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FILE



OFFICIAL BUSINESS

Alaska State Legislature Senate

Office of the Secretary

STATE CAPITOL
JUNEAU, ALASKA 99801-1182
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January 8, 1996

MEMORANDUM

TO: Senator Green, Chair
Health, Education and Social Services Committee

Senator Frank, Cochair
Senator Halford, Cochair
~~Finance Committee~~

FROM: Nancy Quinto
Secretary of the Senate

RE: Executive Order No. 97

The President has referred Executive Order No. 97 (Transferring and merging the student aid and educational institution regulation functions of the Alaska Commission on Postsecondary Education into the Alaska Student Loan Corporation; moving the commission's remaining policy and planning functions to the Department of Education; renaming the corporation as the Alaska Student Aid Corporation; establishing an expanded seven-member board of the corporation; and placing the corporation under the Department of Revenue) to your committee.

Section 23, Article III of the Constitution states:

The governor may make changes in the organization of the executive branch or in the assignment of functions among its units which he considers necessary for efficient administration. Where these changes require the force of law, they shall be set forth in executive orders. The legislature shall have sixty days of a regular session, or a full session if of shorter duration, to disapprove these executive orders. Unless disapproved by resolution concurred in by a majority of the members in joint session, these orders become effective at a date thereafter to be designated by the governor.

If you wish to report any recommendations to the body, please do so within the sixty day limit.

Attachment

TONY KNOWLES
GOVERNOR



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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 8, 1996

EO 97

The Honorable Drue Pearce
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear President Pearce:

Under the authority of art. III, sec. 23, of the Alaska Constitution, I am transmitting an Executive Order relating to the transfer of functions of the Alaska Commission on Postsecondary Education.

This Executive Order is the first step in creating a new management structure to provide for the long-term stability of the Alaska student aid programs. This new structure should assure the financial community of Alaska's continued commitment to the financial viability of that program. Additionally, the transfer will streamline the student aid program and help integrate postsecondary education into the comprehensive statewide plan for education and training in the Department of Education.

The Executive Order accomplishes these goals in three ways.

First, the Executive Order eliminates the 14-member Alaska Commission on Postsecondary Education and transfers many of its functions to the Alaska Student Loan Corporation. That corporation is, in turn, renamed the Alaska Student Aid Corporation with an expanded board of seven members. This should reduce costs and result in a better integrated program.

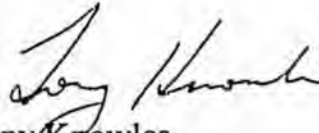
Second, the Alaska Student Aid Corporation is transferred to the Department of Revenue. All management and administration functions of the Alaska Commission on Postsecondary Education for student aid funds are transferred to the corporation. These transfers should provide additional expertise and streamline the investment functions for the student loan funds.

The Honorable Drue Pearce
January 8, 1996
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Third, the policy and planning functions of the postsecondary commission are transferred to the Department of Education. The department can provide the central focal point for all education programs, including postsecondary, to be sure that Alaskans can be competitive in today's workplace.

I urge your support of this Executive Order. It will result in improved program operation while reducing administrative costs. These changes will help the vital student loan program become self-sufficient, so that low cost financial aid remains available to future generations of Alaskans pursuing postsecondary educational opportunities.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tony Knowles".

Tony Knowles
Governor

1 notwithstanding this Order, with all contracts, rights, liabilities, notes, or other obligations
2 created by or under a law amended or repealed by this Order becoming contracts, rights,
3 liabilities, notes, or other obligations of the Alaska Student Aid Corporation.

4 (e) Records, equipment, appropriations, and other property of agencies of the state
5 whose functions are transferred under this Order shall be transferred to implement the
6 provisions of this Order.

7 (f) An individual who is an employee of the Alaska Commission on Postsecondary
8 Education on March 8, 1996 becomes an employee of the Alaska Student Aid Corporation
9 on March 9, 1996.

10 (g) Notwithstanding sec. 9 of this Order, employees of the Alaska Student Aid
11 Corporation who were, on March 8, 1996, employees of the Alaska Commission on
12 Postsecondary Education, are no longer eligible to accrue credited service under AS 14.25.

13 * Sec. 86. This Order takes effect March 9, 1996.

Dated:

Tony Knowles
Governor

- 1 (1) the amount of the claim; and
2 (2) notice that the amount of the permanent fund dividend that does
3 not exceed the amount of the claim shall be paid to the Alaska Student Aid
4 Corporation [COMMISSION ON POSTSECONDARY EDUCATION] unless the
5 corporation [COMMISSION] releases the claim or the individual requests a hearing
6 within 30 days after the date the notice is sent by the corporation [COMMISSION].

7 * Sec. 83. AS 44.62.330(a)(43) is amended to read:

8 (43) Alaska Student Aid Corporation [COMMISSION ON
9 POSTSECONDARY EDUCATION] under AS 14.48 as to denial of applications and
10 revocation of authorizations and permits;

11 * Sec. 84. AS 14.42.015, 14.42.020, 14.42.025, 14.42.030, 14.42.032, 14.42.035,
12 14.42.040, 14.42.045, 14.42.050, 14.42.055, 14.42.170, 14.42.200(18); AS 14.43.090(d),
13 14.43.255(c), 14.43.620(b), 14.43.720(b); and AS 14.48.210(4) are repealed.

14 * Sec. 85. TRANSITION. (a) The terms of the members of the Alaska Commission on
15 Postsecondary Education terminate on the effective date of this Order. The governor may
16 appoint to the Alaska Student Aid Corporation a person who has served on the Alaska
17 Commission on Postsecondary Education and who meets the qualifications of
18 AS 14.42.120(a), as repealed and reenacted by this Order. The terms of public persons
19 initially appointed to the Alaska Student Aid Corporation must be set as provided in
20 AS 39.05.055.

21 (b) Litigation, hearings, investigations, and other proceedings pending under a law
22 amended or repealed by this Order, or in connection with functions transferred by this Order,
23 continue in effect and may be continued and completed notwithstanding a transfer or
24 amendment or repeal provided for in this Order.

25 (c) Regulations adopted by the Alaska Commission on Postsecondary Education under
26 the authority of AS 14.43 and AS 14.48 remain in effect until regulations adopted by the
27 Alaska Student Aid Corporation under those statutes, as amended by this Order, take effect.
28 The Alaska Student Aid Corporation may implement and enforce the commission regulations
29 until its own take effect.

30 (d) Contracts, rights, liabilities, notes, or other obligations created by or under a law
31 amended or repealed by this Order, and in effect on March 8, 1996, remain in effect

- 1 (B) Alaska Permanent Fund Corporation;
- 2 (C) Alaska Industrial Development and Export Authority;
- 3 (D) Alaska Commercial Fisheries Entry Commission;
- 4 (E) Alaska Student Aid Corporation [COMMISSION ON
- 5 POSTSECONDARY EDUCATION];
- 6 (F) Alaska Aerospace Development Corporation;

7 * Sec. 80. AS 39.50.200(b)(32) is amended to read:

- 8 (32) Alaska Student Aid Corporation (AS 14.42.100)
- 9 [COMMISSION ON POSTSECONDARY EDUCATION (AS 14.42.015)];

10 * Sec. 81. AS 43.23.067(a) is amended to read:

11 (a) AS 09.38 does not apply to permanent fund dividends taken under
12 AS 14.43.120(i). Notwithstanding AS 09.35, execution on a claim under
13 AS 14.43.120(i) is accomplished by delivering a certified claim to the department
14 containing the following information:

- 15 (1) the name and social security number of the individual whose
- 16 dividend is being claimed;
- 17 (2) the amount the individual owes on the scholarship loan; and
- 18 (3) a statement that

19 (A) the debt has not been contested, or, if contested, that the
20 issue has been resolved in favor of the Alaska Student Aid Corporation or
21 the former Alaska Commission on Postsecondary Education; and

22 (B) if the debt has been contested and resolved in favor of the
23 Alaska Student Aid Corporation or the former Alaska Commission on
24 Postsecondary Education, no appeal is pending, the time limit for filing an
25 appeal has expired, or the appeal has been resolved in favor of the
26 corporation or commission.

27 * Sec. 82. AS 43.23.067(b) is amended to read:

28 (b) The Alaska Student Aid Corporation [COMMISSION ON
29 POSTSECONDARY EDUCATION] shall notify the individual of a claim under (a)
30 of this section. The notice shall be sent to the address provided in the individual's
31 permanent fund dividend application and must provide the following information:

1 (a) In addition to entry permits and interim-use permits, the commission may
2 issue educational entry permits to public, private, or denominational educational
3 institutions accredited by the Department of Education or accredited institutions,
4 career, or vocational programs approved by the Alaska Student Aid Corporation
5 [COMMISSION ON POSTSECONDARY EDUCATION], or full-time nonprofit
6 residential child care facilities licensed by the Department of Health and Social
7 Services, division of social services, if

8 (1) the program is offered to students at the junior high school level
9 or above;

10 (2) the issuance of an educational entry permit is reasonably necessary
11 to the instruction of students under courses offered by the applicant for the
12 educational entry permit;

13 (3) the program is offered by an institution that is located in the state
14 and has been in operation for at least two years; and

15 (4) the institution offering the program is not a correspondence
16 institution.

17 * Sec. 78. AS 39.05.100(a) is amended to read:

18 (a) A person appointed to a board or commission of the state government
19 shall be and have been before the last general election, (1) a registered voter in the
20 state, if the appointment is made at large or (2) a registered voter from the judicial
21 district, if the appointment is made from a specific judicial district. The student
22 member of the Board of Regents of the University of Alaska appointed under
23 AS 14.40.150(b) [, THE STUDENT MEMBER OF THE ALASKA COMMISSION
24 ON POSTSECONDARY EDUCATION APPOINTED UNDER AS 14.42.015(e),] and
25 a member of the Alaska Human Relations Commission appointed under
26 AS 44.19.600[,] are exempt from the requirement of this subsection if the member
27 was not old enough to be a registered voter in the last general election.

28 * Sec. 79. AS 39.25.110(11) is amended to read:

29 (11) the officers and employees of the following boards, commissions,
30 and authorities:

31 (A) Repealed

1 corporation [COMMISSION] the records required by AS 14.48.150 is guilty of a
2 misdemeanor and, upon conviction, is punishable by a fine of not more than \$1,000
3 or by imprisonment for not more than six months, or by both. Each day's failure to
4 comply is a separate violation.

5 * Sec. 73. AS 14.48.210(2) is amended to read:

6 (2) "agent's permit" means a nontransferable written authorization
7 issued to a natural person by the corporation that [COMMISSION WHICH] allows
8 that person to solicit or enroll a resident of the state for education in a postsecondary
9 educational institution;

10 * Sec. 74. AS 14.48.210(3) is amended to read:

11 (3) "authorization to operate" means approval of the corporation
12 [COMMISSION] to operate or to contract to operate a postsecondary educational
13 institution in the state;

14 * Sec. 75. AS 14.48.210(7) is amended to read:

15 (7) "owner"

16 (A) means

17 (i) a person having at least a 10 percent interest in the
18 stock of a postsecondary educational institution that is a corporate
19 entity [CORPORATION];

20 (ii) a partner of a postsecondary educational institution
21 that is a partnership; or

22 (iii) a person having a direct financial interest in, or
23 title to, at least 10 percent of the assets of a postsecondary educational
24 institution that [WHICH] is neither a partnership nor a corporate
25 entity [CORPORATION];

26 (B) does not include a financial institution holding a mortgage
27 on some or all of the real property or a security interest in some or all of the
28 personal property of a postsecondary educational institution;

29 * Sec. 76. AS 14.48.210 is amended by adding a new paragraph to read:

30 (12) "corporation" means the Alaska Student Aid Corporation.

31 * Sec. 77. AS 16.43.340(a) is amended to read:

1 [COMMISSION] may seize the records[,] under an order of the superior court. The
2 corporation [COMMISSION] shall maintain a permanent file of records coming into
3 its possession under this section.

4 * Sec. 70. AS 14.48.180 is amended to read:

5 Sec. 14.48.180. ENFORCEMENT: INJUNCTION. (a) The attorney general
6 at the request of the corporation [COMMISSION] or on motion of the attorney
7 general, may bring an action or proceeding in a court of competent jurisdiction for the
8 enforcement of the provisions of this chapter.

9 (b) When it appears to the corporation [COMMISSION] that a person is, is
10 about to, or has violated a provision of this chapter or a regulation adopted under this
11 chapter, the corporation [COMMISSION] may, on its own motion or on the written
12 complaint of any person, file a petition for injunction in the name of the corporation
13 [COMMISSION] in a court of competent jurisdiction against the person for the
14 purpose of enjoining the violation or for an order directing compliance with the
15 provisions of this chapter. It is not necessary that the corporation [COMMISSION]
16 allege or prove that it has no adequate remedy at law. The right of injunction
17 provided in this section is in addition to other legal remedies available to the
18 corporation[COMMISSION] and is in addition to the right of criminal prosecution.
19 However, the corporation [COMMISSION] may not obtain a temporary restraining
20 order without notice to the person affected.

21 * Sec. 71. AS 14.48.190 is amended to read:

22 Sec. 14.48.190. VIOLATIONS: CIVIL PENALTY. A person who violates
23 the provisions of AS 14.48.020, or who fails or refuses to deposit with the
24 corporation [COMMISSIONER] the records required by AS 14.48.150, is subject to
25 a civil penalty of not more than \$1,000 for each violation. Each day's failure to
26 comply with the provisions of AS 14.48.020 and 14.48.150 constitutes a separate
27 violation. The fine may be imposed by the corporation [COMMISSION] in an
28 administrative proceeding or by a court of competent jurisdiction.

29 * Sec. 72. AS 14.48.200 is amended to read:

30 Sec. 14.48.200. CRIMINAL VIOLATION. A person who wilfully violates
31 the provisions of AS 14.48.020 or who wilfully fails or refuses to deposit with the

1 mail to the institution or agent, or both, giving notice of a time and place for hearing
2 on the complaint. The hearing shall be conducted in accordance with AS 44.62
3 (Administrative Procedure Act).

4 (c) If, upon the evidence at a hearing, the corporation [COMMISSION] finds
5 that a postsecondary educational institution or its agent, or both, has engaged in, or
6 is engaging in, an act or practice that [WHICH] violates this chapter or the
7 regulations adopted under this chapter, the corporation [COMMISSION] shall serve
8 upon the institution or agent or both[,] an order requiring the institution or agent or
9 both to cease and desist from the act or practice. If the corporation [COMMISSION]
10 finds that the complainant, or class of complainants, has suffered loss or damage as
11 a result of the act or practice, the corporation [COMMISSION] may also award the
12 complainant, or class of complainants, full or partial restitution for the damage or loss
13 and may impose the penalties provided for in AS 14.48.190. The corporation
14 [COMMISSION] may also, based on its own investigation and the evidence adduced
15 at the hearing, begin an action to revoke an institution's authorization to operate or
16 an agent's permit.

17 * **Sec. 68.** AS 14.48.140 is amended to read:

18 * **Sec. 14.48.140. JUDICIAL REVIEW.** A final administrative order issued by
19 the corporation [COMMISSION] is subject to judicial review under AS 44.62
20 (Administrative Procedure Act).

21 * **Sec. 69.** AS 14.48.150 is amended to read:

22 **Sec. 14.48.150. PRESERVATION OF RECORDS.** (a) If a postsecondary
23 educational institution proposes to discontinue its operation, the chief administrative
24 officer of the institution shall file with the corporation [COMMISSION] the original
25 or legible true copies of academic records of the institution as specified by the
26 corporation [COMMISSION]. The records must include that academic information
27 customarily required by colleges when considering students for transfer or advanced
28 study and the academic record of each former student.

29 (b) If it appears to the corporation [COMMISSION] that records of an
30 institution discontinuing its operations are in danger of being destroyed or otherwise
31 made unavailable to the corporation [COMMISSION], the corporation

1 Procedure Act) governs the review of a denial under this section.

2 * Sec. 66. AS 14.48.120 is amended to read:

3 Sec. 14.48.120. REVOCATION. (a) An authorization to operate or an
4 agent's permit may be revoked or conditioned if the corporation [COMMISSION]
5 has reasonable cause to believe that the holder of the authorization or permit is
6 violating or has violated this chapter or AS 45.50.471 or regulations adopted under
7 this chapter or AS 45.50.491. Except as provided in (b) of this section, AS 44.62
8 (Administrative Procedure Act) governs the procedure for a revocation, review of a
9 revocation, or other action under this section.

10 (b) Authorization for an institution to operate, and a permit for an agent
11 representing that institution, are revoked 30 days after the institution ceases to operate.
12 The corporation [COMMISSION] shall give the institution and the agent 15 days'
13 written notice, by certified mail, sent return receipt requested, to the last addresses of
14 the institution and agent.

15 (c) The institution and the agent may appeal a revocation under (b) of this
16 section by filing an appeal in writing with the corporation [COMMISSION] within
17 30 days after the revocation.

18 * Sec. 67. AS 14.48.130 is amended to read:

19 Sec. 14.48.130. COMPLAINTS. (a) A person claiming damage or loss as
20 a result of an act or practice by a postsecondary educational institution or its agent,
21 or both, that [WHICH] is a violation of this chapter or of the regulations adopted
22 under this chapter may file with the corporation [COMMISSION] a complaint against
23 the institution or against its agent or both. The complaint must [SHALL] set out the
24 alleged violation and must [SHALL] contain other information as may be required
25 by the corporation [COMMISSION]. A complaint may also be filed by the
26 corporation [COMMISSION] on its own motion or the attorney general. A
27 complainant may file with the corporation [COMMISSION] as a representative of
28 a class of complainants.

29 (b) The corporation [COMMISSION] shall investigate the complaint and may
30 attempt to effect a settlement by persuasion and conciliation. The corporation
31 [COMMISSION] may consider a complaint after 30 days written notice by registered

1 qualified and authorized to do business in this state. The bond shall be conditioned
2 to provide indemnification to any student or enrollee, or the student's or enrollee's
3 parents or guardian, or class of these, determined to have suffered loss or damage as
4 a result of an act or practice that [WHICH] is a violation of this chapter by the agent.

5 (c) The surety bond to be filed under this section must [SHALL] cover the
6 period of the authorization to operate or the agent's permit, as appropriate, except
7 when a surety is released as provided in this subsection. A surety on a bond filed
8 under this section may be released from that bond after the surety serves written
9 notice of the release to the corporation [COMMISSION] and to the bonded agent or
10 institution 45 days before the release. However, the release does not discharge or
11 otherwise affect a claim filed by a student or enrollee, [OR] a parent or guardian, or
12 class thereof, before or after the release for loss or damage resulting from an act or
13 practice that [WHICH] is a violation of this chapter alleged to have occurred while
14 the bond was in effect or for an institution's ceasing operations during the term for
15 which tuition has been paid while the bond was in force.

16 (d) Authorization for an institution to operate and an agent's permit shall be
17 suspended by operation of law when the institution or agent is no longer covered by
18 a surety bond as required by this section. However, the corporation
19 [COMMISSION] shall give the institution or agent, or both, at least 30 days written
20 notice before the release of the surety, to the effect that the authorization or permit
21 shall be suspended by operation of law until another surety bond is filed in the same
22 manner as, and in a like amount to, the bond being terminated.

23 (e) In lieu of the surety bond required in (a) and (b) of this section, the
24 applicant may file with the corporation [COMMISSION] a cash deposit or other
25 negotiable security, acceptable to the corporation [COMMISSION], in the amount
26 specified for bonds.

27 * Sec. 65. AS 14.48.110 is amended to read:

28 Sec. 14.48.110. DENIAL. If the corporation [COMMISSION], upon review
29 of an application for authorization to operate[,], or an application for an agent's permit,
30 determines that the application should be denied, the corporation [COMMISSION]
31 shall notify the applicant, setting out the reasons in writing. AS 44.62 (Administrative

1 authorization to operate or an application for an agent's permit and shall be collected
2 by the corporation [COMMISSION]:

- | | | |
|---|------------------------------------------|-------|
| 3 | (1) authorization to operate | \$100 |
| 4 | (2) renewal for authorization to operate | \$100 |
| 5 | (3) an agent's permit | \$ 50 |
| 6 | (4) renewal for an agent's permit | \$ 50 |

7 * Sec. 64. AS 14.48.100 is amended to read:

8 Sec. 14.48.100. BONDS. (a) At the time application is made for
9 authorization to operate, or for renewal of an authorization to operate, the corporation
10 [COMMISSION] may require the postsecondary educational institution to file a surety
11 bond in the amount determined by the corporation [COMMISSION]. The amount
12 shall be determined by the number of students the institution seeks to enroll. The
13 amount of the surety bond shall be reexamined by the corporation [COMMISSION]
14 upon each renewal of the authorization to operate to determine if a larger or smaller
15 bond would be appropriate to ensure adequate protection for the students or enrollees,
16 or their parents or guardians, or classes thereof. The bond shall be executed by the
17 applicant as principal and by a surety company qualified and authorized to do
18 business in this state and shall be conditioned to provide indemnification to any
19 student or enrollee, or the student's or enrollee's parent or guardian, or class thereof[,]
20 determined to have suffered loss or damage as a result of an act or practice that
21 [WHICH] is a violation of this chapter by the postsecondary educational institution
22 and that the bonding company shall pay a final nonappealable order of the
23 corporation [COMMISSION] or judgment of a court of this state having jurisdiction,
24 upon receipt of written notification of the order or judgment. The aggregate liability
25 of the surety for the bond of the institution or agent involved in the order or judgment
26 may not, in any event, exceed the amount of the bond.

27 (b) An application for an agent's permit must [SHALL] be accompanied by
28 a surety bond in the amount determined by the corporation [COMMISSION] to be
29 necessary for the protection of the students or enrollees, or their parents or guardians,
30 or classes of these, or to reflect an institution's volume of business in the state. The
31 bond shall be executed by the applicant as principal and by a surety company

1 state, shall apply to the corporation [COMMISSION] upon forms provided by the
2 corporation [COMMISSION]. The application must [SHALL] be accompanied by
3 evidence of the good reputation and character of the applicant and must state the
4 institution that the applicant intends to represent. An agent representing more than
5 one institution must obtain a separate agent's permit for each institution represented.
6 However, when an agent represents institutions having a common ownership, only one
7 agent's permit is required. If an institution that the applicant intends to represent does
8 not have authorization to operate in this state, the application must [SHALL] be
9 accompanied by the information required of institutions making application for
10 authorization. The application for an agent's permit must [SHALL] also be
11 accompanied by evidence of a surety bond or other deposit as required by
12 AS 14.48.100, and by payment of the required fees.

13 * Sec. 60. AS 14.48.080(c) is amended to read:

14 (c) Following review of the application and any further information submitted
15 by the applicant, and investigation of the applicant as the corporation
16 [COMMISSION] considers necessary, the corporation [COMMISSION] shall either
17 grant or deny an agent's permit to the applicant.

18 * Sec. 61. AS 14.48.080(d) is amended to read:

19 (d) The agent's permit must be in a form approved by the corporation
20 [COMMISSION] and must include

- 21 (1) the date of issuance, effective date, and term;
22 (2) the correct name and address of the agent;
23 (3) the institution or institutions that the agent is authorized to
24 represent.

25 * Sec. 62. AS 14.48.080(f) is amended to read:

26 (f) At least 60 days before the expiration of an agent's permit, the agent shall
27 complete and file with the corporation [COMMISSION] an application form for
28 renewal. The renewal application shall be reviewed and acted upon as provided for
29 an original application.

30 * Sec. 63. AS 14.48.090(a) is amended to read:

31 (a) The following fees must [SHALL] accompany an application for an

1 containing the information specified in AS 14.48.060(b)(4). The application shall also
2 be accompanied by evidence of a surety bond or other deposit as required by
3 AS 14.48.100, and by the required fees.

4 * Sec. 55. AS 14.48.070(b) is amended to read:

5 (b) Following review of the application and after necessary investigation of
6 the applicant the corporation [COMMISSION] shall either grant or deny
7 authorization to operate to the applicant. A grant of authorization to operate may be
8 on those terms and conditions the corporation [COMMISSION] may prescribe.

9 * Sec. 56. AS 14.48.070(c) is amended to read:

10 (c) The authorization to operate must be in a form approved by the
11 corporation [COMMISSION] and must include

- 12 (1) the date of issuance, effective date, and term of approval;
13 (2) the name and address of the institution;
14 (3) the authority for approval;
15 (4) any condition or limitation of the authorization, as considered
16 necessary by the corporation [COMMISSION].

17 * Sec. 57. AS 14.48.070(f) is amended to read:

18 (f) At least 60 days before the expiration of an authorization to operate, the
19 institution shall complete and file with the corporation [COMMISSION] an
20 application form for renewal of its authorization to operate. The renewal application
21 shall be reviewed and acted upon as provided for an original application.

22 * Sec. 58. AS 14.48.070(g) is amended to read:

23 (g) An institution not yet in operation when its application for authorization
24 to operate is filed may not begin operation until receipt of authorization. An
25 institution in operation when its application for authorization to operate is filed may
26 continue operation until its application is acted upon by the corporation
27 [COMMISSION]. The corporation [COMMISSION] may issue provisional
28 authorization to operate, containing limitations as to time, procedures, functions, or
29 other conditions as the corporation [COMMISSION] considers necessary.

30 * Sec. 59. AS 14.48.080(a) is amended to read:

31 (a) A person desiring to solicit or perform the services of an agent, in this

1 premises of the institution;

2 (8) the institution is financially sound and capable of fulfilling its
3 commitments to students;

4 (9) neither the institution nor its agents engage in advertising, sales,
5 collection, credit, or other practices that [WHICH] are false, deceptive, misleading,
6 or unfair;

7 (10) the chief executive officer, trustees, directors, owners,
8 administrators, supervisors, staff, and instructors of the institution are of good
9 reputation and character and have not been convicted of a violation of AS 14.48.020,
10 [OR] 14.48.150, [OR] AS 45.50.471 - 45.50.561, or a comparable law in another state
11 or province;

12 (11) the student housing owned, maintained, or approved by the
13 institution is appropriate, safe, and adequate;

14 (12) the institution has a fair and equitable cancellation and refund
15 policy; and

16 (13) the charges set by the institution for tuition, fees, books, and
17 supplies are fair and equitable.

18 (c) Accreditation by national or regional accrediting agencies recognized by
19 the corporation [COMMISSION] may be accepted by the corporation
20 [COMMISSION] as evidence of compliance with the minimum standards established
21 by this section and the criteria established under AS 14.48.050(1). However, the
22 corporation [COMMISSION] may require further evidence and make further
23 investigation as [MAY BE] necessary. Accreditation by a recognized, specialized
24 accrediting agency may be accepted as evidence of compliance only as to the portion
25 or program of an institution accredited by the accrediting agency if the institution as
26 a whole is not accredited.

27 * Sec. 54. AS 14.48.070(a) is amended to read:

28 (a) Each postsecondary educational institution desiring to operate in this state
29 shall apply to the corporation [COMMISSION], upon forms provided by the
30 corporation [COMMISSION]. The application must [SHALL] be accompanied by
31 a catalog or brochure published, or proposed to be published by the institution,

1 required by AS 14.48.050(1), the corporation [COMMISSION] shall require
2 compliance with the minimum standards set out in (b) of this section.

3 (b) A postsecondary educational institution must be maintained and operated[,]
4 or, in the case of a new institution, must demonstrate that it can be maintained and
5 operated so that

6 (1) the quality and content of each course or program of instruction,
7 training, or study [ARE SUCH AS] may reasonably and adequately achieve the stated
8 objective for which the course or program is offered;

9 (2) the institution has or has access to adequate space, equipment,
10 instructional materials, and personnel where applicable to achieve the stated objective
11 of the course or program of study and to provide education of good quality;

12 (3) the education or experience qualifications of directors,
13 administrators, supervisors, and instructors [ARE SUCH AS] may reasonably ensure
14 that the students will receive education consistent with the objectives of the course or
15 program of study;

16 (4) the institution provides a catalog or brochure containing
17 information describing the programs offered, program objectives, length of program,
18 schedule of tuition, fees, [AND] all other charges and expenses necessary for
19 completion of the course of study, cancellation and refund policies, and other material
20 facts concerning the institution and the program or course of instruction that are
21 reasonably likely to affect the decision of the student to enroll, together with any other
22 disclosures specified by the corporation [COMMISSION] by regulation; and that this
23 information is provided to prospective students before enrollment;

24 (5) upon satisfactory completion of training, the student is given
25 appropriate educational credentials by the institution, indicating that the course of
26 instruction or study has been satisfactorily completed by the student;

27 (6) adequate records are maintained by the institution to show
28 attendance, progress, or grades, and that satisfactory standards are enforced relating
29 to attendance, progress, and performance;

30 (7) the institution is maintained and operated in compliance with all
31 pertinent ordinances and laws relating to the safety and health of persons upon the

1 responsibility that applicants for authorization to operate, or for an agent's permit,
2 must meet before the authorization or permit is issued;

3 (2) receive, investigate, and act upon applications for authorization to
4 operate postsecondary educational institutions and applications for agent's permits;

5 (3) maintain a list of postsecondary educational institutions and agents
6 authorized to operate in the state under this chapter;

7 (4) keep current and make available as public information the list of
8 institutions and agents;

9 (5) enter into interstate reciprocity agreements with similar agencies
10 in other states[,] if, in the judgment of the corporation, [COMMISSION] the
11 agreements will be helpful in carrying out the purposes of this chapter;

12 (6) receive and maintain as a permanent file, copies of academic
13 records maintained in accordance with AS 14.48.060(b)(6);

14 (7) adopt regulations and procedures necessary or appropriate for the
15 conduct of its work and the implementation of this chapter under AS 44.62
16 (Administrative Procedure Act);

17 (8) investigate on its own initiative, or in response to a complaint
18 lodged with it, persons subject to[,] or reasonably believed by the corporation
19 [COMMISSION] to be subject to[,] the jurisdiction of this chapter; [AND] in
20 connection with the investigation, subpoena persons, books, records, or documents
21 related to the investigation; require answers in writing under oath to questions
22 propounded by the corporation [COMMISSION] and administer oaths or affirmations
23 to persons in connection with the investigation; and, for the purpose of examination
24 at all reasonable times, shall have access to, and the right to copy, documentary
25 evidence of a corporate entity [CORPORATION] that is under investigation or being
26 proceeded against;

27 (9) exercise other necessary powers and duties in conformity with the
28 provisions of this chapter that, in the judgment of the corporation [COMMISSION],
29 are necessary to carry out the provisions of this chapter.

30 * Sec. 53. AS 14.48.060 is amended to read:

31 Sec. 14.48.060. MINIMUM STANDARDS. (a) In establishing the criteria

1 * Sec. 50. AS 14.48.030(b) is amended to read:

2 (b) The following educational programs or services and educational
3 institutions are exempt from the provisions of this chapter, or portions of them, as
4 determined by the corporation [COMMISSION]:

5 (1) education sponsored by a bona fide trade, business, labor,
6 professional, or fraternal association or organization, recognized by the corporation,
7 [COMMISSION] and conducted solely for that association's or organization's
8 membership[,] or offered on a no-fee basis;

9 (2) education solely avocational or recreational in nature and
10 institutions offering avocational or recreational education exclusively;

11 (3) education offered by charitable organizations, recognized by the
12 corporation [COMMISSION], if the education is not advertised or promoted as
13 leading toward educational credentials;

14 (4) nonprofit postsecondary educational institutions offering
15 undergraduate or graduate educational programs conducted in the state, but not by
16 correspondence, that [WHICH] are acceptable for credit toward an associate,
17 bachelor's, or graduate degree;

18 (5) postsecondary educational institutions established, operated, and
19 governed by the United States or [,] a state or its political subdivisions.

20 * Sec. 51. AS 14.48.040 is amended to read:

21 Sec. 14.48.040. ~~CORPORATION~~ [COMMISSION] TO ADMINISTER
22 CHAPTER. The Alaska ~~Student Aid Corporation~~ [COMMISSION ON
23 POSTSECONDARY EDUCATION] shall administer this chapter and may hire
24 necessary personnel. The corporation [COMMISSION] may obtain from
25 departments, commissions, and other state agencies information and assistance needed
26 to carry out the provisions of this chapter.

27 * Sec. 52. AS 14.48.050 is amended to read:

28 Sec. 14.48.050. POWERS AND DUTIES OF CORPORATION
29 [COMMISSION]. The corporation [COMMISSION] shall

30 (1) establish minimum criteria consistent with AS 14.48.060 including
31 quality of education, ethical and business practices, health and safety, and fiscal

1 educational institutions;

2 (4) prohibiting misleading literature, advertising, solicitation, or
3 representation by educational institutions or their agents;

4 (5) providing for the preservation of essential academic records; and

5 (6) providing certain rights and remedies to the public and the
6 corporation [COMMISSION] necessary to carry out the purposes of this chapter.

7 * Sec. 49. AS 14.48.020 is amended to read:

8 Sec. 14.48.020. AUTHORIZATION AND PERMITS REQUIRED. A person
9 may not

10 (1) operate a postsecondary educational institution in the state unless
11 the institution has a valid authorization to operate issued under this chapter or is
12 exempt from the provisions of this chapter;

13 (2) offer, itself or through an agent, enrollment or instruction in, or the
14 granting of educational credentials from, a postsecondary educational institution,
15 whether the institution is in or outside the state, unless the agent is a natural person
16 and has a currently valid agent's permit issued under this chapter or is exempt from
17 the provisions of this chapter;

18 (3) accept contracts or enrollment applications of prospective students
19 from an agent who does not have a current permit as required by this chapter;
20 however, the corporation [COMMISSION] may adopt regulations to permit the
21 rendering of legitimate public information services without the permit;

22 (4) instruct or educate, [OR] offer to instruct or educate, enroll or offer
23 to enroll, contract or offer to contract or award an educational credential, or contract
24 with an institution or person to do so, in or outside the state, unless that person is in
25 compliance with the minimum standards set out in AS 14.48.060, the criteria
26 established by the corporation [COMMISSION] under AS 14.48.050(1), and the
27 regulations adopted by the corporation [COMMISSION] under AS 14.48.050(7);

28 (5) use the term "university" or "college" without authorization to do
29 so from the corporation [COMMISSION];

30 (6) grant, or offer to grant, educational credentials[,] without
31 authorization to do so from the corporation [COMMISSION].

1 * Sec. 44. AS 14.43.730 is amended to read:

2 Sec. 14.43.730. ADMINISTRATION. The family education loan program
3 shall be administered by the corporation [COMMISSION] under regulations that it
4 adopts.

5 * Sec. 45. AS 14.43.740(d) is amended to read:

6 (d) Repayment of the principal and interest on a loan made under
7 AS 14.43.710 - 14.43.790 begins on the first of the month immediately following loan
8 disbursement. The loan may be canceled without prejudice at any time before actual
9 disbursement. The loan shall provide for repayment of the total amount owed in
10 periodic installments in not more than 10 years from the commencement of
11 repayment. If the corporation [COMMISSION] and the borrower agree to a different
12 repayment schedule, the borrower shall repay the loan in accordance with the
13 agreement.

14 * Sec. 46. AS 14.43.990 is repealed and reenacted to read:

15 Sec. 14.43.990. DEFINITION. In this chapter, "corporation" means the
16 Alaska Student Aid Corporation.

17 * Sec. 47. AS 14.44.035 is amended to read:

18 Sec. 14.44.035. ADMINISTRATION. The Alaska Student Aid Corporation
19 [COMMISSION ON POSTSECONDARY EDUCATION] shall administer the state's
20 participation in the Western Regional Higher Education Compact.

21 * Sec. 48. AS 14.48.010(a) is amended to read:

22 (a) It is the purpose of this chapter to provide for the protection, education,
23 and welfare of the citizens of the state, its postsecondary educational institutions, and
24 its students, by

25 (1) establishing minimum standards concerning quality of education,
26 ethical and business practices, health and safety, and fiscal responsibility, to protect
27 against substandard, transient, unethical, deceptive, or fraudulent institutions and
28 practices;

29 (2) prohibiting the granting of false or misleading educational
30 credentials;

31 (3) regulating the use of academic terminology in designating

1 (2) develop and distribute to the local school boards an application
2 form for teacher scholarship loans; the form must include a requirement that the
3 applicant supply a high school academic transcript and a statement of intent to enter
4 a teaching career at the elementary or secondary school level in the state.

5 * Sec. 42. AS 14.43.650(a) is amended to read:

6 (a) To be eligible for a teacher scholarship loan, a student must

7 (1) be a graduate of a public or private high school in the state[,] with
8 sufficient credits to be admitted to an accredited college or university;

9 (2) be enrolled in or show evidence of intent to enroll in a degree
10 program directed at a teaching career at the elementary or secondary school level;

11 (3) meet the conditions set by the student's local school board with
12 respect to the district's requirements for teachers in particular subject areas;

13 (4) submit to the local school board an application provided by the
14 corporation [COMMISSION] under AS 14.43.630(a)(2); an application may be
15 submitted six months before graduation from high school; and

16 (5) not have a past due child support obligation established by court
17 order or by the child support enforcement division under AS 25.27.160 - 25.27.220
18 at the time of application.

19 * Sec. 43. AS 14.43.720(a) is amended to read:

20 (a) The family education loan account is created within the scholarship
21 revolving loan fund (AS 14.43.090). The account shall be used to make family
22 education loans to families selected under AS 14.43.710 - 14.43.790, to pay the costs
23 of collecting family education loans that are in default if those costs are not recovered
24 from the family, and to pay the costs of administering the account. Unless the
25 instrument evidencing the family education loan has been transferred to or financed
26 by [SOLD OR ASSIGNED TO] the corporation [ALASKA STUDENT LOAN
27 CORPORATION], repayments of principal and interest on family education loans
28 shall be paid into the family education loan account. If estimated funds available
29 from family education loan repayments are inadequate to fully fund estimated family
30 education loans in a fiscal year, additional funding from the general fund may be
31 requested and appropriated for that year.

- 1 (1) is a resident of Alaska;
- 2 (2) is either
- 3 (A) enrolled as a full-time undergraduate student in a degree
- 4 program in an accredited postsecondary educational institution; or
- 5 (B) eligible to be admitted to an accredited postsecondary
- 6 educational institution; and
- 7 (3) establishes financial need in accordance with standards for
- 8 determining financial need adopted by the corporation [COMMISSION] under 20
- 9 U.S.C. 1070c-2.

10 (b) The corporation [COMMISSION] shall, by regulation, establish a system
11 of priority in the selection of recipients of grants under AS 14.43.400 - 14.43.500
12 under which students from "low income" families or whose incomes are considered
13 "low income" shall be given preference in the award of the educational incentive
14 grants.

15 * Sec. 40. AS 14.43.620(a) is amended to read:

16 (a) There is created a teacher scholarship revolving loan fund. The fund shall
17 be used to make scholarship loans to students selected under AS 14.43.600 -
18 14.43.700. Unless the instrument evidencing the teacher scholarship loan has been
19 transferred to or financed by [SOLD OR ASSIGNED TO] the corporation
20 [ALASKA STUDENT LOAN CORPORATION], repayments of principal and interest
21 on a teacher scholarship loan shall be paid into the teacher scholarship revolving loan
22 fund and shall be used to make new teacher scholarship loans. If estimated funds
23 available are inadequate to fully fund estimated teacher scholarship loans for any
24 fiscal year, additional funding from the general fund may be requested and
25 appropriated for that year.

26 * Sec. 41. AS 14.43.630(a) is amended to read:

27 (a) The teacher scholarship loan program shall be administered by the
28 corporation [COMMISSION] in accordance with regulations adopted by the
29 corporation [COMMISSION]. The corporation [COMMISSION] shall

- 30 (1) allocate the loan awards available for teacher scholarship loans
- 31 annually to local school boards giving a preference to rural school districts; and

1 (a) There is created a memorial scholarship revolving loan fund. The fund
2 shall be used to provide educational scholarship loans to students selected under
3 AS 14.43.250 - 14.43.325. Unless the instrument evidencing the memorial scholarship
4 loan has been transferred to or financed by [SOLD OR ASSIGNED TO] the
5 corporation [ALASKA STUDENT LOAN CORPORATION], repayments of a loan
6 shall be deposited into the memorial scholarship revolving loan fund and shall be used
7 to make new loans.

8 * Sec. 36. AS 14.43.300(g) is amended to read:

9 (g) A loan guarantee fee of one percent of the total memorial scholarship loan
10 amount shall be assessed upon a memorial scholarship loan. The loan guarantee fee
11 shall be added as a finance charge to the total loan amount awarded. Subject to
12 appropriation, the loan guarantee fee shall be deposited into a guarantee fee account
13 within the memorial scholarship revolving loan fund, and subsequently transferred by
14 the corporation [COMMISSION] to the appropriate memorial scholarship accounts
15 within the memorial scholarship revolving loan fund to offset losses incurred due to
16 loan debt cancellation as a result of death, disability, or bankruptcy of the student.

17 * Sec. 37. AS 14.43.320(a) is amended to read:

18 (a) The memorial scholarship loans provided for under AS 14.43.250 -
19 14.43.325 shall be administered by the executive director of the corporation
20 [COMMISSION], subject to review by the corporation [COMMISSION] and to those
21 regulations the corporation [COMMISSION] may prescribe to carry out the purposes
22 of AS 14.43.250 - 14.43.325.

23 * Sec. 38. AS 14.43.405(a) is amended to read:

24 (a) The educational incentive grant program established under AS 14.43.400 -
25 14.43.500 shall be administered by the executive director of the corporation
26 [COMMISSION], subject to review by the corporation [COMMISSION] and to those
27 regulations the corporation [COMMISSION] may adopt to carry out the purposes of
28 AS 14.43.400 - 14.43.500.

29 * Sec. 39. AS 14.43.415 is amended to read:

30 Sec. 14.43.415. ELIGIBILITY; PRIORITY. (a) A student may apply for an
31 educational incentive grant if the student

1 least two years immediately before the applicant or the parent or guardian was
2 absent from the state and the absence is due solely to

3 (i) participating in a foreign exchange student program
4 recognized by the corporation [COMMISSION];

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

6 (iii) full-time employment by the state;

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

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

12 (4) does not have a past due child support obligation established by
13 court order or by the child support enforcement division under AS 25.27.160 -
14 25.27.220 at the time of application; and

15 (5) has not, within the previous five years, had a scholarship loan
16 discharged or written off by the corporation or the former Alaska Commission on
17 Postsecondary Education [COMMISSION] for any reason.

18 * Sec. 33. AS 14.43.150(a) is amended to read:

19 (a) In a court proceeding regarding a defaulted loan under this chapter in
20 which the court has entered judgment in favor of the corporation or the former
21 Alaska Commission on Postsecondary Education [COMMISSION], the court may,
22 on its own motion or motion of the corporation [COMMISSION], after notice and
23 an opportunity for hearing, order the loan recipient to assign to the corporation
24 [COMMISSION] that portion of salary or wages due the loan recipient currently and
25 in the future in an amount sufficient to pay the amount ordered by the court to be
26 repaid to the corporation [COMMISSION].

27 * Sec. 34. AS 14.43.160(1) is amended to read:

28 (1) "career education" means a course or program in
29 vocational-technical training or education approved by the corporation
30 [COMMISSION];

31 * Sec. 35. AS 14.43.255(a) is amended to read:

1 loan; and

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

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

7 (B) is dependent on a parent or guardian for care, the parent
8 or guardian has been present in the state for at least two years immediately
9 before the time of application for the loan and the person has been present in
10 the state for at least one year of the immediately preceding five years except
11 that the corporation [COMMISSION] may by a two-thirds vote, acting upon
12 a written appeal by the person, grant an exemption to the requirement that the
13 person has been present in the state for one year of the immediately preceding
14 five years;

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

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

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

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

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

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

30 (D) has been physically present in the state, or is a dependent
31 of a parent or guardian who has been physically present in the state, for at

1 that the rate of interest is as low as possible without precluding the ability of the
2 corporation [COMMISSION] to administer loans made under AS 14.43.090 -
3 14.43.160; and

4 (2) the total amount charged for administrative costs of the student
5 loan program may not exceed two and one-half percent above the amount determined
6 under (f)(1) of this section.

7 * Sec. 31. AS 14.43.122(a) is amended to read:

8 (a) The corporation [COMMISSION] may offer

9 (1) a borrower who has received more than one loan under this chapter
10 the option of consolidating the multiple loans into a single loan; or

11 (2) to consolidate loans made to married borrowers if the married
12 borrowers agree to be jointly and severally liable for repayment of the consolidated
13 loan[,] regardless of the borrowers' future marital status or the death of one of the
14 borrowers.

15 * Sec. 32. AS 14.43.125(a) is amended to read:

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

17 (1) is

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

20 (B) enrolled as a half-time student in a career education,
21 associate, baccalaureate, or graduate degree program in

22 (i) the state; or

23 (ii) a career education, associate, baccalaureate, or
24 graduate degree program and is physically present in the state while
25 attending the career education, associate, baccalaureate, or graduate
26 degree program; or

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

31 (2) is not delinquent or in default on a previously awarded scholarship

1 (3) shall provide notice of the default to the Department of Commerce
2 and Economic Development, if the loan recipient is licensed under AS 08.

3 * Sec. 26. AS 14.43.120(m) is amended to read:

4 (m) In case of hardship, the corporation [COMMISSION] may extend
5 repayment of a loan for an additional period of up to five years in increments no
6 longer than 12 months each.

7 * Sec. 27. AS 14.43.120(r) is amended to read:

8 (r) The rate of interest, time of payment of an installment of principal or
9 interest, or other terms of a scholarship loan may be modified if required to establish
10 or maintain tax-exempt status under 26 U.S.C. 103 (Internal Revenue Code of 1986),
11 as amended, for the interest on bonds issued by the corporation [ALASKA
12 STUDENT LOAN CORPORATION].

13 * Sec. 28. AS 14.43.120(t) is amended to read:

14 (t) Forgiveness under (s) of this section is subject to appropriation by the
15 legislature. Money obtained from the sale of bonds by the corporation [STUDENT
16 LOAN CORPORATION] under AS 14.42.220 may not be appropriated for the
17 forgiveness of loans.

18 * Sec. 29. AS 14.43.120(u) is amended to read:

19 (u) A loan guarantee fee of one percent of the total scholarship loan amount
20 shall be assessed upon a scholarship loan that is funded from the student loan fund
21 of the corporation [ALASKA STUDENT LOAN CORPORATION]. The loan
22 guarantee fee shall be added as a finance charge to the total loan amount awarded,
23 notwithstanding the loan limits set out at AS 14.43.110 and 14.43.115. Subject to
24 appropriation, the loan guarantee fees shall be deposited into a guarantee fee account
25 within the student loan fund of the corporation [ALASKA STUDENT LOAN
26 CORPORATION], and subsequently transferred by the corporation [COMMISSION]
27 to loan accounts within the student loan fund to offset losses incurred due to student
28 loan debt cancellation as a result of death, disability, or bankruptcy of the student.

29 * Sec. 30. AS 14.43.120(v) is amended to read:

30 (v) In determining a rate of interest under (f)(2) of this section
31 (1) the corporation [COMMISSION] shall use a method that ensures

1 enrolled as a half-time student in good standing in (1) a career education program,
2 college, or university in the state that meets the requirements under (b) of this section,
3 or (2) a career education program, college, or university that meets the requirements
4 under (b) of this section, and be physically present in the state while attending the
5 career education program, college, or university. The corporation [COMMISSION]
6 shall adopt regulations defining "good standing" for purposes of this subsection.

7 * Sec. 23. AS 14.43.120(f) is amended to read:

8 (f) Interest on a loan made under AS 14.43.090 - 14.43.160 is equal to the
9 interest rate

10 (1) paid in each year on bonds issued by the corporation [ALASKA
11 STUDENT LOAN CORPORATION] under AS 14.42.220; and

12 (2) necessary to pay the administrative cost of the student loan
13 program that is represented by the loan.

14 * Sec. 24. AS 14.43.120(g) is amended to read:

15 (g) Repayment of the principal and interest on the loan begins not later than
16 one year after the borrower's studies are terminated. The loan shall provide for
17 repayment of the total amount owed in periodic installments in not more than 10 years
18 from the commencement of repayment if the loan is to a full-time student, or in not
19 more than five years from the commencement of repayment if the loan is to a
20 half-time student, except as provided in (k) and (m) of this section. If the
21 corporation [COMMISSION] and the borrower agree to a different repayment
22 schedule, the borrower shall repay the loan in accordance with the agreement. A
23 borrower may make payments earlier than required by this subsection.

24 * Sec. 25. AS 14.43.120(i) is amended to read:

25 (i) If a loan is in default, the corporation [COMMISSION]

26 (1) shall notify the borrower that, if the borrower has an occupational
27 license issued under AS 08, the license may not be renewed under AS 08.02.025 and
28 that repayment of the remaining balance is accelerated and due by sending the
29 borrower a notice by registered or certified mail;

30 (2) may take the borrower's permanent fund dividend under
31 AS 43.23.065(b)(3) to satisfy the balance due on the defaulted loan; and

1 may make a loan, not to exceed \$6,500 in a school year to a full-time graduate
2 student, and not to exceed \$2,500 in a school year to a half-time graduate student,
3 who is eligible under AS 14.43.125 and is pursuing an advanced degree. The
4 corporation [COMMISSION] may make a loan for a summer term, even if the total
5 loan for the school year exceeds the \$6,500 or \$2,500 maximum, if the loan for the
6 summer term is counted against the \$6,500 or \$2,500 maximum for the following
7 school year. The corporation [COMMISSION] shall adopt regulations establishing
8 a minimum amount for which a loan may be made.

9 * Sec. 21. AS 14.43.120(b) is amended to read:

10 (b) Scholarship loans may only be used to attend a

11 (1) career education program that has been

12 (A) approved by the former Alaska Commission on
13 Postsecondary Education [COMMISSION] before July 1, 1986;

14 (B) operating for two years before the borrower attends; or

15 (C) operating for one year before the borrower attends and the
16 corporation [COMMISSION] determines the program is operating on a
17 fiscally sound basis; or

18 (2) a college or university that

19 (A) has been approved by the former Alaska Commission on
20 Postsecondary Education [COMMISSION] before July 1, 1986, or has been
21 operating for at least two years before the borrower attends;

22 (B) is accredited by a national or regional accreditation
23 association recognized by the Council on Postsecondary Accreditation or is
24 approved by the corporation [COMMISSION]; and

25 (C) if the loans are federally insured, is approved by the United
26 States Secretary of Education.

27 * Sec. 22. AS 14.43.120(c) is amended to read:

28 (c) To maintain a loan awarded to a full-time student, the student must
29 continue to be enrolled as a full-time student in good standing in a career education
30 program, college, or university that meets the requirements under (b) of this section.
31 To maintain a loan awarded to a half-time student, the student must continue to be

1 recovered from the student, and to pay the costs of administering the fund. Unless
2 the instrument evidencing the scholarship loan has been transferred to or financed
3 by [SOLD OR ASSIGNED TO] the corporation [ALASKA STUDENT LOAN
4 CORPORATION], repayments of principal and interest on a scholarship loan shall be
5 paid into the scholarship revolving loan ~~fund~~. If money estimated to be available is
6 inadequate to fully fund estimated scholarship loans for any fiscal year, additional
7 funding from the general fund may be requested and appropriated for that year.

8 * Sec. 17. AS 14.43.100 is amended to read:

9 Sec. 14.43.100. APPLICATIONS. (a) Applications shall be submitted to the
10 executive director of the corporation [COMMISSION].

11 (b) A person whose loan application is not approved by the executive director
12 of the corporation [COMMISSION] may appeal to the corporation [COMMISSION]
13 and the corporation [COMMISSION] shall consider the application.

14 * Sec. 18. AS 14.43.105 is amended to read:

15 Sec. 14.43.105. ADMINISTRATION OF PROGRAM. The executive director
16 shall administer the programs subject to review by the corporation [COMMISSION]
17 and in accordance with the regulations adopted by the corporation [COMMISSION].
18 The adoption of these regulations is subject to AS 44.62 (Administrative Procedure
19 Act). A summary of the regulations shall be distributed to each applicant.

20 * Sec. 19. AS 14.43.110 is amended to read:

21 Sec. 14.43.110. UNDERGRADUATE LOANS. The corporation
22 [COMMISSION] may make a loan, not to exceed \$5,500 in a school year to a
23 full-time undergraduate student, and not to exceed \$2,000 in a school year to a
24 half-time undergraduate student, eligible under AS 14.43.125. The corporation
25 [COMMISSION] may make a loan for a summer term, even if the total loan for the
26 school year exceeds the \$5,500 or \$2,000 maximum, if the loan for the summer term
27 is counted against the \$5,500 or \$2,000 maximum for the following school year. The
28 corporation [COMMISSION] shall adopt regulations establishing a minimum amount
29 for which a loan may be made.

30 * Sec. 20. AS 14.43.115 is amended to read:

31 Sec. 14.43.115. GRADUATE LOANS. The corporation [COMMISSION]

1 educational institutions).

2 (b) The corporation may enter into agreements with government or
3 postsecondary education officials of this state or other states to provide postsecondary
4 educational services and programs to Alaska residents pursuing a medical education.
5 An agreement with another state must be limited to services and programs that are
6 unavailable in Alaska.

7 * Sec. 12. AS 14.42.210(b) is amended to read:

8 (b) Money and other assets of the student loan fund may be used to secure
9 bonds of the corporation, invested in student loans and investments under
10 AS 37.10.071, and used to make [PURCHASE] loans approved under AS 14.43.090
11 - 14.43.325, 14.43.600 - 14.43.700, or 14.43.710 - 14.43.790.

12 * Sec. 13. AS 14.42.210(c) is amended to read:

13 (c) The student loan fund shall be administered by the corporation [ALASKA
14 COMMISSION ON POSTSECONDARY EDUCATION. THE CORPORATION AND
15 THE COMMISSION MAY ENTER INTO AGREEMENTS RELATING TO THE
16 ADMINISTRATION OF THE FUND. THE CORPORATION MAY ASSIGN ITS
17 RIGHTS UNDER THE AGREEMENTS FOR THE BENEFIT AND SECURITY OF
18 HOLDERS OF ITS BONDS].

19 * Sec. 14. AS 14.42 is amended by adding a new section to read:

20 Sec. 14.42.215. LIMITATION ON AWARDING LOANS. In administering
21 AS 14.43.090 - 14.43.325, 14.43.600 - 14.43.700, and 14.43.710 - 14.43.790, the
22 corporation may not during a fiscal year award loans with a total value that exceeds
23 by more than three percent the total value of loans awarded under those provisions
24 during the previous fiscal year. This limitation may be exceeded only if the
25 corporation is specifically authorized to do so by law.

26 * Sec. 15. AS 14.42.390(2) is amended to read:

27 (2) "corporation" means the Alaska Student Aid [LOAN] Corporation.

28 * Sec. 16. AS 14.43.090(a) is amended to read:

29 (a) There is created a scholarship revolving loan fund. The fund shall be used
30 to make scholarship loans to students selected under AS 14.43.090 - 14.43.160, to pay
31 the costs of collecting scholarship loans that are in default if those costs are not

1 officer is a member of the exempt service under AS 39.25.110, serves at the pleasure
2 of the corporation, and receives compensation fixed by the corporation. The executive
3 officer appoints persons to the staff positions authorized by the corporation and staff
4 compensation is fixed by the corporation. Each employee of the corporation shall
5 elect membership either in the state teachers' retirement system (AS 14.25), if
6 qualified, or in the public employees' retirement system (AS 39.35).

7 (b) The corporation is not a division in the Department of Revenue. The
8 corporation, its members, executive officer, and staff are in the Department of
9 Revenue for administrative support services only and are not subject to the direction
10 of the commissioner of revenue.

11 * Sec. 10. AS 14.42 is amended by adding a new section to read:

12 Sec. 14.42.180. LEGAL COUNSEL. (a) The attorney general is legal
13 counsel for the corporation. The attorney general shall advise the corporation in legal
14 matters arising in the discharge of its duties and represent the corporation in actions
15 to which it is a party. If, in the opinion of the corporation, the public interest is not
16 adequately represented by counsel in a proceeding, the attorney general, upon request
17 of the corporation, shall represent the public interest.

18 (b) The corporation may employ temporary legal counsel from time to time
19 in matters in which the corporation is involved.

20 * Sec. 11. AS 14.42 is amended by adding a new section to read:

21 Sec. 14.42.195. FUNCTIONS OF THE CORPORATION. (a) The
22 corporation shall

23 (1) administer the provisions of AS 14.43.090 - 14.43.160 (student
24 loan program);

25 (2) serve as the state agency required under sec. 603 of Title VI
26 (Financial Assistance for Undergraduate Education) and Part B of Title IV
27 (Guaranteed Student Loan Program) of the Higher Education Act of 1965 (P.L.
28 89-329; 79 Stat. 1220, 1262; 20 U.S.C. 1005, 1123) as authorized by sec. 1202(c) of
29 Title XII of the Higher Education Act of 1965, as amended by the Education
30 Amendments of 1972 (P.L. 92-318, sec. 196; 86 Stat. 324); and

31 (3) administer the provisions of AS 14.48 (regulation of postsecondary

1 maximum advantage of the students and faculties of the institutions that are parties
2 to a consortium.

3 Sec. 14.07.033. COLLECTION OF DATA. The department may require the
4 institutions of public and private higher education and other institutions of
5 postsecondary education in the state to submit data on costs, selection and retention
6 of students, enrollments, plant capacities and use, and other matters pertinent to
7 effective planning and coordination, and shall furnish information concerning these
8 matters to the governor, to the legislature, and to other state and federal agencies as
9 requested by them.

10 * Sec. 7. AS 14.42.100 is amended to read:

11 ARTICLE 2. ALASKA STUDENT AID [LOAN] CORPORATION.

12 Sec. 14.42.100. CREATION OF ALASKA STUDENT AID [LOAN]
13 CORPORATION. There is created the Alaska Student Aid [LOAN] Corporation.
14 The corporation is a public corporation and government instrumentality within the
15 Department of Revenue [EDUCATION] but having a legal existence independent of
16 and separate from the state. The corporation may not be terminated as long as it has
17 bonds, notes, or other obligations outstanding. Upon termination of the corporation,
18 its rights and property pass to the state.

19 * Sec. 8. AS 14.42.120(a) is repealed and reenacted to read:

20 (a) The corporation shall be governed by a board of directors consisting of
21 the commissioner of revenue, the commissioner of administration, a person
22 representing the Department of Education appointed by the governor, and four
23 members of the public appointed by the governor. The governor's appointees shall
24 serve at the pleasure of the governor for four-year staggered terms. Members of the
25 board serve without compensation but the members who are not state employees are
26 entitled to per diem and travel expenses authorized by law for boards and
27 commissions under AS 39.20.180.

28 * Sec. 9. AS 14.42.160 is repealed and reenacted to read:

29 Sec. 14.42.160. EXECUTIVE OFFICER AND STAFF; ADMINISTRATION.

30 (a) The corporation may appoint an executive director as the corporation's executive
31 officer. The board shall prescribe the duties of the executive officer. The executive

1 systematic growth of public and private postsecondary education, including
2 community colleges and occupational education, in the state and submit
3 recommendations on the need for, and location of, new facilities and programs;

4 (2) advise as to the functions and purposes of the colleges and
5 universities, both public and private, in the state and counsel as to the programs
6 appropriate to each;

7 (3) review the annual budgets and capital outlay requests of the
8 University of Alaska and of each of the private colleges and universities in the state,
9 and present comments on the general level of support sought;

10 (4) review and advise as to the working of all consortia and other
11 cooperative agreements between the institutions of higher education in the state that
12 are parties to them.

13 * Sec. 5. AS 14.07.030 is amended by adding a new paragraph to read:

14 (14) establish task forces, committees, or subcommittees, not
15 necessarily consisting of department officers or employees, to advise and assist the
16 department in carrying out its functions assigned by AS 14.07.020(a)(16) - (19) and
17 (c), and federal statute; the department may contract with, or use, existing institutions
18 of higher education or other individuals or organizations to make studies, conduct
19 surveys, submit recommendations, or otherwise contribute to the work of the
20 department.

21 * Sec. 6. AS 14.07 is amended by adding new sections to read:

22 Sec. 14.07.032. CONSORTIA. All parties that are signatory to a consortium
23 agreement between the University of Alaska and a private university or college must
24 abide by a decision rendered by the department when disagreements arise or exist
25 between the parties. For purposes of this section and AS 14.07.020, "consortium"
26 means a cooperative arrangement between two or more public or private institutions
27 of higher education specified in agreements or memoranda of understanding to permit
28 sharing of facilities, instructional opportunities, and other educational services in such
29 a way that the integrity of each institution party to the consortium is preserved while
30 at the same time the institutions cooperatively plan the academic calendar, scheduling,
31 use of personnel and facilities, and educational programs and offerings to the

1 the department and renewal may not be denied under this section until and unless the
2 appeal has been concluded and the default status affirmed. Denial of renewal of a
3 license shall continue until the Department of Commerce and Economic Development
4 receives notice from the Alaska Student Aid Corporation [COMMISSION ON
5 POSTSECONDARY EDUCATION] that the licensee is no longer in default on the
6 student loan.

7 * Sec. 3. AS 14.07.020(a) is amended by adding new paragraphs to read:

8 (16) resolve any disputes that exist or arise under a consortium or
9 other cooperative agreement between institutions of public and private higher
10 education in the state;

11 (17) develop a comprehensive statewide plan for coordinated
12 postsecondary education in the state and serve as the state commission on
13 postsecondary education required under sec. 1202 of Title XII of the Higher Education
14 Act of 1965, as amended by the Education Amendments of 1972 (P.L. 92-318, sec.
15 196; 86 Stat. 324);

16 (18) establish a state advisory council on community colleges and
17 develop a comprehensive statewide plan for the expansion and improvement of the
18 community colleges under sec. 1001 of Title X of the Higher Education Act of 1965,
19 as amended by the Education Amendments of 1972 (P.L. 92-318, sec. 186; 86 Stat.
20 312, 313); and

21 (19) serve as the state agency required under sec. 105 of Title I
22 (Community Service and Continuing Education) and 704 of Title VII (Construction
23 of Academic Facilities) of the Higher Education Act of 1965 (P.L. 89-329; 79 Stat.
24 1220, 1262; 20 U.S.C. 1005, 1123) as authorized by sec. 1202(c) of Title XII of the
25 Higher Education Act of 1965, as amended by the Education Amendments of 1972
26 (P.L. 92-318, sec. 196; 86 Stat. 324).

27 * Sec. 4. AS 14.07.020 is amended by adding a new subsection to read:

28 (c) The department has the following functions, advisory to the governing
29 boards of institutions of public and private higher education in Alaska, to the
30 governor, the legislature, and to other appropriate state and federal officials:

31 (1) coordinate the development of comprehensive plans for the orderly,

Introduced in the House: 1/8/96

Referred: Health, Education and Social Services, State Affairs, Finance

Introduced in the Senate: 1/8/96

Referred: Health, Education and Social Services, Finance

EXECUTIVE ORDER NO. 97

1 Under the authority of art. III, sec. 23, of the Alaska Constitution, and in accordance with
2 AS 24.08.210, I order the following:

3 * **Section 1. FINDINGS.** As governor, I find that the efficient administration of state
4 government would be enhanced by transferring and merging the student aid and educational
5 institution regulation functions of the Alaska Commission on Postsecondary Education into
6 the Alaska Student Loan Corporation, which will continue in existence with an expanded
7 mission; moving the commission's remaining policy and planning functions to the Department
8 of Education; renaming the corporation as the Alaska Student Aid Corporation to recognize
9 its expanded responsibility for student aid programs other than loan programs; establishing
10 an expanded seven-member board of the corporation; and placing the corporation under the
11 Department of Revenue.

12 * **Sec. 2.** AS 08.02.025(a) is amended to read:

13 (a) A person licensed under this title shall comply with the student loan
14 repayment provisions under AS 14.43 that are applicable to the person.
15 Notwithstanding another provision of law, a license issued to a person under this title
16 may not be renewed if the borrower and the Department of Commerce and Economic
17 Development have received notice from the Alaska Student Aid Corporation
18 [COMMISSION ON POSTSECONDARY EDUCATION] that the licensee is in
19 default on a student loan provided to the licensee. This action may be taken no
20 sooner than 60 days after the Alaska Student Aid Corporation [COMMISSION ON
21 POSTSECONDARY EDUCATION] has notified the borrower of the default status
22 of the loan as provided under AS 14.43.120(i). If an appeal of a determination of
23 default status is pending on behalf of the licensee, the Alaska Student Aid
24 Corporation [COMMISSION ON POSTSECONDARY EDUCATION] shall notify

FISCAL NOTE

No. 1
 Bill Version: EO 97
 (S) Publish Date: 1/8/96

STATE OF ALASKA
 1996 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Revenue
 Title: EO Postsecondary Education BRU: Alaska Student Aid Corporation
 Component: Alaska Student Aid Corporation
 Sponsor: Rules
 Requester: Governor **COMPONENT SERIAL NO.** _____

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ()						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF Program Receipts						
1006 GF-MHTIA						
1007 Interagency Receipts						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0


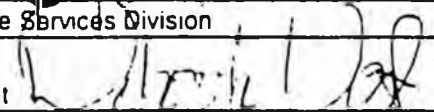
Estimate of any current year (FY96) cost: \$ _____

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This fiscal note acknowledges the transfer of the Alaska Student Aid Corporation from the Department of Education to the Department of Revenue due to an Executive Order. Funding within the Department of Revenue will be reflected in FY97 Governor's budget amendments.

Prepared by: Bob Baratko  Phone: 465-2312
 Division: Administrative Services Division Date: 1/5/96
 Approved by: 
 Commissioner: Deborah Voigt Date: 1/5/96
 Agency: Revenue

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FISCAL NOTE

B. Version: EO 97

(S) Publish Date: 1/8/96

STATE OF ALASKA 1996 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Revenue
 Title: EO: Postsecondary Education BRU: Administration & Support
 Component: Administrative Services Division
 Sponsor: Rules
 Requester: Governor COMPONENT SERIAL NO. 125

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
1007 Interagency Receipts						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ _____

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

The Division will be incurring additional administrative costs due to the transfer of the Alaska Student Aid Corporation from the Department of Education to the Department of Revenue. It is our intent to submit a budget amendment in the amount of \$40.0 in interagency receipts attributable to a Reimbursable Services Agreement (RSA) between the Alaska Student Aid Corporation and the Administrative Services Division. Services to be provided will be in the areas of personnel, payroll and budgeting.

Prepared by: Bob Baratko
 Division: Administrative Services Division
 Approved by: Deborah Voigt
 Commissioner: _____
 Agency: Revenue

Phone: 465-2312
 Date: 1/3/96
 Date: 1/4/96

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FISCAL NOTE

No. 3

... Version: EO 97

(S) Publish Date: 1/8/96

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Revision Date _____	Dept. Affected: <u>EDUCATION</u>
Title: <u>Executive Order transferring functions of the</u>	BRU: <u>AK Commission on Postsecondary Educ</u>
<u>Alaska Commission on Postsecondary Education</u>	Component: <u>Program Administration</u>
Sponsor: <u>Rules Committee</u>	
Requester: <u>Governor</u>	COMPONENT SERIAL NO. <u>212</u>

Expenditures, Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES						
TRAVEL	(20.0)					
CONTRACTUAL	(2.0)					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	(22.0)	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGES IN REVENUES						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF Program Receipts						
Other 1022 Corporate Receipts	(22.0)	0.0	0.0	0.0	0.0	0.0
TOTAL	(22.0)	0.0	0.0	0.0	0.0	0.0

Estimate of current year (FY96) cost: (11.5)

POSITIONS:

FULL-TIME					
PART-TIME					
TEMPORARY					

ANALYSIS: Attach a separate page if necessary)

The membership on the commission and corporation would be reduced from a total of 19 members to 7 members, and the subcommittees would be eliminated. The smaller membership and subsequent reduction in the number of meetings would:

- 1) eliminate costs for obtaining meeting space and allow for meetings to take place in the Anchorage student loan office conference room;
- 2) reduce travel costs;
- 3) reduce staff time and money preparing and mailing fewer meeting packets; and
- 4) reduce the number of meetings held each fiscal year (including subcommittees) from approximately 16 to 4.

This fiscal note is for information only. All FY97 budget impacts will be submitted as a Governor's budget amendment.

Prepared by: Gillian R. Hays, Legislative Liaison
 Division: Alaska Commission on Postsecondary Education
 Approved by Acting Executive Director: *Diane Barrans*
 Agency: Alaska Commission on Postsecondary Education

Phone: 465-6718
 Date: January 5, 1996
 Date: January 5, 1996

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FISCAL NOTE

No. 4

.ll Version: EO 97

(S) Publish Date: 1/8/96

**STATE OF ALASKA
1996 LEGISLATIVE SESSION**

Revision Date: _____ Dept. Affected: EDUCATION
 Title: Executive Order transferring functions of the BRU: Executive Administration
Alaska Commission on Postsecondary Education Component: Administrative Services
 Sponsor: Rules Committee
 Requester: Governor COMPONENT SERIAL NO. 157

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES						
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
Other: 1007 I/A Receipts	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year (FY96) cost: \$ 45.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary) The Division of Administrative Services provided human resource, payroll, finance and budget support to the Alaska Commission on Postsecondary Education (ACPE) through a budgeted Reimbursable Services Agreement. The FY97 budget for Administrative Services has been adjusted for changes in the cost allocation plan based on the proposed transfer of the ACPE and consolidation of accounting functions. No additional funding is required.

Prepared by: Karen J. Rehfeld, Director
 Division: Administrative Services
 Approved by Commissioner: Shirley J. Holloway, Ph.D.
 Agency: Department of Education

Phone: 465-8650
 Date: January 4, 1996
 Date: January 4, 1996

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FISCAL NOTE

No. 5

Bill Version: E097

(S) Publish Date: 1/8/96

**STATE OF ALASKA
1996 LEGISLATIVE SESSION**

Revision Date: _____ Dept. Affected: EDUCATION
 Title: Executive Order transferring functions of the BRU: Executive Administration
Alaska Commission on Postsecondary Education Component: Commissioner's Office
 Sponsor: Rules Committee
 Requester: Governor **COMPONENT SERIAL NO.** 185

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGES IN REVENUES						
----------------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
Other: 1007 I/A Receipts	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year (FY96) cost: 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary) Sections 3, 4, 5 and 6 of the Executive Order list duties relating to postsecondary education in Alaska which are being transferred from ACPE to DOE. Those paragraphs which were enacted in compliance with federal mandates or which refer to coordination of the community college system and the University of Alaska budget are archaic due to federal and state statutory changes. The Department will support clean-up legislation to address these areas. The general policy and planning duties will be an expansion of the scope of the Board of Education's current activities, creating a linkage between secondary and postsecondary training. These functions, as they currently exist in statute are diverse and complex. DOE, with current and anticipated budgetary constraints, would not be able to afford the additional professional and administrative staff to perform these functions and still comply with our elementary and secondary education oversight responsibilities.

Prepared by: Kimberly Homme, Special Assistant Phone: 465-2803
 Division: Commissioner's Office Date: January 4, 1996
 Approved by Commissioner: Shirley J. Holloway, Ph.D. Date: January 4, 1996
 Agency: Department of Education