

HB 88

# SENATE FINANCE COMMITTEE REPORT

DATE: 5/6/91

FURTHER:

DATE TURNED INTO OFFICE: ~~5/15/91~~

The Finance Committee considered ~~CS FOR HOUSE BILL NO. 88 (RES) (Title on)~~

"An Act relating to forgiveness of scholarship and family education loans made to students who are unable to complete a school term as a result of serving on active duty as a member of the armed forces of the United States; and providing for an effective date."

and recommended:

- replace with \_\_\_\_\_ CS  same title
- or adopt \_\_\_\_\_ CS  new title
- attached amendment(s)  technical title change (HB only)
- \_\_\_\_\_ letter of intent adopted

- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to \_\_\_\_\_

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

**APPROVES PREVIOUS:**

- fiscal note(s) Dept/Date: \_\_\_\_\_
- zero fiscal note(s) \_\_\_\_\_

- fiscal note(s) Dept/Date: \_\_\_\_\_
- zero fiscal note(s) ~~5/15/91~~ ~~5/15/91~~

appropriation-no fiscal note

**SIGNING DO PASS:**

**OTHER RECOMMENDATIONS:**

*[Handwritten signatures]*

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

1. *[Signature]* 2. *[Signature]* Do pass  
 Co-Chairs: Signatures and Recommendations

FISCAL NOTE

No. 2

Bill Version: CSHB 88 (MLV)

(H) Publish Date: 2/13/91

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_ Department Affected: Military & Veterans Affairs

Title: Forgiveness of scholarship loans BRU: \_\_\_\_\_

Component: \_\_\_\_\_

Sponsor: Barnes

Requestor: House DMVA

COMPONENT SERIAL NO. 

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Expenditures/Revenues: (Thousands of Dollars)

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

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0					
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)

No fiscal impact on DMVA

Prepared By: Jeff Morrison, Director Phone: 465-4600

Division: Administrative & Support Services Date: February 12, 1991

Approved by Commissioner: MG Hugh L. Cox III by Morrison

Agency: Military & Veterans Affairs Date: Feb 12, 1991

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

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

No. 3

Bill Version: CSHB 88(HES)

(H) Publish Date: 4/8/91

Revision Date: April 2, 1991 Department Affected: Education

Title: An Act relating to forgiveness of scholarship loans ~~BRKX~~ Alaska Student Loan Corporation/  
Commissioner Student Loan Program

Sponsor: Representative Barnes

Requestor: House Finance 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	0	15.5	15.6	15.8	15.9	16.1
TOTAL OPERATING						

\*Refers to Loans Budget

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	15.5	15.6	15.8	15.9	16.1
FEDERAL FUNDS						
OTHER						
TOTAL	0	15.5	15.6	15.8	15.9	16.1

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: \$0, no requests for forgiveness have been made to ACPE.

ANALYSIS: (Attach a separate page if necessary.)

Estimate a total of 7 borrowers potentially affected, 7 X \$2,225 (average loan per term with a growth rate of 1%) = \$15.5.

Prepared By: Jane Byers Maynard, Executive Director Phone: 465-2854

Division: Alaska Commission on Postsecondary Education Date: April 2, 1991

Approved by Commissioner: \_\_\_\_\_

Agency: \_\_\_\_\_ Date: \_\_\_\_\_

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

COMMITTEE

CS FOR HOUSE BILL NO. 88 (HES)(title am)  
 IN THE LEGISLATURE OF THE STATE OF ALASKA  
 SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Amended: 4/29/91

Offered: 3/13/91

Referred: Finance

Sponsor(s): REPRESENTATIVES BARNES, Martin, Mackie, Gonzales, M.A.Miller, Sharp, G.Phillips, Zawacki, Taylor, MacLean, C.Davis, Finkelstein, Baker, Leman, Hanley, Choquette

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to forgiveness of scholarship and family education loans made to students  
 2 who are unable to complete a school term as a result of serving on active duty as a  
 3 member of the armed forces of the United States; and providing for an effective date."

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

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

6 (s) A portion of a loan shall be forgiven by the state if, after being enrolled in the course  
 7 of study for which the loan was granted, the borrower is a student who is unable to complete the  
 8 school term as a result of serving on active duty as a member of the armed forces of the United  
 9 States. The portion of the loan that shall be forgiven by the state is equal to the amount  
 10 borrowed by the student for the school term in which the borrower's studies are terminated.

11 (t) Forgiveness under (s) of this section is subject to appropriation by the legislature.  
 12 Money obtained from the sale of bonds by the Student Loan Corporation under AS 14.42.220  
 13 may not be appropriated for the forgiveness of loans.

14 \* Sec. 2. AS 14.43.740(a) is amended to read:

- 1           (a) The provisions of AS 14.43.100, 14.43.110, 14.43.115, 14.43.120(a) - (d), (i), (m),  
2           and (r) - (t) [(r)], and 14.43.135 apply to a loan made under AS 14.43.710 - 14.43.790.  
3   \* Sec. 3. This Act applies to principal and interest due on a loan entered into on or after July 1, 1990.  
4   \* Sec. 4. This Act takes effect immediately under AS 01.10.070(c).



OFFICIAL BUSINESS

# Alaska State Legislature

House of Representatives

REPRESENTATIVE  
**RAMONA L. BARNES**  
DISTRICT 14

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## SPONSOR STATEMENT

MAY 10 1991

CSHB 88

CSHB 88 relating to the forgiveness of scholarship loans will foregive the loan for a student who is unable to complete a term of study because of serving on active duty as a member of the United States armed forces.

This issue came to light as a result of the war in the Persian Gulf. The fact is that there are Alaskans in college who are members of Guard and/or reserve units who are utilizing Alaska student loans. Should these units be activated in the middle of a term, these Alaskan students would loose their credits for that term. Under current statutes, the loan utilized for that period would still be owed to the state. I believe it would be unjust to require these students to repay these loans if they are unable to complete the term because of serving on active duty.

Post Secondary Education office has advised me that, to date, they have not had anyone, to their knowledge, in this situation.