you today on the topic of early childhood development teacher education and loan forgiveness.

The early childhood development program at SCCE has undergone tremendous growth in the last 3 years! The total number of CREDIT HOURS students are pursuing has increased 133%, with approximately 250 students now enrolled in courses offered by our department.

Growth has occurred because of an increasing awareness—of the importance of understanding the development of young children. We know that education and training in child development theory and practice influences what teachers and caregivers expect from children, the kinds of support they DO or DON't provide families, and how they teach, nurture and discipline during the 10-11 hours a day children are in care. How an adult handles what may appear to be misbehavior often depends crucially on that person's knowledge and expectations of child development.

While Alaska regulations permit adults to teach young children without any college-level education in this discipline, many are aware that the National Association for the Education of Young Children recommends an AAS or a baccalaureate degree in child development or early childhood to teach in programs.

Many pursue higher education out of interest, for higher status, for increased pay, or to prepare for other jobs in the field requiring more years of child development.

Secondly, available jobs are plentiful! Students now consider positions with Head Start, military-sponsored programs, Infant Learning programs, programs for special-needs children, private homes and centers, as well as an array of jobs within the parent-education and family support spectrum. So, while there were close to 3000 certified and licensed child care spaces within local homes and programs in 1988, there were 80 openings for child care workers processed through local job service office. Local early childhood program employers cannot locate, often ANY, applicants with AAS or Baccalaureate Degrees in Early Childhood for teaching and administrative positions in programs since most of our students are already working in the field, going to school part time, and may not graduate for 2-3 years.

Few students take time off work to go to school because they simply cannot afford to. While we receive calls constantly from employers looking for job applicants, and well understand the importance of this knowledge base to quality, there is almost no single student who is not already employed in the field.

Thirdly, if an early childhood program is to promote children's intellectual, social and physical development, it must also be administered by competent specialists in child development who can establish an environment that supports active learning. (Schweinhart and others, p.527) To illustrate, a study done in Alaska in 1986 found that of the 100 responding licensed day care

r.4/3

center directors 78 "evaluate children", and 66 "provide parent education" . While the National Association for the Education of Young Children recommends a graduate degree or baccalaureate with experience for administering child care/education programs, almost half of the 100 responding directors indicated that they had not taken, or had only taken, 6 semester units of course work relating to early childhood education. Only 19 had a 4 year degree, or close to it, with a major emphasis of study in a subject area anywhere closely allied to their profession: ECE, HE, Human Deve. or Psych.

Recently Alaska regulations have begun to require 9 credit hours for directors of licensed day care centers, encouraging many to enroll in our courses to learn more about children, families and program administration.

While we are undergoing tremendous growth, we are not touching the need, and they predict an impact in the field: by 1995 80% of women between 25 and 34 will be working and 90% of these will be mothers (ACEI Exchange 1/91). According to US Census report, in 1990 only 26 percent of US families consisted of a married couple with children under age 18, with a surge in single-parent families. We need to provide a baccalaureate degree in child development and family studies to meet increasing job requirements and provide a lab for developmentally and culturally appropriate practice experiences and a high-quality environment model.

Across the nation, as in Alaska, college costs are rising, further eliminating the possibilities of many students pursuing higher education for jobs that are notoriously underpaid. Many high school graduates who love young children, are fascinated with

how they grow and change, and have excellent qualities for this field, do not qualify for the "outstanding student" scholarships. So, we need incentives to encourage young single parents to learn more about young children and consider caring for others while they are raising their own. We need incentives to draw more young people into the field, and to dedicate a few years working with young children, with the option of moving on to higher-paying jobs such as public school teaching after 5 years or so, if they choose. Many of our students know what an Oct. article in Newsweek says--the importance of elementary teachers understanding child development: "About 25 percent of our country's kids drop out of school and another 25 percent graduate without basic skills mostly because teachers don't understand how children learn and therefore are not addressing their needs," ... "The better reform, then, would require prospective teachers--in or out of education schools--to learn about the developmental stages children pass through and how best to tailor their lessons to reach them." (p.59)

Many states have successfully used loan-forgiveness as a mechanism to influence their teaching workforces, a College Board report calling them the most frequently legislated incentive to attract students to teaching. IN 1985-86 37 states had some type of loan incentives for teachers. (Education Week 2/28/90, p. 1)

For Alaska, the benefits of HB32 are widespread. We have everything to gain at a minimal cost. With difficult, complex and pervasive problems of abuse, violence, teen pregnancy, alcohol use,

the need for quality prevention services has never been more acute. Prevention STARTS with understanding child development. Prevention STARTS with providing high quality care in our programs for young children-- facilitating appropriate models for young parents to emulate, developmentally and culturally appropriate practice for children, and appropriate advice and support to parents who raise questions about discipline, growth, health and managing their complex lives. Because we know that a staff member's understanding of child development affects whether child care helps or harms children, I urge your support of this bill.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. CSHB 32

Revision Date: 3/11/91 Department Affected: Education

Title: An act relating to reimbursement ~~of~~ Alaska Student Loan Corporation

and taxation of certain student loans Component: Student Loan Program

Sponsor: Representative Koponen

Requestor: HESS

COMPONENT SERIAL NO.

0	2	1	8
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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LOANS BUDGET	-0-	1.1	3.4	10.3	17.3	18.5
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	1.1	3.4	10.3	17.3	18.5
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	1.1	3.4	10.3	17.3	18.5

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: \$0

ANALYSIS: (Attach a separate page if necessary.)

See Attached

Prepared By: Jane Byers Maynard, Executive Director Phone: 465-2165

Division: Alaska Commission on Postsecondary Education Date: March 11, 1991

Approved by Commissioner: _____

Agency: _____ Date: _____

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

CSHB 32
FISCAL ANALYSIS

Estimate approximately seven eligible borrowers graduating each year beginning with 1991-92 loan year. Fiscal impact minimal for FY 93 and FY 94 due to time required for the borrowers to complete course of study, secure employment and enter repayment for a period of time sufficient to qualify for initial reimbursement.

Pool of eligible borrowers increases at a staggered pace allowing for variable course lengths (one-year certificate through four year baccalaureate program).

	<u>FY90</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>
General Fund						
Appropriation:	25.5	26.7	32.7	31.5	31.8	27.3

1990-91 average annual loan per borrower \$4,890 (projected figures include 1% annual increase in average loan amount up to the maximum of \$5,500) x 1.5 years of borrowing = \$7,335 plus interest of \$4,146 = \$11,481 (average total debt/borrower).

7-LS0300D

Ford

3/7/91

CS FOR HOUSE BILL NO. 32 (HES)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVE KOPONEN

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to reimbursement and taxation of certain student loans; and providing
2 for an effective date."

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

4 * Section 1. AS 14.43.120 is amended by adding new subsections to read:

5 (s) If a borrower has graduated from an early childhood career education program or
6 received an undergraduate degree in early childhood education from a college or university, is
7 employed in early childhood education within the state, and has complied with the other
8 provisions of this section, a portion of the loan payments made by the borrower shall be
9 reimbursed to the borrower by the state equal to the following percentages of the total loan re-
10 ceived plus interest up to a total of 70 percent of the total loan plus interest: (1) one year
11 employment, 10 percent; (2) two years employment, an additional 12 percent; (3) three years
12 employment, an additional 14 percent; (4) four years employment, an additional 16 percent; (5)
13 five years employment, an additional 18 percent. The loan amount reimbursed to the borrower
14 may not exceed the loan amount paid by the borrower to the state. In this subsection, "early

1 childhood education" means employment as a day care provider, in a Head Start program, or in
2 a similar program providing for the education of children that are less than six years of age.

3 (t) Notwithstanding any other provision of law, while a person's loan is being reimbursed
4 by the state under (s) of this section, that person may not receive forgiveness of a loan under any
5 other provision of this chapter.

6 (u) The commission shall adopt regulations that permit a borrower to exclude a
7 reimbursed portion of a loan from the gross income of the borrower if allowed under the Internal
8 Revenue Code.

9 (v) Reimbursement under (s) of this section is subject to appropriation by the legislature.
10 Money obtained from the sale of bonds by the Student Loan Corporation under AS 14.42.220
11 may not be appropriated for the reimbursement of loans.

12 * Sec. 2. APPLICABILITY. This Act applies to loans entered into on or after July 1, 1991, and to
13 a person's employment in early childhood education that occurs on or after July 1, 1991.

14 * Sec. 3. This Act takes effect July 1, 1991.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. CSHB 32

Revision Date: 3/11/91 Department Affected: Education

Title: An act relating to reimbursement of Alaska Student Loan Corporation

and taxation of certain student loans Component: Student Loan Program

Sponsor: Representative Koponen

Requestor: HESS

COMPONENT SERIAL NO.

0	2	1	8
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TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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LOANS BUDGET	-0-	1.1	3.4	10.3	17.3	18.5
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	1.1	3.4	10.3	17.3	18.5
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	1.1	3.4	10.3	17.3	18.5

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: \$0

ANALYSIS: (Attach a separate page if necessary.)

See Attached

Prepared By: Jane Byers Maynard, Executive Director Phone: 465-2165

Division: Alaska Commission on Postsecondary Education Date: March 11, 1991

Approved by Commissioner: _____

Agency: _____ Date: _____

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

CSHB 32
FISCAL ANALYSIS

Estimate approximately seven eligible borrowers graduating each year beginning with 1991-92 loan year. Fiscal impact minimal for FY 93 and FY 94 due to time required for the borrowers to complete course of study, secure employment and enter repayment for a period of time sufficient to qualify for initial reimbursement.

Pool of eligible borrowers increases at a staggered pace allowing for variable course lengths (one-year certificate through four year baccalaureate program).

	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>
General Fund						
Appropriation:	25.5	26.7	32.7	31.5	31.8	27.3

1990-91 average annual loan per borrower \$4,890 (projected figures include 1% annual increase in average loan amount up to the maximum of \$5,500) x 1.5 years of borrowing = \$7,335 plus interest of \$4,146 = \$11,481 (average total debt/borrower).

CS FOR HOUSE BILL NO. 23 ()

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY

Offered:

Referred:

Sponsor(s): REPRESENTATIVES LARSON, Carney, Taylor

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the area cost differential for school districts; and providing for an
2 effective date."

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

4 * Section 1. AS 14.17.051 is repealed and reenacted to read:

5 Sec. 14.17.051. AREA COST DIFFERENTIAL. The board shall develop a methodology
6 for calculating an area cost differential and shall establish by regulation an area cost differential
7 for each school district. The department shall conduct a survey of school district personnel costs
8 once every five years and a survey of school district nonpersonnel costs once every two years.

9 * Sec. 2. Notwithstanding AS 14.17.051, as repealed and reenacted by this Act, the area cost
10 differential for the Aleutian East school district is 1.31 for the fiscal year beginning July 1, 1990, and
11 shall be increased in equal percentage amounts over the next two fiscal years, beginning July 1, 1991,
12 until the area cost differential is equal to 1.33.

13 * Sec. 3. REPORT. The Department of Education shall report to the legislature the methodology
14 used to calculate the area cost differential required by this Act by January 15, 1992.

1 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

Addresses of Testifyers for HB 32
Thursday, February 28 - 8:30 am.

— Phillip Gilbert - Director
Head Start Association
c/o Greater Fairbanks Head Start Assoc.
P.O. Box 724
Fairbanks, AK 99701

452-4267

— Jo Kuykendall
U of A - School of Career and
Continuing Education
Early Childhood Development
Hutchison Career Center
3750 Geist Road
Fairbanks, AK 99709

474-6658

— Bob Manners - Lobbyist for NEA
105 Municipal Way #302
Juneau, AK. 99801

586-3090

— Jane Maynard - Director
Postsecondary Education Commission
P.O. Box FP
Juneau, AK 99811-0500

465-2854

— Patty Merritt-Director
Play 'n Learn Daycare
705 Chena Pump Road
Fairbanks, AK 99709

479-0900

— Mary Trospen-Student
18137 Misty Falls Circle
Eagle River, AK 99577

694-7888

— Mary Whitaker-Director
c/o Infant Learning Program
Bethel Community Services, Inc.
Box 2188

Bethel, AK 99559

Tel. 543-3690