

Leg. Finance - Finance Comte Files (1971-72) 8879

HB 547 cont., 549

this chapter on account of insufficient availability of the residential housing necessary to promote, develop or maintain the economic growth or potential of the area, taking into consideration, without limitation, the following:

(A) the population, resources and environment of the area;

(B) the present availability and condition of residential housing in and near the area;

(C) the cost of construction and rehabilitation of residential housing in the area;

(D) the availability of other federal or state sponsored programs to facilitate the development of residential housing in the area; and

(E) the ability of residents of the area to finance the purchase of residential housing or to rent or lease such housing at rates comparable to those in effect in other areas of the state.

* Sec. 11. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.

The Legislature of the State of Alaska
FISCAL NOTE
Second Session - Seventh State Legislature

I. REQUEST

Bill Identification: House Bill 547
 Title: Medium Income Housing
 Requested by: Legislative Finance Date: 1/31/72
 Return Date Requested: 2/15/72
 Agency: Commerce Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: None

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES	None	90.0	99.0	108.0	118.8	130.6
200 TRAVEL		8.0	8.8	9.7	10.6	11.6
300 CONTRACTUAL		10.0	11.0	12.1	13.3	14.6
400 COMMODITIES		2.0	2.2	2.5	2.8	3.1
500 EQUIPMENT		2.0	2.2			
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		112.0	123.2	132.3	145.5	159.9

B. FUNDING: (Thousands of dollars)

GENERAL FUND		None			
FEDERAL FUNDS		None			
OTHER		See Analysis			

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Since House Bill 547 calls for its implementation by the Alaska Housing Finance Corporation (Sec. 18.56.010 c) and the Alaska Housing Finance Corporation is not funded by State or Federal monies either for development or administration but is designed to be self-supporting the passage of the Bill would not create any additional costs to the State. The Alaska Housing Finance Corporation will operate with funds provided by the private sector either through short-term notes or the sale of long-term bonds. Its costs of administration will be derived from the difference between the cost of borrowing and the return on mortgages held and service fees.

IV. ATTACHMENTS

V. DATE: February 15, 1972 PREPARED BY: Robert E. Butler

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

ALASKA HOUSING FINANCE CORPORATION

Recommended Income Limitations

Number of Persons in Family
'Limits in Dollars'

	(1)	(2)	(3)	(4)	(5)	(6)	(7+)
) Dist 1. Ketchikan, Prince of Wales	11,100	13,500	15,850	15,850	18,200	18,200	20,500
) Dist 2. Wrangell (103.8)	11,520	14,010	16,450	16,450	18,890	18,890	21,270
) Dist 3. Sitka (103.8)	11,520	14,010	16,450	16,450	18,890	18,890	21,270
) Dist 4. Juneau	11,100	13,500	15,850	15,850	18,200	18,200	20,500
) Dist 5. Lynn Connel (107.59)	11,940	14,520	17,050	17,050	19,580	19,580	22,050
) Dist 6. Cordova, Valdez (115.84)	12,850	15,630	18,360	18,360	21,080	21,080	23,740
) Dist 7. Wasilla, Talkeetna (103.8)	11,520	14,010	16,450	16,450	18,890	18,890	21,270
) Dist 8. Anchorage	11,100	13,500	15,850	15,850	18,200	18,200	20,500
) Dist 9. Seward (107.59)	11,940	14,520	17,050	17,050	19,580	19,580	22,050
) Dist 10. Kenai, Cook Inlet (107.59)	11,940	14,520	17,050	17,050	19,580	19,580	22,050
) Dist 11. Kodiak (107.59)	11,940	14,520	17,050	17,050	19,580	19,580	22,050
) Dist 12. Aleutian Islands (129.4)	14,360	17,460	20,500	20,500	23,550	23,550	26,500
) Dist 13. Bristol Bay (129.4)	14,360	17,460	20,500	20,500	23,550	23,550	26,500
) Dist 14. Bethel (134.3)	14,900	18,130	21,280	21,280	24,440	24,440	27,530
) Dist 15. Aniak, Cantwell, McGrath, Nenana, Minto (139.3)	15,460	18,800	22,070	22,070	25,350	25,350	28,550
) Dist 16a (So. of Arctic Circle) Fairbanks, Fort Yukon (111.71)	12,390	15,080	17,700	17,700	20,300	20,300	22,900
) Dist 16b (No. of Arctic Circle) (139.3)	15,460	18,800	22,070	22,070	25,350	25,350	28,550
) Dist 17. Barrow, Kotzebue (139.3)	15,460	18,800	22,070	22,070	25,350	25,350	28,550
) Dist 18. Nome (129.4)	14,360	17,460	20,500	20,500	23,550	23,550	26,500
) Dist 19. Wade Hampton (134.3)	14,900	18,130	21,280	21,280	24,440	24,440	27,530



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James D. Smith
Signature of Camera Operator

4/4/89
Date

Committee Report

Ref: 5/18/72

SENATE

6-11-72

Date

Mr. President:

The Committee on Finance has had CSIP 542 (Fin) no
(tuition grants/higher ed.)
under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends ~~it do pass~~ with attached amendment(s)
- recommends it be replaced with CS for _____ and that
CS for _____ do pass
- (and) recommends it be referred to the _____
committee
- reports it back without recommendation
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

Bill Ray no rec.

W. J. ... no rec.

... no rec.

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

... recommends: _____

_____ recommends: _____

CHAIRMAN

A M E N D M E N T

Offered in the SENATE

By Senate Finance Committee

To: _____ SENATE BILL NO. _____

CSBE HOUSE BILL NO. 545 fin. or

AMENDMENT: Page 3 Line 13

After "(private gifts and grants)" add ", provided if a private university or college has less than 300 full time students, the percentage required shall be 15% funding from non-public sources."

Page 3 Line 20

After "(private gifts and grants)" add ", provided if a private university or college has less than 300 full time students, the percentage required shall be 15% funding from non-public sources."

Page 4 Line 13, 14

Strike "it will direct use of that school year." and substitute "shall be determined by the selection committee."

Anchorage cost estimates

ALT I: Total annual student credit
hours; 1 FTE = 30 credit hours

1. # FTE students	2,860
2. Anc. Cost per FTE	\$1,097
3. Cent. Governance	<u>630</u>
4. State cost per ^{Anc.} FTE	\$1,727
5. Less student fees	<u>(220)</u>
6. Difference	\$1,507

ALT II: Fall semester enrollment; 1 FTE
= 15 credit hours

1. # FTE students	2,020
2. Anc. cost per FTE	\$1,554
3. Cent. Gov.	<u>630</u>
4. State cost per Anc FTE	\$2,184
5. Less student fees	<u>(220)</u>
6. Difference	\$1,964

TO: Senate Finance Committee
FROM: Rich Guthrie
SUBJ: CSHB 549 (Fin) am

COST ESTIMATE

Assumptions:

1. FY 72 expenditures and enrollments for U. of A.
2. Sheldon Jackson and AMU enrollments and tuition based upon data from Department of Education.
3. Central Governance costs prorated statewide per FTE student.
4. Anchorage computations based upon three semesters per year; Sitka computations based upon two semesters per year.
5. Debt service excluded.

Computations:

1. Central Governance prorated cost per FTE student:	
a. FY 72 authorization	\$ 3,901,000
b. FTE students (2 semesters)	<u>÷ 6,194</u>
c. Annual state cost per FTE student	\$ 630
2. Anchorage costs:	
a. FY 72 authorization - ACC, ASC	3,139,900
b. FTE students (3 semesters)	<u>+ 1,907</u>
c. Anchorage cost per FTE student	1,646
d. Central Governance cost per FTE student	<u>630</u>
e. Annual state cost per FTE student	2,276
f. Annual student fees (3 semesters)	<u>(330)</u>
g. Possible tuition grant (unlimited)	<u>\$ 1,946</u>
h. Maximum tuition grant	1,400
i. Resident FTE students, AMU	<u>500</u>
j. FUNDS REQUIRED, ANCHORAGE	\$ 700,000

CONT'D

3. Sitka Costs:

a. FY 72 authorization - SCC	\$ 76,800
b. FTE students (2 semesters)	<u>÷ 18</u>
c. Sitka cost per FTE student	4,100
d. Central Governance cost per FTE student	<u>630</u>
e. Annual state cost per FTE student	4,730
f. Annual student fees (2 semesters)	<u>(220)</u>
g. Possible tuition grant (unlimited)	\$ <u><u>4,510</u></u> 3,880
h. Maximum tuition grant	1,400 (1)
i. Resident FTE students - SJ	<u>100</u>
j. FUNDS REQUIRED, SITKA	\$ 140,000

TOTAL FUNDS REQUIRED, FY 73 \$840,000

(1) Note limitation of Sec. 14.40.776: "... amount is to be applied by the student toward his tuition...."

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99801

LEGISLATIVE AFFAIRS AGENCY

24 July 1972

M E M O R A N D U M

TO: Dr. Marshall L. Lind, Commissioner of Education
and Executive Secretary, Scholarship Loan and
Tuition Grant Selection Committee

FROM: Subcommittee on Higher Education, Alaska
Legislative Council

SUBJECT: Tuition Grant Program (Chapter 156, SLA 1972)

At its meeting Saturday, July 15, 1972, in Anchorage, the Subcommittee on Higher Education considered problems that are being encountered in the implementation, interpretation and administration of the tuition grant program enacted by the 1972 Session of the Alaska State Legislature.

1. Tuition Grant Formulation and Review. The Subcommittee unanimously agreed that in order to indicate to eligible students at an early date the resources on which they might depend for the 1972-73 academic year and to advise those private institutions in Alaska receiving income from the tuition grants paid their students to enable them to formulate a reliable budget for the academic year it is imperative that the Selection Committee, when it convenes in Juneau, July 25, establish the cost data to be utilized in determining the tuition grant to be paid under the law to students attending Alaska Methodist University and Sheldon Jackson College.

In determining these cost figures under AS 14.40.776(a), the Subcommittee adopted unanimously a recommendation of its consulting staff that a third party -- outside the University of Alaska, Alaska Methodist University or Sheldon Jackson College -- be given explicit authority and responsibility for the computation of the cost of operation of the state institution on a full-time student per academic year basis. It is urgent that a decision be reached as to whether this cost of operation (a) is for the fiscal (or academic) year immediately preceding the tuition grant year; (b) is derived

MEMO TO: Dr. Marshall L. Lind
FROM: Subcommittee on Higher Education
SUBJ: Tuition Grant Program
24 July 1972, pg 2

from some averaging or weighing process covering the most recent two, three, even five years; or, (c) is derived from a moving average of costs over some predetermined period of time, possibly three, five or even ten years. It is also imperative that once determined by a third party, the raw data and included figures be made available for information purposes to the heads of each educational institution involved. Further legislative action in 1973 to clarify this point may be desirable; meanwhile, administrative determination of the above is essential.

To this end we believe it would be appropriate for the Executive Secretary of the Selection Committee to request that the cost data be computed by the Division of Budget & Management of the Department of Administration in consultation with other executive or legislative agencies familiar with the data that is to be utilized in applying the formula. Specifically, we refer the Selection Committee to the fiscal note prepared for the Senate Finance Committee for its consideration of the tuition grant bill (CSHB 549 (Fin) am) by Richard Guthrie of the staff of the Legislative Budget & Audit Committee, a copy of which is attached to this memorandum.

Based upon a preliminary analysis of the statute and cost data made available to the Subcommittee, but subject to final cost verification, it appears that the cost differential to be paid as a tuition grant will be close to or exceed the statutory maximum of the grant, or \$1400.

We believe it is appropriate that at the outset a review body be established to hear an appeal from any formula determination or procedure which leads to a setting of the grant support and to make this review/appeal procedure available to all institutional parties concerned. The Selection Committee should promulgate regulations in accord with the above.

2. Limitations on Expenditure of Tuition Grant Income. The Subcommittee also believes it is appropriate to establish at the outset a common understanding based on maintaining parallelism, or mutuality, as regards use of funds by educational institutions with students who are recipients of tuition grants. Specifically, AS 14.40.776(b) expressly excludes certain operational and capital expenditures at the public university in deriving the cost basis for the tuition grant support amount. Parallelism, or mutuality (and balance in the consortium), this requires a delineation (a condition or limitation) as to the appropriate use or uses of tuition grant funds by receiving private educational institutions.

MEMO TO: Dr. Marshall L. Lind
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For example, may the private educational institutions use tuition grant income for research and public service or, more precisely, for fund-raising and general development costs, for varsity or intramural athletics, or for auxiliary services support, etc.? It would seem that the spirit -- if not the precise letter -- of the enabling statute is to assist individual students as the primary motivation; however, this, then translates into direct support for the academic program -- teaching and learning resources and supports -- at the level of the receiving institution. It would not seem to imply utilization of tuition grant funds for other activities, services or purposes of the receiving institution -- regardless of their appropriateness to the general purposes of that educational institution.

Accordingly, we recommend that the Selection Committee also promulgate regulations carrying out the above statement of intent.

3. Limitations on Grants. With regard to AS 14.40.781, we believe it is imperative to establish by regulation the underlying assumption of this section, namely, that a tuition grant must be regarded by administering agencies and educational institution representatives as the basic or "foundation" support to the individual student upon which and following which all other scholarship, fellowship, loan or other grants are built.

4. Fiscal and Business Management Practices. The precise meaning of AS 14.40.801(a) must be established prior to the implementation of the tuition grant program to include what, if anything, is implied beyond the current institutional program of annual certified audits, or otherwise. Furthermore, the Subcommittee concurs in the staff view that it seems inappropriate to utilize the appeal procedure set forth in this section. Accordingly, we will recommend to the 1973 Legislature that a procedure which involves qualified educational and business authorities as well as a top representative of the regional accrediting association of the private educational institutions replace the existing procedure established by section 801(a).

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FROM: Subcommittee on Higher Education
SUBJ: Tuition Grant Program
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5. The Consortium. The focal point of AS 14.40.801(c) appears unclear to our consultants and requires, in their judgment, precise definition in advance of the implementation of the act. The Subcommittee insists on the maximal effectiveness of the consortium between the University of Alaska and Alaska Methodist University in Anchorage and between the University of Alaska and Sheldon Jackson College in Sitka. Until such time as there is a non-legislative agency created to oversee and monitor the consortia, the Legislative Council acting through this Subcommittee on Higher Education has assumed this responsibility under the authority of this section. Its representative to the consortium committee/council in each community will be the consulting firm of McLean & Associates of Evanston, Illinois. The Subcommittee will determine what constitutes a "disagreement", but will also rely on its consultants and the respective parties to the consortia to bring potential problems or actual disputes to them for review and decision. The Subcommittee will not hesitate to invoke the Council's authority under AS 14.40.801(c) where appropriate.

6. Consortium Courses. The Subcommittee is in unanimous agreement with its consulting staff and counsel that AS 14.40.801(d) as written, and if misconstrued, is potentially disastrous for Alaska Methodist University, as well as Sheldon Jackson College, and requires clarification and precise interpretation for all parties of interest prior to implementation of the act. We would hope that the conceptual basis of the consortia is clear, namely, that the courses of study (or academic programs) leading to undergraduate degrees available to students in Anchorage and Sitka are enriched, expanded and maximally utilized through the consortium in each community. This, then, means that total costs are held to a minimum for taxpayers, parents and others by prevention of unnecessary and unjustified duplication of academic programs and courses of study leading to undergraduate degrees in the Anchorage and Sitka areas through the coordinate efforts and cooperative spirit of the consortia. On the other hand, it seems patently unfair to Alaska Methodist University and Sheldon Jackson College (at the present time) and to the University of Alaska (over time) to penalize the institution and the student through denial of tuition grants "for a required course or courses in his area of study that are offered under the consortium." Manifestly, it is essential that a common understanding exist concerning this section, namely, that it refers singly and solely to courses of study or academic programs leading to undergraduate degrees and not to individual courses, whether

MEMO TO: Dr. Marshall L. Lind
FROM: Subcommittee on Higher Education
SUBJ: Tuition Grant Program
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required or service courses, and regardless of which educational institution or institutions offer them at the outset of the funding of the act.

7. Finally, the Subcommittee appreciates very much having the benefit of the thinking of the Chairman of the Selection Committee, Mr. Walter R. Furnace of Anchorage, who attended the July 15 meeting. Also, the Subcommittee wishes to commend the Department of Education, and particularly Mr. Jack Caruthers, for expediting the preparation and distribution of the applications for the tuition grant program. We are certain that such imaginative forthright leadership bodes well for the effective administration of this important program in expanding higher education opportunities for Alaska students.

cc: Honorable William A. Egan, Governor
Mr. Joseph R. Henri, Commissioner of Education
John E. Havelock, Esq., Attorney General
Mr. Walter R. Furnace, Chairman, Scholarship Loan
and Tuition Grant Selection Committee
Members of the Subcommittee on Higher Education
Chairmen, House and Senate Committees on Health,
Welfare & Education
Members and Staff, House and Senate Finance Committees
McLean & Associates: Drs. E.L. McLean, George W. Starcher,
Robert E. Hill, Edward M. Collins, Jr., Felix C. Robb

Presentation of Dr. John O. Picton

to the

SUBCOMMITTEE ON HIGHER EDUCATION

of the

LEGISLATIVE COUNCIL OF THE ALASKA STATE LEGISLATURE

July 15, 1972

9:00 o'clock a.m.

Anchorage Westward Hotel

Mr. Chairman, members of the Subcommittee on Higher Education, Dr. McLean, my distinguished colleagues in higher education, ladies and gentlemen, I want to use a few minutes of my time in the beginning to express personally to you my deepest and most profound appreciation for the many good things you have done in helping to stabilize the financial and academic problems of Alaska Methodist University. Your leadership has given me during my short term as president the kind of support that was absolutely necessary and I am fully conscious of the many difficult problems that confronted all of you in trying to bring about a resolution of a most serious crisis. With the good things that you have done through your support of the consortium, the land sale to the State of Alaska, and the tuition grant to our students and the students of Sheldon Jackson, you have given me the foundation on which to exercise my leadership. In gratitude and appreciation for what you have done, I promise you my complete cooperation and I will use every resource at my command to fulfill your fondest hopes for private higher education in this great state. I do appreciate what all of you, the Governor, and the citizens of this state have done for the students at our university.

Eight months is not a long time, particularly with the crises facing AMU, but I do have full knowledge of the problems at our institution. Our distinguished Board of Trustees, our faculty, and our students have worked

diligently and many long hours in helping me to get our house in order. I want to assure you that we assume our obligation to honor fiscal responsibility in bringing forth a balanced budget; and, while the present budget does not meet the need for the quality of education toward which we all aspire, it does give us the foundation of good education and will make us competitive for additional funding from foundations, government agencies, and individuals. This means that I will have to take the responsibility for cutting out some programs that are important but with our present limitations expendable, and it means that I will have to reduce staff leaving unfilled some positions and call upon my faculty and staff who remain to assume additional responsibilities. As you all know, this is not easy, but if I am to keep faith with you and our trustees, and if I am going to be fair to our faculty and students, I have no other course but to cut the best pattern out of the cloth that I have.

I have been president of Alaska Methodist University long enough to comprehend our role as a strong private liberal arts institution that recognizes a tremendous need to make the higher educational experience not only challenging and exciting but humane and rewarding. It has taken the American people a long time to realize that bigness is not necessarily synonymous with quality, but that personal development and involvement, which are the great needs of our time, occur in a context large enough to be broad and personal enough to be deep.

Our faculty and I will work diligently to design an educational program that will be oriented to the personal development of each student who

enrolls in our institution. Being small and flexible, and committed to the fundamental worth of the human personality, we will combine with knowledge the values that will free us to live at peace with ourselves and our fellow man.

I have already started the design of such an academic program and have talked with leaders of American foundations, the presidents of major corporations, and some of our top government officials and have been encouraged to lay our proposal and plans for the future before them at the earliest possible date. Some of the financial responses that have already been made are heartening and encouraging, and I sincerely believe that it is an indication and the beginning of what is in store for us in the future. I have had sufficient background as an experienced educator and administrator to know that quality education does not come easily nor quickly. I covet for AMU programs that will be well conceived and efficiently implemented.

Our staff, our faculty, and friends of the church are now aggressively recruiting students for the coming academic year. It is not likely that we will acquire the enrollment that we desire, but we are determined to use every resource at our command to have between 400 and 500 students in September. I expect to see our enrollment growing over the next ten years to somewhere between 1500 and 2000 students. I feel that this will allow us to give to the State of Alaska our proportionate share of leadership, and I believe further that this number will be an excellent investment for the people of this state.

I want you to know that our institution is service oriented and our faculty, students, and staff are here because they have a commitment to the students of Alaska and to the State of Alaska. We are dedicated to giving our best efforts to fulfill the hopes and actions that you have so ably and generously made possible. Again I wish to express to you, to the people of Alaska, to the press and radio and television, and to all of our friends from the Lower 48 who have given so much of their time and support towards stabilizing our institution, that we are profoundly grateful. These past eight months have been difficult and I know that many things are yet to be done that I have wanted to do, but achieving the stability that we now have has demanded top priority. I remain optimistic regarding the future of our University and the opportunities of serving as the leader. Thank you for making the future possible.

are inadequate in comparison with the practices of similar institutions. However, an institution whose fiscal and business management practices are found inadequate may appeal the determination of the executive secretary to the selection committee through the chairman of the committee.

(b) Private universities and colleges in which students receiving tuition grants are enrolled are subject to both pre- and post-expenditure audit by the Legislative Budget and Audit Committee or by the Department of Administration.

Clarification

(c) Private universities and colleges in which students receiving tuition grants are enrolled and which are signatory to a consortium agreement with the University of Alaska must abide by a decision rendered by the Legislative Council when disagreements arise or exist between the parties.

Clarification of "potentially disastrous"

(d) Before any funds for tuition grants are disbursed, the Commissioner of administration and the executive secretary of the selection committee shall determine that no student is receiving a grant to pay for a required course or courses in his area of study that are offered under the consortium.

Recommend that refers to programs of study

Sec. 14.40.806. DEFINITIONS. In secs. 751 - 806 of this chapter,

not earlier courses
future duplication of courses

(1) "vocational-technical education" means a course or program in vocational-technical training or education approved by the Department of Education;

(2) "full-time student" means a student who is enrolled and is in regular attendance at classes for at least 12 semester hours of credit during the semester;

(3) "part-time student" means a student who is enrolled and is in regular attendance at classes for at least two but less than twelve semester hours of credit during the semester;

(4) "resident" means a person domiciled in Alaska who has resided in Alaska for at least two years before an application for a grant or loan is made under secs. 751 - 806 of this chapter;

(5) "school year" means the period from September 1 of one year through August 31 of the following year.

* Sec. 6. AS 14.40.773 is repealed.

* Sec. 7. This Act takes effect July 1, 1972.



LAWS OF ALASKA

1972

Source

CSHB 549 am FCC

Chapter No.

156

AN ACT

Providing for tuition grants to students attending institutions of higher education in Alaska; and providing for an effective date.

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

* Section 1. AS 14.40.751 is amended to read:

ARTICLE 9. SCHOLARSHIP LOANS AND TUITION GRANTS.

Sec. 14.40.751. LOAN AND TUITION FUNDS CREATED.

(a) There is created a scholarship revolving loan fund as an account in the general fund. The fund shall be used to make scholarship loans to students selected under secs. 751 - 806 of this chapter.

(b) There is created a tuition grant fund as an account in the general fund. The fund shall be used to make tuition grants to students selected under secs. 751 - 806 of this chapter.

* Sec. 2. AS 14.40.753(a) is amended to read:

(a) There is created the student loan and tuition grant selection committee composed of seven members appointed by the governor. The committee is composed of the commissioner of education and at least one undergraduate student, one person employed as a high school counselor, one person from a minority group and one person representing the field of vocational-technical training. No member may be the president or a senior administrative officer of a college or university. Members serve at the pleasure of the governor. The committee shall elect its chairman. The commissioner of education shall act as executive secretary of the committee. The Department of Education is charged with administering the program established by this chapter.

* Sec. 3. AS 14.40.755(b) is amended to read:

(b) A person whose loan or grant application is not recommended or presented to the committee by the executive secretary may appeal to the selection committee through the chairman of the committee and the committee shall consider the application.

* Sec. 4. AS 14.40.763(f) is amended to read:

(f) Interest on a loan given under secs. 751 - 806 of this chapter is at the rate of five per cent. *(per annum)*

* Sec. 5. AS 14.40 is amended by adding new sections to read:

Sec. 14.40.776. TUITION GRANTS. (a) The executive secretary of the selection committee shall award a tuition grant to a student in an amount up to the difference between (1) the cost, in a city where there is both a four-year state university and a four-year private university or in a city where there is both a two-year state community college and a two-year private college, for the operation of the state institution on a full-time student per academic year basis, and (2) the tuition paid by the student at the state institution in those locations, but in no case may the amount exceed \$1,400. The amount is to be applied by the student toward his tuition at the private university or college in which he enrolls.

(b) The computation of the cost for the operation of the state institution on a full-time student per academic year basis under (a) of this section may not include construction or capital improvement costs, debt service and expenditures for research and public service functions.

Sec. 14.40.781. LIMITATION ON GRANTS. No grants may be made under sec. 776 of this chapter for any portion of tuition which would otherwise be paid under the terms of a federal grant program.

Sec. 14.40.786. CONDITIONS OF GRANTS. (a) Proceeds from grants may be used only for tuition at a college or university in Alaska accredited by the Northwest Association of Secondary and Higher Schools. If payment is made by issuing a state warrant in the amount of the grant, it shall be paid to the order, jointly, of the student and the private university or college in which he enrolls to ensure that the grant is used solely for tuition.

(b) Before any funds for tuition grants are disbursed, the commissioner of administration and the executive secretary of the selection committee shall assure themselves that at least 22.5 per cent of the annual operating budget of a private university or college in which students receiving tuition grants are enrolled is funded from nonpublic sources (private gifts and grants), provided if a private university or college has less than 300 full-time students, the percentage required shall be 15 per cent funding from nonpublic sources. Determination of the required 15 or 22.5 per cent funding from nonpublic sources shall be made by the commissioner and executive secretary as of

July 1, 1973, and as of July 1, for each succeeding year.

(c) No private university or college in which students receiving tuition grants are enrolled may grant remission of tuition to any student unless more than 22.5 per cent of its annual operating budget is funded from nonpublic sources (private gifts and grants), provided if a private university or college has less than 300 full-time students, the percentage required shall be 15 per cent funding from nonpublic sources. The 15 or 22.5 per cent funding from nonpublic sources shall apply as of July 1, 1973 and as of July 1, for each succeeding year.

(d) No private university or college in which students receiving tuition grants are enrolled may enter into contractual agreements under the terms of which a student covered by the contract pays less than the published tuition.

(e) If a student is awarded, or holds, both a scholarship loan and a tuition grant under secs. 751 - 806 of this chapter, no portion of the scholarship loan may be considered a grant under sec. 763(j) of this chapter.

Sec. 14.40.791. ELIGIBILITY OF STUDENTS. A student may apply for a grant under sec. 776 of this chapter if

- (1) he is a resident of Alaska, and
- (2) he is either

(A) accepted for admission as a full-time or part-time student in an associate, baccalaureate, or graduate degree program; or

(B) enrolled as a full-time or part-time student in an associate, baccalaureate or graduate degree program.

Sec. 14.40.796. APPLICATION AND CERTIFICATION. Application for tuition grants must be submitted to the executive secretary. The application deadline for a school year shall be determined by the selection committee. The executive secretary of the selection committee may award grants only after the institution of higher education has certified that the student has enrolled in a full-time or part-time course of study in an associate, baccalaureate or graduate degree program. The selection committee shall determine the appropriate formula for awarding tuition grants to part-time students, and the committee shall be guided by the provisions of sec. 776 of this chapter in making that determination: the difference between (1) the cost of operation for the state institution per semester credit hour and (2) the fee paid by the student at the state institution per semester credit hour, but not to exceed an appropriate portion of \$1,400.

Sec. 14.40.801. FISCAL AND BUSINESS MANAGEMENT PRACTICES. (a) The executive secretary may decline to award tuition grants under sec. 776 of this chapter to students attending an institution if he finds that the fiscal and business management practices of the institution

Clarification whether grants are "foundation" or on top of other grants
Explicit directions to outside determiners (3rd party) Problems: 1 - Base year or average? Review or appeal body needed
"Parliament" requirements for receiving institution needed

Handwritten bracket and arrow pointing to Sec. 14.40.781 and Sec. 14.40.786

1. Appeal procedure needs clarification or revision

Selection Committee

July 25 - Juneau

Chairman: Walt Furness

AMU Proposals Tentative
\$ 1,680,000 - AMU budget FY73

No new staff

440 students (380 - 460 range est.)

\$ 575,000 must be raised

Tentatives { Methodists: \$250,000 \$300,000 goal + help
from former successful fund
drive chairman for church
Texaco Foundation - genuine interest
Title III: \$150,000 committed + maybe
more

\$ 900,000 - tuition & fees necessary

Budget will be revised by Board of Trustees
once school opens - "can be no more
than \$200,000" Accreditation (?) unknown at present

CSHB 549 "Tuition Grants"

1. p. 2, line 14: Do Anc. C.C. and Anc. Sr.C. qualify as a "four-year state university"?
2. p. 2, line 17: Definition of full-time student --- Headcount, credit hours, or fall semester enrollment?
If to be based upon credit hours, are costs to be computed upon 2 semesters (1 FTE student = 30 credit hours) or 3 semesters (1 FTE student = 45 credit hours).
 - a. Anc. Sr. Coll. operates 3 balanced semesters, but Anc. Comm. Coll. operates 2 full semesters + 1/2 load summer semester)
 - b. Effect upon grant size at Anc:
 - (1) Where 1 FTE = 30 credit hours + total annual FY72 Auth + credit hours:
Grant = \$ 877
 - (2) Where 1 FTE = 45 credit hours + total annual FY72 Auth + credit hours
Grant = \$1,316
 - ~~(3) Where 1 FTE = 15 credit hours (full semester enrollment) + 33% of FY72 Auth;~~
3. p. 2, line 18: No "tuition" at UofA!
Voc. Ed. fees to be included? Will reduce grant size!
4. p. 2, lines 22-26: Apparently includes distribution of Central Governance costs. Will increase grant size probably to maximum - Governor's original bill! CSHB 549 combines the

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

Selection Committee

July 25 - Juneau

Chairman: Walt Furness

AMU Proposals Tentative
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Title III: \$150,000 committed & maybe
more

\$ 900,000 - tuition & fees necessary

Budget will be revised by Board of Trustees
once school opens - "can be no more
than \$200,000" Accreditation (?) unknown at present

Get intent re: Ch 156 back to
Bgt + Audit
Henri
Dept Ed.
Bgt + Mgmt

Leg. Council bill (HB 608) & the Gov. Bill (HB 549), but ends up by adding more restrictions & controls while providing the same size grant of \$1,400 maximum (depending upon the assumptions used in computations!)

5. P 3, lines 8-22: AMU projects 44% of FY72 operations budget to be from outside (non-public) sources. Purpose of 22.5% restriction - necessary? Effect upon SJ?
6. Sec 14.40.801 (p. 4+5): (?) - acceptance by private institutions?
7. Definition of "Academic year" - P. 2, line 17, 23, etc.
8. (Same questions also as for SB 416)

CSHB 549 "Tuition Grants"

1. p. 2, line 14: Do Anc. C.C. and Anc. Sr.C. qualify as a "four-year state university"?

2. p. 2, line 17: Definition of full-time student --- Headcount, credit hours, or fall semester enrollment?

If to be based upon credit hours, are costs to be computed upon 2 semesters (1 FTE student = 30 credit hours) or 3 semesters (1 FTE student = 45 credit hours).

a. Anc. Sr. Coll. operates 3 balanced semesters, but Anc. Comm. Coll. operates 2 full semesters + 1/2 load summer semester)

b. Effect upon grant size at Anc:

(1) Where 1 FTE = 30 credit hours & total annual FY72 Auth & credit hours:
Grant = \$ 877

(2) Where 1 FTE = 45 credit hours & total annual FY72 Auth & credit hours
Grant = \$1,316

~~(3) Where 1 FTE = 75 credit hours (fall semester enrollment) + 33% of FY72 Auth;~~

3. p. 2, line 18: No "tuition" at UofA!
Voc. Ed. fees to be included? Will reduce grant size!

4. p. 2, lines 22-26: Apparently includes distribution of Central Governance costs. Will increase grant size probably to maximum - Governor's original bill! CSHB 549 combines the

To: Legislative Finance Committees
Alaska State Legislature

From: Rich Guthrie
Fiscal Analyst *RG*

Subj: SB 416 Tuition Grants for Students, Higher Education
+ CSHB 549

Date: April 28, 1972

There are several unresolved issues that will have significant fiscal impact upon the proposed tuition grants program (SB 416):

1. Shall U of A debt service be included in the state's cost per FTE student? If so, shall statewide debt service costs be prorated or shall only the portion actually attributable to facilities at Anchorage and Sitka be used?
2. Shall cost per FTE student be based upon both Anchorage Senior and Anchorage Community Colleges?
3. Shall U of A Central Governance total costs be prorated to Anchorage and Sitka based upon student enrollments?
4. Shall enrollment and total cost computations be based upon prior year actual, current year authorized, or budget year projections?

Page 3, lines 18 - 23 of SB 419 states that the "selection committee shall determine the appropriate formula." However, if the legislature is to furnish adequate funding for tuition grants, it would appear that certain assumptions or decisions must be made regarding the previous issues.

The attached estimates will illustrate the cost effect of various assumptions about the first three of the previous issues. Cost estimates range from \$764,000 to \$1,574,300 - SB 416 depending upon the assumptions used. However, it should be emphasized that these estimates do not attempt to analyze the effects of issue #4, the reliability of enrollment figures, and actual (rather than statewide prorated) costs of central administration and debt service. Considerable variety of "expert" data also exists in these areas which would significantly affect the funding requirements of SB 416.

Attachments

*Maximum
of \$840,000*

SB 416

+

CSHB 549

SB 416, Cost Estimate I
(Legislative Finance)

Assumptions:

1. FY 72 enrollments and authorized expenditures (from budget workbook)
2. No debt service proration
3. No Central Governance proration
4. Anchorage Senior and Anchorage Community College fees, costs and enrollments for three semesters, Sitka C. C. computations based upon two semesters.

Computation:

	<u>SB416</u>	<u>CSHB 549</u>
1. Anchorage		
a. FY 72 authorization for ACC, ASC	\$3,139,900	
b. FTE students	<u>1,907</u>	
c. Annual state cost per FTE student	\$ 1,646	
d. Annual fees paid by student	<u>(330)</u>	
e. Tuition grant	\$ 1,316	\$ 1,316
f. Resident FTE students, AMU	<u>500</u>	<u>500</u>
g. TOTAL FUNDS REQUIRED, ANCHORAGE	<u>\$ 658,000</u>	<u>\$ 658,000</u>
2. Sitka		
a. FY 72 authorization	\$ 76,800	
b. FTE students	<u>18</u>	
c. Annual state cost per FTE student	\$ 4,100	
d. Annual fees paid by student	<u>(220)</u>	
e. Tuition	\$ 3,880	1,400
f. Resident FTE students, SJ	<u>100</u>	<u>100</u>
g. TOTAL FUNDS REQUIRED, SITKA	<u>\$ 388,000</u>	<u>\$ 140,000</u>
TOTAL FUNDS REQUIRED, SB 416	<u>\$1,046,000</u>	<u>\$ 798,000</u>

SB 416, Cost Estimate II
(Legislative Finance)

Assumptions:

1. FY 72 levels.
2. No debt service proration
3. Central Governance prorated based upon FTE students
4. Anchorage SC and CC computations - 3 semesters,
Sitka CC computations - 2 semesters.

Computation:

	<u>SB 416</u>	<u>CSHB</u> <u>549</u>
1. Central Governance cost per FTE		
a. FY 72 authorization	\$3,901,000	
b. FTE students (2 semesters)	<u>6,194</u>	
c. Annual state cost per FTE student	\$ 630	
2. Anchorage		
a. Tuition grant (Cost Est. I)	\$ 1,316	
b. Central Governance proration (adj. to 3 semester rate)	<u>420</u>	
c. Tuition grant	\$ 1,736	\$ 1,400
d. AMU students	<u>500</u>	<u>500</u>
e. FUNDS REQUIRED, ANCHORAGE	<u>\$ 868,000</u>	<u>\$ 700,000</u>
3. Sitka		
a. Tuition grant (Cost Est. I)	\$ 3,880	
b. Central Governance proration	<u>420</u>	
c. Tuition grant	\$ 4,300	\$ 1,400
d. SJ students	<u>100</u>	<u>100</u>
e. FUNDS REQUIRED, SITKA	<u>\$ 430,000</u>	<u>\$ 140,000</u>
TOTAL FUNDS REQUIRED, SB 416	<u>\$1,298,000</u>	<u>\$ 840,000</u>

SB 416, Cost Estimate III
(Legislative Finance)

Assumptions:

1. FY 72 levels
2. U of A FY 72 debt service prorated
3. Central Governance prorated
4. Anchorage SC & CC - 3 semesters
Sitka CC - 2 semesters

Computation:

	<u>SB 416</u>	<u>CSHB</u> <u>549</u>
1. Debt Service cost per FTE		
a. FY 72 debt service (Dept. of Admin.)	\$3,950,900	
b. FTE students (2 semesters)	<u>6,194</u>	
c. Annual state cost per FTE student	\$ 638	
2. Anchorage		
a. Tuition grant (Cost Est II)	\$ 1,736	
b. Debt service proration (adjusted to 3 semester rate)	<u>425</u>	- 0 -
c. Tuition grant	\$ 2,161	\$ 1,400
d. AMU students	<u>500</u>	<u>500</u>
e. FUNDS REQUIRED, ANCHORAGE	<u>\$1,080,500</u>	<u>\$ 700,000</u>
3. Sitka		
a. Tuition grant (Cost Est II)	\$ 4,300	
b. Debt service proration	<u>638</u>	- 0 -
c. Tuition grant	\$ 4,938	\$ 1,400
d. SJ students	<u>100</u>	<u>100</u>
e. FUNDS REQUIRED, SITKA	<u>\$ 493,800</u>	<u>\$ 140,000</u>
TOTAL FUNDS REQUIRED, SB 416	<u>\$1,574,300</u>	<u>\$ 840,000</u>

SB 416, Cost Estimate IV
(Dept. of Education)

Assumption: Based upon FY 71 figures; excludes debt service

TOTAL COST, SB 416

SB 416
\$1,047,000

CSHB
549
\$ 840,000

Cost Estimate V
(Dept. of Education)

Assumption: Based upon FY 72 figures; excludes debt service

TOTAL COST, SB 416

\$ 764,000

\$ 764,000

Cost Estimate VI
(Dept. of Education)

Assumption: FY 72 figures; includes FY 73 debt service of
\$5,244,200

TOTAL COST, SB 416

\$1,184,000

\$ 840,000

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

file
AUDIT DIVISION
POUCH W — ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF — STATE CAPITOL

JUNEAU 99801

MEMORANDUM

TO: Nat Cole, Director
Administrative Services
Department of Education

DATE: 4/21/72

FROM: LEGISLATIVE FINANCE
ROOM 407
CAPITOL BUILDING

SUBJ: FISCAL NOTE REQUEST

PLEASE COMPLETE THE ATTACHED FISCAL NOTE FOR SB 416,
AND RETURN IT TO OUR OFFICE BY 4/25/72.

IN ADDITION TO THE GENERAL INSTRUCTIONS REGARDING FISCAL
NOTE PREPARATION (REFERENCE OUR MEMO OF 12/15/71),
PLEASE OBSERVE THE FOLLOWING:

1. Prepare fiscal note based upon best present estimates of number of students, size of grant. Exclude U of A annual debt service, but identify other assumptions.
2. In addition prepare estimates that will illustrate the effect of each of the following upon the fiscal note estimate:
 - a. 25% increase of fees at AMU and Sheldon Jackson; state cost per student remains constant
 - b. Constant fees at AMU & Sheldon Jackson; state cost per student

CONTINUED ON NEXT PAGE
TIMELY RETURN OF THIS INFORMATION IS REQUESTED. HOWEVER,
IF ADDITIONAL PREPARATION TIME IS REQUIRED, NOTIFY OUR OFFICE
AS SOON AS POSSIBLE IN ORDER THAT DISCUSSION OF THE PROPOSED LEG-
ISLATION MAY BE RESCHEDULED TO A LATER DATE.

ATTACHMENTS: (1) FISCAL NOTE
(2) COPY OF BILL VERSION

CC: BUDGET & MANAGEMENT

FISCAL NOTE REQUEST

OBSERVATIONS - CONT'D

includes U. of A. annual debt service costs.

c. Constant fees at AMU and Sheldon Jackson; state cost per student increased by 25%.

The Legislature of the State of Alaska
FISCAL NOTE
Second Session - Seventh State Legislature

I. REQUEST

Bill Identification: SB 416
 Title: Tuition Grants for Students, Higher Education
 Requested by: Legislative Finance Date: 4/21/72
 Return Date Requested: 4/25/72
 Agency: Department of Education Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		*				

B. FUNDING: (Thousands of dollars)

GENERAL FUND		*				
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

* See attachment for cost computation at various levels.

IV. ATTACHMENTS

I. SB 416 Computation

SB 416 COMPUTATIONS

A. Estimated number of students (FTE)

Anchorage (AMU) = 500

Sitka (S. J.) = 100

B. Estimated cost per FTE is based on reported FY 71 expenditures and budgeted FY 72 expenditures including prorated cost of central administration and excluding debt service.

Cost Identity	FY 71	FTE	Cost/FTE	FY 72	FTE	Cost/FTE
Central Adm.	2,092,600	4987	420	2,148,000	6348	340
Southcentral	1,140,200	703	1620	1,075,500	1232	870
Total	XXXXX	XXXX	2040	XXXXX	XXXX	1210
Fees/FTE-Yr.	552,900	703	790	515,000	1232	420
Difference	XXXXX	XXXX	1250	XXXXX	XXXX	790
Central Adm.	2,092,600	4987	420	2,148,000	6348	340
Sitka	73,500	18	4080	76,900	20	3850
Total	XXXXX	XXXX	4500	XXXXX	XXXX	4190
Fees/FTE-Yr.	5,100	18	280	4,000	20	500
Difference	XXXXX	XXXX	4220	XXXXX	XXXX	3690

NOTE: The following cost estimates are based on FY 72 estimated costs since the cost/FTE is dropping with increasing FTE's:

1. Anchorage (AMU) cost estimate: 395,000
 $500 \times 790 = 395,000$
2. Sitka (S. J.) cost estimate: 369,000
 $100 \times 3690 = 369,000$
- *3 Total \$764,000

C. Same assumptions as B with 25% increases in fees at AMU and Sheldon Jackson. This should have no effect on the cost per FTE since the computation is based on the state institutions' operational costs and the tuition paid by the students at the state institution.

D. Same assumptions as B with U. of A. debt service added. Governor's budget shows U. of A. debt service of \$5,244,200 for FY 73. There is estimated to be 7,442 FTE's in the U. of A. system in FY 73. This averages out to about 700 per student for debt service.

	<u>OP. COST</u>	<u>DEBT SERVICE</u>	<u>TOTAL</u>
Anchorage	790	700	1490
Sitka	3690	700	4390

1. Anchorage (AMU) cost estimate:
 $500 \times 1490 = \$745,000$

2. Sitka (S.J.) cost estimate:
 $100 \times 4390 = \$439,000$

*3. Total \$1,184,000

E. An increase of state cost of 25% per FTE would increase the cost in B by 25%.

$$1.25 \times \$764,000 = \$955,000$$

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

file
AUDIT DIVISION
POUCH W - ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF - STATE CAPITOL

JUNSAU 99001

M E M O R A N D U M

TO: Nat Cole, Director
Administrative Services
Department of Education

DATE: 5/15/72

FROM: LEGISLATIVE FINANCE
ROOM 407
CAPITOL BUILDING

SUBJ: FISCAL NOTE REQUEST

PLEASE COMPLETE THE ATTACHED FISCAL NOTE FOR CSHB 549(fin)am
AND RETURN IT TO OUR OFFICE BY 5/18/72 (a.m.).

IN ADDITION TO THE GENERAL INSTRUCTIONS REGARDING FISCAL
NOTE PREPARATION (REFERENCE OUR MEMO OF 12/15/71),
PLEASE OBSERVE THE FOLLOWING:

1. Furnish a revised fiscal note.
2. Comments or recommendations?

TIMELY RETURN OF THIS INFORMATION IS REQUESTED. HOWEVER,
IF ADDITIONAL PREPARATION TIME IS REQUIRED, NOTIFY OUR OFFICE
AS SOON AS POSSIBLE IN ORDER THAT DISCUSSION OF THE PROPOSED LEG-
ISLATION MAY BE RESCHEDULED TO A LATER DATE.

ATTACHMENTS: (1) FISCAL NOTE
(2) COPY OF BILL VERSION

CC: BUDGET & MANAGEMENT

STAFF COPY

Original sponsor: Rules Committee by
request of the Governor

Offered: 5/2/72
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 549

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for tuition grants to students
7 attending institutions of higher education in Alaska;
8 and providing for an effective date."

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

10 * Section 1. AS 14.40.751 is amended to read:

11 ARTICLE 9. SCHOLARSHIP LOANS AND TUITION GRANTS.

12 Sec. 14.40.751. LOAN AND TUITION FUNDS [FUND] CREATED. (a)

13 There is created a scholarship revolving loan fund as an account in
14 the general fund. The fund shall be used to make scholarship loans
15 to students selected under secs. 751 - 806 [773] of this chapter.

16 (b) There is created a tuition grant fund as an account in the
17 general fund. The fund shall be used to make tuition grants to students
18 selected under secs. 751 - 806 of this chapter.

19 * Sec. 2. AS 14.40.753(a) is amended to read:

20 (a) There is created the student loan and tuition grant selection
21 committee composed of seven members appointed by the governor. The
22 committee is composed of the commissioner of education and at least
23 one undergraduate student, one person employed as a high school coun-
24 seler, one person from a minority group and one person representing the
25 field of vocational-technical training. No member may be the president
26 or a senior administrative officer of a college or university. Members
27 serve at the pleasure of the governor. The committee shall elect its
28 chairman. The commissioner of education shall act as executive secre-
29 tary of the committee. The Department of Education is charged with

1 administering the program established by this chapter.

2 * Sec. 3. AS 14.40.755(b) is amended to read:

3 (b) A person whose loan or grant application is not recommended
4 or presented to the committee by the executive secretary may appeal
5 to the selection committee through the chairman of the committee and
6 the committee shall consider the application.

7 * Sec. 4. AS 14.40.763(f) is amended to read:

8 (f) Interest on a loan given under secs. 751 - 806 [773] of this
9 chapter is at the rate of five per cent.

10 * Sec. 5. AS 14.40 is amended by adding new sections to read:

11 Sec. 14.40.776. TUITION GRANTS. (a) The executive secretary of
12 the selection committee shall award a tuition grant to a student in
13 an amount up to the difference between (1) the cost, in a city where
14 there is both a four-year state university and a four-year private
15 university or in a city where there is both a two-year state community
16 college and a two-year private college, for the operation of the state
17 institution on a full-time student per academic year basis, and (2)
18 the tuition paid by the student at the state institution in those
19 locations, but in no case may the amount exceed \$1,400. The amount is
20 to be applied by the student toward his tuition at the private univer-
21 sity or college in which he enrolls.

22 (b) The computation of the cost for the operation of the state
23 institution on a full-time student per academic year basis under (a)
24 of this section may not include construction or capital improvement
25 costs, debt service and expenditures for research and public service
26 functions.

27 Sec. 14.40.781. LIMITATION ON GRANTS. No grants may be made
28 under sec. 776 of this chapter for any portion of tuition which would
29 otherwise be paid under the terms of a federal grant program.

1 Sec. 14.40.786. CONDITIONS OF GRANTS. (a) Proceeds from grants
2 may be used only for tuition at a college or university in Alaska
3 accredited by the Northwest Association of Secondary and Higher Schools.
4 In the event payment is made by issuing a state warrant in the amount
5 of the grant, it shall be paid to the order, jointly, of the student
6 and the private university or college in which he enrolls to ensure
7 that the grant is used solely for tuition.

8 (b) Before any funds for tuition grants are disbursed, the
9 commissioner of administration and the executive secretary of the
10 selection committee shall assure themselves that at least 22.5 per
11 cent of the annual operating budget of a private university or college
12 in which students receiving tuition grants are enrolled is funded from
13 nonpublic sources (private gifts and grants).

14 (c) No private university or college in which students receiving
15 tuition grants are enrolled may grant remission of tuition to any
16 student unless more than 22.5 per cent of its annual operating budget
17 is funded from nonpublic sources (private gifts and grants).

18 (d) No private university or college in which students receiving
19 tuition grants are enrolled may enter into contractual agreements
20 under the terms of which a student covered by the contract pays less
21 than the published tuition.

22 (e) If a student is awarded, or holds, both a scholarship loan
23 and a tuition grant under secs. 751 - 806 of this chapter, no portion
24 of the scholarship loan may be considered a grant under sec. 763(j)
25 of this chapter.

26 Sec. 14.40.791. ELIGIBILITY OF STUDENTS. A student may apply for
27 a grant under sec. 776 of this chapter if

- 28 (1) he is a resident of Alaska, and
29 (2) he is either

1 (A) accepted for admission as a full-time or part-time
2 student in an associate, baccalaureate, or graduate degree program;
3 or

4 (B) enrolled as a full-time or part-time student in an
5 associate, baccalaureate or graduate degree program.

6 Sec. 14.40.796. APPLICATION AND CERTIFICATION. Application for
7 tuition grants must be submitted to the executive secretary. The
8 application deadline for a school year is the first day of that school
9 year. The executive secretary of the selection committee may award
10 grants only after the institution of higher education has certified
11 that the student has enrolled in a full-time or part-time course of
12 study in an associate, baccalaureate or graduate degree program. The
13 selection committee shall determine the appropriate formula for award-
14 ing tuition grants to part-time students, and the committee shall be
15 guided by the provisions of sec. 776 of this chapter in making that
16 determination: the difference between (1) the cost of operation for
17 the state institution per semester credit hour and (2) the fee paid
18 by the student at the state institution per semester credit hour, but
19 not to exceed an appropriate portion of \$1,400.

20 Sec. 14.40.801. FISCAL AND BUSINESS MANAGEMENT PRACTICES. (a)
21 The executive secretary may decline to award tuition grants under
22 sec. 776 of this chapter to students attending an institution if he
23 finds that the fiscal and business management practices of the insti-
24 tution are inadequate in comparison with the practices of similar
25 institutions. However, an institution whose fiscal and business
26 management practices are found inadequate may appeal the determination
27 of the executive secretary to the selection committee through the
28 chairman of the committee.

29 (b) Private universities and colleges in which students receiving

1 tuition grants are enrolled are subject to both pre- and post-expenditure
2 audit by the Legislative Budget and Audit Committee or by the Depart-
3 ment of Administration.

4 (c) Private universities and colleges in which students receiving
5 tuition grants are enrolled and which are signatory to a consortium
6 agreement with the University of Alaska must abide by a decision
7 rendered by the Legislative Council when disagreements arise or exist
8 between the parties.

9 (d) Before any funds for tuition grants are disbursed, the
10 commissioner of administration and the executive secretary of the
11 selection committee shall determine that no student is receiving a
12 grant to pay for a required course or courses in his area of study
13 that are offered under the consortium.

14 Sec. 14.40.806. DEFINITIONS. In secs. 751 - 806 of this chapter

15 (1) "career education" means a course or program in
16 vocational-technical training or education approved by the Department
17 of Education;

18 (2) "full-time student" means a student who is enrolled and
19 is in regular attendance at classes for at least 12 semester hours of
20 credit during the semester;

21 (3) "part-time student" means a student who is enrolled and
22 is in regular attendance at classes for at least two but less than
23 twelve semester hours of credit during the semester;

24 (4) "resident" means a person domiciled in Alaska who has
25 resided in Alaska for at least two years before an application for a
26 grant or loan is made under secs. 751 - 806 of this chapter;

27 (5) "school year" means the period from September 1 of one
28 year through August 31 of the following year.

29 * Sec. 6. AS 14.40.773 is repealed.

* Sec. 7. This Act takes effect July 1, 1972.

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STAFF COPY

Original sponsor: Rules Committee by
request of the Governor

Offered: 5/2/72
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 549

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for tuition grants to students
7 attending institutions of higher education in Alaska;
8 and providing for an effective date."

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

10 * Section 1. AS 14.40.751 is amended to read:

11 ARTICLE 9. SCHOLARSHIP LOANS AND TUITION GRANTS.

12 Sec. 14.40.751. LOAN AND TUITION FUNDS [FUND] CREATED. (a)

13 There is created a scholarship revolving loan fund as an account in
14 the general fund. The fund shall be used to make scholarship loans
15 to students selected under secs. 751 - 806 [773] of this chapter.

16 (b) There is created a tuition grant fund as an account in the
17 general fund. The fund shall be used to make tuition grants to students
18 selected under secs. 751 - 806 of this chapter.

19 * Sec. 2. AS 14.40.753(a) is amended to read:

20 (a) There is created the student loan and tuition grant selection
21 committee composed of seven members appointed by the governor. The
22 committee is composed of the commissioner of education and at least
23 one undergraduate student, one person employed as a high school coun-
24 seler, one person from a minority group and one person representing the
25 field of vocational-technical training. No member may be the president
26 or a senior administrative officer of a college or university. Members
27 serve at the pleasure of the governor. The committee shall elect its
28 chairman. The commissioner of education shall act as executive secre-
29 tary of the committee. The Department of Education is charged with

1 administering the program established by this chapter.

2 * Sec. 3. AS 14.40.755(b) is amended to read:

3 (b) A person whose loan or grant application is not recommended
4 or presented to the committee by the executive secretary may appeal
5 to the selection committee through the chairman of the committee and
6 the committee shall consider the application.

7 * Sec. 4. AS 14.40.763(f) is amended to read:

8 (f) Interest on a loan given under secs. 751 - 806 [773] of this
9 chapter is at the rate of five per cent.

10 * Sec. 5. AS 14.40 is amended by adding new sections to read:

11 Sec. 14.40.776. TUITION GRANTS. (a) The executive secretary of
12 the selection committee shall award a tuition grant to a student in
13 an amount up to the difference between (1) the cost, in a city where
14 there is both a four-year state university and a four-year private
15 university or in a city where there is both a two-year state community
16 college and a two-year private college, for the operation of the state
17 institution on a full-time student per academic year basis, and (2)
18 the tuition paid by the student at the state institution in those
19 locations, but in no case may the amount exceed \$1,400. The amount is
20 to be applied by the student toward his tuition at the private univer-
21 sity or college in which he enrolls.

22 (b) The computation of the cost for the operation of the state
23 institution on a full-time student per academic year basis under (a)
24 of this section may not include construction or capital improvement
25 costs, debt service and expenditures for research and public service
26 functions.

27 Sec. 14.40.781. LIMITATION ON GRANTS. No grants may be made
28 under sec. 776 of this chapter for any portion of tuition which would
29 otherwise be paid under the terms of a federal grant program.

1 Sec. 14.40.786. CONDITIONS OF GRANTS. (a) Proceeds from grants
2 may be used only for tuition at a college or university in Alaska
3 accredited by the Northwest Association of Secondary and Higher Schools.
4 In the event payment is made by issuing a state warrant in the amount
5 of the grant, it shall be paid to the order, jointly, of the student
6 and the private university or college in which he enrolls to ensure
7 that the grant is used solely for tuition.

8 (b) Before any funds for tuition grants are disbursed, the
9 commissioner of administration and the executive secretary of the
10 selection committee shall assure themselves that at least 22.5 per
11 cent of the annual operating budget of a private university or college
12 in which students receiving tuition grants are enrolled is funded from
13 nonpublic sources (private gifts and grants). Determination of the
14 required 22.5 per cent funding from nonpublic sources shall be made by
15 the commissioner and executive secretary as of July 1, 1973, and as of
16 July 1, for each succeeding year.

17 *am*
18 (c) No private university or college in which students receiving
19 tuition grants are enrolled may grant remission of tuition to any
20 student unless more than 22.5 per cent of its annual operating budget
21 is funded from nonpublic sources (private gifts and grants). The 22.5
22 per cent funding from nonpublic sources shall apply as of July 1, 1973,
23 and as of July 1, for each succeeding year.

24 (d) No private university or college in which students receiving
25 tuition grants are enrolled may enter into contractual agreements
26 under the terms of which a student covered by the contract pays less
27 than the published tuition.

28 (e) If a student is awarded, or holds, both a scholarship loan
29 and a tuition grant under secs. 751 - 806 of this chapter, no portion
of the scholarship loan may be considered a grant under sec. 763(J)

1 of this chapter.

2 Sec. 14.40.791. ELIGIBILITY OF STUDENTS. A student may apply for
3 a grant under sec. 776 of this chapter if

4 (1) he is a resident of Alaska, and

5 (2) he is either

6 (A) accepted for admission as a full-time or part-time
7 student in an associate, baccalaureate, or graduate degree program;
8 or

9 (B) enrolled as a full-time or part-time student in an
10 associate, baccalaureate or graduate degree program.

11 Sec. 14.40.796. APPLICATION AND CERTIFICATION. Application for
12 tuition grants must be submitted to the executive secretary. The
13 application deadline for a school year is the first day of that school
14 year. The executive secretary of the selection committee may award
15 grants only after the institution of higher education has certified
16 that the student has enrolled in a full-time or part-time course of
17 study in an associate, baccalaureate or graduate degree program. The
18 selection committee shall determine the appropriate formula for award-
19 ing tuition grants to part-time students, and the committee shall be
20 guided by the provisions of sec. 776 of this chapter in making that
21 determination: the difference between (1) the cost of operation for
22 the state institution per semester credit hour and (2) the fee paid
23 by the student at the state institution per semester credit hour, but
24 not to exceed an appropriate portion of \$1,400.

25 Sec. 14.40.801. FISCAL AND BUSINESS MANAGEMENT PRACTICES. (a)
26 The executive secretary may decline to award tuition grants under
27 sec. 776 of this chapter to students attending an institution if he
28 finds that the fiscal and business management practices of the insti-
29 tution are inadequate in comparison with the practices of similar

1 institutions. However, an institution whose fiscal and business
2 management practices are found inadequate may appeal the determination
3 of the executive secretary to the selection committee through the
4 chairman of the committee.

5 (b) Private universities and colleges in which students receiving
6 tuition grants are enrolled are subject to both pre- and post-expenditure
7 audit by the Legislative Budget and Audit Committee or by the Depart-
8 ment of Administration.

9 (c) Private universities and colleges in which students receiving
10 tuition grants are enrolled and which are signatory to a consortium
11 agreement with the University of Alaska must abide by a decision
12 rendered by the Legislative Council when disagreements arise or exist
13 between the parties.

14 (d) Before any funds for tuition grants are disbursed, the
15 commissioner of administration and the executive secretary of the
16 selection committee shall determine that no student is receiving a
17 grant to pay for a required course or courses in his area of study
18 that are offered under the consortium.

19 Sec. 14.40.806. DEFINITIONS. In secs. 751 - 806 of this chapter

20 (1) "career education" means a course or program in
21 vocational-technical training or education approved by the Department
22 of Education;

23 (2) "full-time student" means a student who is enrolled and
24 is in regular attendance at classes for at least 12 semester hours of
25 credit during the semester;

26 (3) "part-time student" means a student who is enrolled and
27 is in regular attendance at classes for at least two but less than
28 twelve semester hours of credit during the semester;

29 (4) "resident" means a person domiciled in Alaska who has

1 resided in Alaska for at least two years before an application for a
2 grant or loan is made under sec. 751 - 806 of this chapter;

3 (5) "school year" means the period from September 1 of one
4 year through August 31 of the following year.

5 * Sec. 6. AS 14.40.773 is repealed.

6 * Sec. 7. This Act takes effect July 1, 1972.

Original sponsor: Rules Committee by request
of the Governor

Offered: 3/20/72
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, WELFARE AND
EDUCATION COMMITTEE

2

CS FOR HOUSE BILL NO. 549

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act providing for tuition grants to students

7

attending institutions of higher education in Alaska;

8

and providing for an effective date."

9

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

10

* Section 1. AS 14.40.751 is amended to read:

11

ARTICLE 9. SCHOLARSHIP LOANS AND TUITION GRANTS.

12

Sec. 14.40.751. LOAN AND TUITION FUND CREATED. There is created

13

a scholarship revolving loan and tuition grant fund as an account in

14

the general fund. The fund shall be used to make scholarship loans

15

to students selected under secs. 751 - 771 [773] of this chapter

16

and to make tuition grants to eligible students under secs. 801 - 835

17

of this chapter.

18

* Sec. 2. AS 14.40.753(a) is amended to read:

19

(a) There is created the student loan and tuition grant selection

20

committee composed of seven members appointed by the governor. The

21

committee is composed of the commissioner of education and at least

22

one undergraduate student, one person employed as a high school coun-

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selor, one person from a minority group and one person representing the

24

field of vocational-technical training. No member may be the president

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or a senior administrative officer of a college or university. Members

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serve at the pleasure of the governor. The committee shall elect its

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chairman. The commissioner of education shall act as executive secre-

28

tary of the committee. The Department of Education is charged with

29

administering the program established by this chapter.

1 * Sec. 3. AS 14.40.753 is amended by adding a new subsection to read:

2 (e) The selection committee shall decide for each school year
3 what portion of available appropriations to the scholarship revolving
4 loan and tuition grant fund may be used for scholarship loans and what
5 portion may be used for tuition grants.

6 * Sec. 4. AS 14.40.755(b) is amended to read:

7 (b) A person whose loan or grant application is not recommended or pre-
8 sented to the committee by the executive secretary may appeal to the
9 selection committee through the chairman of the committee and the com-
10 mittee shall consider the application.

11 * Sec. 5. AS 14.40.763(f) is amended to read:

12 (f) Interest on a loan given under secs. 751 - 771 [773] of this
13 chapter is at the rate of five per cent.

14 * Sec. 6. AS 14.40 is amended by adding new sections to read:

15 Sec. 14.40.801. TUITION GRANTS. The executive secretary of the
16 selection committee shall award a tuition grant to a student in an
17 amount up to the difference between (1) the cost, in a city where
18 there is both a four-year state university and a four-year private
19 university or in a city where there is both a two-year state community
20 college and a two-year private college, for the operation of the state
21 institution on a full-time student per academic year basis, and (2)
22 the tuition paid by the student at the state institution in those
23 locations. This amount is to be applied by the student toward his
24 tuition at the private university or college in which he enrolls.

25 Sec. 14.40.805. LIMITATION ON GRANTS. No grants may be made
26 under sec. 801 of this chapter for any portion of tuition which would
27 otherwise be paid under the terms of a federal grant program.

28 Sec. 14.40.811. CONDITIONS OF GRANTS. Proceeds from grants may
29 be used only for tuition at a college or university in Alaska accredited

1 by the Northwest Association of Secondary and Higher Schools.

2 Sec. 14.40.815. ELIGIBILITY OF STUDENTS. A student may apply for
3 a grant under sec. 801 of this chapter if

4 (1) he is a resident of Alaska, and

5 (2) he is either

6 (A) accepted for admission as a full-time or part-time
7 student in an associate, baccalaureate, or graduate degree program;
8 or

9 (B) enrolled as a full-time or part-time student in an
10 associate, baccalaureate or graduate degree program.

11 Sec. 14.40.821. APPLICATION AND CERTIFICATION. Application for
12 tuition grants must be submitted to the executive secretary. The
13 application deadline for a school year is the first day of that school
14 year. The executive secretary of the selection committee may award
15 grants only after the institution of higher education has certified
16 that the student has enrolled in a full-time or part-time course of
17 study in an associate, baccalaureate or graduate degree program. The
18 selection committee shall determine the appropriate formula for award-
19 ing tuition grants to part-time students, and the committee shall be
20 guided by the provisions of sec. 801 of this chapter in making that
21 determination: the difference between (1) the cost of operation for the
22 state institution per semester credit hour and (2) the fee paid by
23 the student at the state institution per semester credit hour.

24 Sec. 14.40.831. FISCAL AND BUSINESS MANAGEMENT PRACTICES. The
25 executive secretary may decline to award tuition grants under sec. 801
26 of this chapter to students attending an institution if he finds that
27 the fiscal and business management practices of the institution are
28 inadequate in comparison with the practices of similar institutions.
29 However, an institution whose fiscal and business management practices

1 are found inadequate may appeal the determination of the executive
2 secretary to the selection committee through the chairman of the
3 committee.

4 Sec. 14.40.835. DEFINITIONS. In secs. 751 - 835 of this chapter

5 (1) "career education" means a course or program in
6 vocational-technical training or education approved by the Department
7 of Education;

8 (2) "full-time student" means a student who is enrolled and
9 is in regular attendance at classes for at least 12 semester hours of
10 credit during the semester;

11 (3) "part-time student" means a student who is enrolled and
12 is in regular attendance at classes for at least two but less than
13 twelve semester hours of credit during the semester;

14 (4) "resident" means a person domiciled in Alaska who has
15 resided in Alaska for at least one year before an application for a
16 grant or loan is made under secs. 751 - 835 of this chapter;

17 (5) "school year" means the period from September 1 of one
18 year through August 31 of the following year.

19 * Sec. 7. AS 14.40.773 is repealed.

20 * Sec. 8. This Act takes effect July 1, 1972.



RECORDS



CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James D. Smith
Signature of Camera Operator

4/4/89
Date



SHELDON JACKSON COLLEGE

P. O. BOX 479
SITKA, ALASKA 99835

June 5, 1972

The Honorable George H. Hohman
Alaska State Representative
Pouch "V" State Capitol Building
Juneau, Alaska 99801

Dear Mr. Hohman:

The Committee's substitute for HB-549 has been analysed by us. Certain provisions of the Bill, we feel, make it unworkable. A memorandum to you from the administration and the Board of Trustees of Alaska Methodist University expressed concern about the Bill with which we concur. In addition, we would like to address ourselves to some overall implications which seem to emerge from this legislation.

Before proceeding, however, I would like to commend all of the members of the State Legislature very sincerely, and particularly - the members of the Legislative Subcommittee on Higher Education - for your consistent concern and the obviously long, long hours of discussion, thought and committee action devoted to preserving the dual system of higher education in Alaska. Although your efforts have been centered in saving Alaska Methodist University, your plans and legislation have obviously had the future definitely in mind. Again, I commend you and your original efforts to solve a problem which is crucial to not only us but to all fifty states and the Federal Government as well.

We would like to make a couple of general statements:

1. The Committee's substitute for HB-549 and all the preceding Bills presented to the Legislature this year have not, we believe, been written with students in mind. The fact that the Legislators felt the necessity to build institutional regulations into this legislation indicates that somehow they feel Tuition Grants are primarily in effect institution subsidies which they are not. Obviously, it is of utmost importance to have strict accountability of the use of State funds. However, the principle of Tuition Subsidy is THAT ALASKAN STUDENTS DESERVE A CHOICE FOR HIGHER EDUCATION IN ALASKA. This basic principle of government subsidy for providing a choice in higher education has been established in the past through the World War II GI Bill. Under the GI Bill, students had an option to choose an educational program on the merits and quality of the program and not upon the differential cost factors that exist between the heavily subsidized public institutions and the private sector. The cost differential between public and private institutions really, for all intents and purposes, gives most students no choice at all - they choose the highly subsidized public university.

A Tuition Subsidy given to students effect the private institution only indirectly in the sense that the private college or university is able to compete more favorably in recruiting students against the higher subsidized university.

Substitution for HB-549
June 5, 1972
Page 2

2. One specific comment regarding the required 22.5% of funding from non-public sources specifically designated gifts and grants. If our interpretation is correct that this requirement refers specifically to the operational budget income excluding student tuition, auxiliary services, contractual services with the State and/or the Federal Government and Federal or State grants or Loans, Veterans Benefits, etc., Sheldon Jackson College could not qualify, and we doubt very much whether Alaska Methodist University could.

In fact, it is highly improbable that any private college or university in the United States could qualify under the 22.5% stipulation. The President of a midwestern college told us of a survey which indicated that the best private colleges in the United States can reach 15%, but most colleges are in the range of only 5-10%.

As I mentioned earlier, the concept of subsidy is not new. Every student is attracted to the University of Alaska or one of the branches of the U of A because of the lower tuition they offer. The student actually has his school costs underwritten by State funds given directly to the University. Theoretically, HB-599 was conceived to enable Alaskan students to have this same benefit at private colleges in the State. However, the institutional regulations inserted in the current version of the Bill disqualify Sheldon Jackson College and probably Alaska Methodist University. The Bill is, therefore, self-defeating.

In the light of this development, it seems to us that the Legislators need to examine their objectives. Does the State of Alaska and those responsible - most probably the State Legislature - really intend to support the idea of giving students a choice? If not, the forced choice which will result, as we see it, is (1) to go to the University of Alaska; (2) to leave the State; (3) or don't go to college at all.

Already, about 50% of Alaska's college bound youth go to the South 48. Many do not return. Is that what we all want? I think not. There is no reason why all of those college students who do not wish to attend the University of Alaska or one of the U of A branches or community colleges should leave the State. There are some who suggest, however, that board should go to all students who want to go South to school to exercise their option in higher education. This, we feel, would significantly increase the flow of students out of the State even from the University of Alaska.

We believe in Tuition Subsidy directly to the students and in the American tradition of freedom of choice and the need to have competition among institutions to insure quality and efficient instruction.

A million dollars a year might adequately fund such a program.

Sincerely,


Orin R. Stratton
President

Committee Report

3/20/72

HOUSE OF REPRESENTATIVES

May 7, 1972

Date

Mr. Speaker

The Committee on FINANCE has had CSHB 549

under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____ and that CS for _____ do pass
- (and) recommends it be referred to the _____ committee
- reports it back without recommendation
- (other) for D. 640 and that Finance Committee Subcommittees be reported back without recommendation.

MEMBERS SIGNING THE MAJORITY REPORT:

<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

<u>[Signature]</u>	recommends:	<u>No Rec</u>
<u>[Signature]</u>	recommends:	<u>Not Rec</u>
<u>[Signature]</u>	recommends:	<u>[Signature]</u>
_____	recommends:	_____
_____	recommends:	_____

CHAIRMAN

Introduced: 1/24/72
Referred: Health, Welfare &
Education and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 549

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for tuition grants to students
7 attending institutions of higher education in Alaska."

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9 * Section 1. AS 14.40.751 is amended to read:

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11 Sec. 14.40.751. LOAN AND TUITION FUND CREATED. There is created
12 a scholarship revolving loan and tuition grant fund as an account in
13 the general fund. The fund shall be used to make scholarship loans
14 to students selected under secs. 751 - 771 [773] of this chapter
15 and to make tuition grants to eligible students under secs. 801 - 835
16 of this chapter.

17 * Sec. 2. AS 14.40.753 is amended by adding a new subsection to read:

18 (e) The selection committee shall decide for each school year
19 what portion of available appropriations to the scholarship revolving
20 loan and tuition grant fund may be used for scholarship loans and
21 what portion may be used for tuition grants.

22 * Sec. 3. AS 14.40.755(b) is amended to read:

23 (b) A person whose loan application is not recommended or
24 presented to the committee by the executive secretary may appeal to
25 the selection committee through the chairman of the committee and the
26 committee shall consider the application.

27 * Sec. 4. AS 14.40.763(f) is amended to read:

28 (f). Interest on a loan given under secs. 751 - 771 [773] of
29 this chapter is at the rate of five per cent.

1 * Sec. 5. AS 14.40.773 is repealed.

2 * Sec. 6. AS 14.40 is amended by adding new sections to read:

3 Sec. 14.40.801. TUITION GRANTS. The executive secretary of the
4 selection committee shall award tuition grants in the amount of tuition
5 less the amount of \$600 to eligible students attending qualified
6 institutions of higher education in Alaska subject to the availability
7 of funds allocated by the student loan selection committee. The
8 maximum tuition grant which may be made during any one school year to
9 a full time student enrolled in an associate degree program is \$600.
10 The maximum tuition grant which may be made during any one school year
11 to a full time student enrolled in a baccalaureate or graduate degree
12 program is \$1,400.

13 Sec. 14.40.805. LIMITATION ON GRANTS. No grants may be made
14 under sec. 801 of this chapter for any portion of tuition which would
15 otherwise be paid under the terms of a federal grant program.

16 Sec. 14.40.811. CONDITIONS OF GRANTS. Proceeds from grants may
17 be only used for tuition at a college or university in Alaska
18 accredited by the Northwest Association of Secondary and Higher Schools.

19 Sec. 14.40.815. ELIGIBILITY OF STUDENTS. A student may apply for
20 a grant under sec. 801 of this chapter if

21 (1) he is a resident of Alaska and

22 (2) he is either

23 (A) enrolled as a full time student in an associate,
24 baccalaureate, or graduate degree program; or

25 (B) accepted for enrollment as a full time student in
26 an associate, baccalaureate or graduate degree program.

27 Sec. 14.40.821. APPLICATION AND CERTIFICATION. Application for
28 tuition grants must be submitted to the executive secretary. The
29 application deadline for a school year is the first day of that

1 school year. The executive secretary of the selection committee may
2 award grants only after the institution of higher education has
3 certified that the student has enrolled in a full time course of study
4 in an associate, baccalaureate or graduate degree program.

5 Sec. 14.40.825. PREFERENCE IN AWARD OF GRANTS. If the funds
6 allocated by the student loan selection committee are insufficient to
7 make the authorized tuition grants to all eligible students, grants
8 shall first be made to all eligible veterans. If the funds allocated
9 are insufficient to make authorized tuition grants to all eligible
10 veterans, the grants shall be made on a pro rata basis to the eligible
11 veterans. If the grants are sufficient to make grants to all eligible
12 veterans but insufficient to make the authorized tuition grants to
13 other eligible students, the grants shall be made to the other
14 eligible students on a pro rata basis after the authorized grants to
15 the veterans are made. Grants of less than the amount authorized by
16 sec. 801 of this chapter may be supplemented if additional funds are
17 allocated to make tuition grants.

18 Sec. 14.40.831. BUDGETING AND ACCOUNTING REQUIREMENTS. The
19 executive secretary may decline to award tuition grants under sec.
20 801 of this chapter to students attending an institution if he finds
21 that the budgeting and accounting practices of the institution are
22 inadequate in comparison with the practices of similar institutions.

23 Sec. 14.40.835. DEFINITIONS. In secs. 751 - 835 of this chapter

24 (1) "career education" means a course or program in
25 vocational-technical training or education approved by the Department
26 of Education;

27 (2) "full time student" means a student who is enrolled and
28 is in regular attendance at classes for at least 12 semester hours of
29 credit during the semester;

1 (4) "resident" means a person domiciled in Alaska who has
2 resided in Alaska for at least two years before an application for a
3 grant or loan is made under secs. 751 - 835 of this chapter;

4 (5) "school year" means the period from September 1 of one
5 year through August 31 of the following year;

6 (6) "veterans" means persons who served in the armed forces
7 of the United States for 90 days or more, or whose service was for less
8 than 90 days because of injury or disability incurred in the line of
9 duty who were separated from the armed forces with a discharge other
10 than dishonorable and active members of the Alaska National Guard who
11 completed the initial voluntary enlistment period which fulfills the
12 mandatory requirement for military service under the Military Selective
13 Service Act (50 U.S.C. App., secs. 451 - 456 and 458 - 471).

Introduced: 2/9/72
Referred: Health, Welfare &
Education and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY REQUEST
OF THE LEGISLATIVE COUNCIL

2 HOUSE BILL NO. 608

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for tuition grants to students
7 attending institutions of higher education in Alaska."

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

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11 Sec. 14.40.751. LOAN AND TUITION FUND CREATED. There is created
12 a scholarship revolving loan and tuition grant fund as an account in
13 the general fund. The fund shall be used to make scholarship loans
14 to students selected under secs. 751 - 771 [773] of this chapter
15 and to make tuition grants to eligible students under secs. 801 - 835
16 of this chapter.

17 * Sec. 2. AS 14.40.753 is amended by adding a new subsection to read:

18 (e) The selection committee shall decide for each school year
19 what portion of available appropriations to the scholarship revolving
20 loan and tuition grant fund may be used for scholarship loans and
21 what portion may be used for tuition grants.

22 * Sec. 3. AS 14.40.755(b) is amended to read:

23 (b) A person whose loan application is not recommended or
24 presented to the committee by the executive secretary may appeal to
25 the selection committee through the chairman of the committee and the
26 committee shall consider the application.

27 * Sec. 4. AS 14.40.763(f) is amended to read:

28 (f) Interest on a loan given under secs. 751 - 771 [773] of
29 this chapter is at the rate of five per cent.

1 * Sec. 5. AS 14.40.773 is repealed.

2 * Sec. 6. AS 14.40 is amended by adding new sections to read:

3 Sec. 14.40.801. TUITION GRANTS. The executive secretary of the
4 selection committee shall award a tuition grant to a student in an
5 amount up to the difference between (1) the cost in a city where
6 there is both a four-year state university and a four-year private
7 university or in a city where there is both a two-year state community
8 college and a two-year private college for the operation of the state
9 institution on a full-time student per academic year basis, and (2) the
10 tuition paid by the student at the state institution in those loca-
11 tions. This amount is to be applied by the student toward his tuition
12 at the private university or college in which he enrolls.

13 Sec. 14.40.805. LIMITATION ON GRANTS. No grants may be made
14 under sec. 801 of this chapter for any portion of tuition which would
15 otherwise be paid under the terms of a federal grant program.

16 Sec. 14.40.811. CONDITIONS OF GRANTS. Proceeds from grants may
17 be only used for tuition at a college or university in Alaska
18 accredited by the Northwest Association of Secondary and Higher Schools

19 Sec. 14.40.815. ELIGIBILITY OF STUDENTS. A student may apply for
20 a grant under sec. 801 of this chapter if

21 (1) he is a resident of Alaska and

22 (2) he is either

23 (A) enrolled as a full-time student in an associate,
24 baccalaureate, or graduate degree program; or

25 (B) accepted for enrollment as a full-time student in
26 an associate, baccalaureate or graduate degree program.

27 Sec. 14.40.821. APPLICATION AND CERTIFICATION. Application for
28 tuition grants must be submitted to the executive secretary. The
29 application deadline for a school year is the first day of that

1 school year. The executive secretary of the selection committee may
2 award grants only after the institution of higher education has
3 certified that the student has enrolled in a full-time course of study
4 in an associate, baccalaureate or graduate degree program.

5 Sec. 14.40.825. PREFERENCE IN AWARD OF GRANTS. If the funds
6 allocated by the student loan selection committee are insufficient to
7 make the authorized tuition grants to all eligible students, grants
8 shall first be made to all eligible veterans. If the funds allocated
9 are insufficient to make authorized tuition grants to all eligible
10 veterans, the grants shall be made on a pro rata basis to the eligible
11 veterans. If the grants are sufficient to make grants to all eligible
12 veterans but insufficient to make the authorized tuition grants to
13 other eligible students, the grants shall be made to the other
14 eligible students on a pro rata basis after the authorized grants to
15 the veterans are made. Grants of less than the amount authorized by
16 sec. 801 of this chapter may be supplemented if additional funds are
17 allocated to make tuition grants.

18 Sec. 14.40.831. BUDGETING AND ACCOUNTING REQUIREMENTS. The
19 executive secretary may decline to award tuition grants under sec. 801
20 of this chapter to students attending an institution if he finds that
21 the budgeting and accounting practices of the institution are inadequate
22 in comparison with the practices of similar institutions.

23 Sec. 14.40.835. DEFINITIONS. In secs. 751 - 835 of this chapter

24 (1) "career education" means a course or program in
25 vocational-technical training or education approved by the Department
26 of Education;

27 (2) "full-time student" means a student who is enrolled and
28 is in regular attendance at classes for at least 12 semester hours of
29 credit during the semester;

1 (4) "resident" means a person domiciled in Alaska who has
2 resided in Alaska for at least one year before an application for a
3 grant or loan is made under secs. 751 - 835 of this chapter;

4 (5) "school year" means the period from September 1 of one
5 year through August 31 of the following year;

6 (6) "veterans" means persons who served in the armed forces
7 of the United States for 90 days or more, or whose service was for less
8 than 90 days because of injury or disability incurred in the line of
9 duty who were separated from the armed forces with a discharge other
10 than dishonorable and active members of the Alaska National Guard who
11 completed the initial voluntary enlistment period which fulfills the
12 mandatory requirement for military service under the Military Selective
13 Service Act (50 U.S.C. App., secs. 451 - 456 and 458 - 471).

Original sponsor: Rules Committee by
request of the Governor

Offered: 5/2/72
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 549

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for tuition grants to students
7 attending institutions of higher education in Alaska;
8 and providing for an effective date."

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

10 * Section 1. AS 14.40.751 is amended to read:

11 ARTICLE 9. SCHOLARSHIP LOANS AND TUITION GRANTS.

12 Sec. 14.40.751. LOAN AND TUITION FUNDS [FUND] CREATED. (a)

13 There is created a scholarship revolving loan fund as an account in
14 the general fund. The fund shall be used to make scholarship loans
15 to students selected under secs. 751 - 806 [773] of this chapter.

16 (b) There is created a tuition grant fund as an account in the
17 general fund. The fund shall be used to make tuition grants to students
18 selected under secs. 751 - 806 of this chapter.

19 * Sec. 2. AS 14.40.753(a) is amended to read:

20 (a) There is created the student loan and tuition grant selection
21 committee composed of seven members appointed by the governor. The
22 committee is composed of the commissioner of education and at least
23 one undergraduate student, one person employed as a high school coun-
24 seler, one person from a minority group and one person representing the
25 field of vocational-technical training. No member may be the president
26 or a senior administrative officer of a college or university. Members
27 serve at the pleasure of the governor. The committee shall elect its
28 chairman. The commissioner of education shall act as executive secre-
29 tary of the committee. The Department of Education is charged with

1 administering the program established by this chapter.

2 * Sec. 3. AS 14.40.755(b) is amended to read:

3 (b) A person whose loan or grant application is not recommended
4 or presented to the committee by the executive secretary may appeal
5 to the selection committee through the chairman of the committee and
6 the committee shall consider the application.

7 * Sec. 4. AS 14.40.763(f) is amended to read:

8 (f) Interest on a loan given under secs. 751 - 806 [773] of this
9 chapter is at the rate of five per cent.

10 * Sec. 5. AS 14.40 is amended by adding new sections to read:

11 Sec. 14.40.776. TUITION GRANTS. (a) The executive secretary of
12 the selection committee shall award a tuition grant to a student in
13 an amount up to the difference between (1) the cost, in a city where
14 there is both a four-year state university and a four-year private
15 university or in a city where there is both a two-year state community
16 college and a two-year private college, for the operation of the state
17 institution on a full-time student per academic year basis, and (2)
18 the tuition paid by the student at the state institution in those
19 locations, but in no case may the amount exceed \$1,400. The amount is
20 to be applied by the student toward his tuition at the private univer-
21 sity or college in which he enrolls.

22 (b) The computation of the cost for the operation of the state
23 institution on a full-time student per academic year basis under (a)
24 of this section may not include construction or capital improvement
25 costs, debt service and expenditures for research and public service
26 functions.

27 Sec. 14.40.781. LIMITATION ON GRANTS. No grants may be made
28 under sec. 776 of this chapter for any portion of tuition which would
29 otherwise be paid under the terms of a federal grant program.

1 Sec. 14.40.786. CONDITIONS OF GRANTS. (a) Proceeds from grants
2 may be used only for tuition at a college or university in Alaska
3 accredited by the Northwest Association of Secondary and Higher Schools.
4 In the event payment is made by issuing a state warrant in the amount
5 of the grant, it shall be paid to the order, jointly, of the student
6 and the private university or college in which he enrolls to ensure
7 that the grant is used solely for tuition.

8 (b) Before any funds for tuition grants are disbursed, the
9 commissioner of administration and the executive secretary of the
10 selection committee shall assure themselves that at least 22.5 per
11 cent of the annual operating budget of a private university or college
12 in which students receiving tuition grants are enrolled is funded from
13 nonpublic sources (private gifts and grants). Determination of the
14 required 22.5 per cent funding from nonpublic sources shall be made by
15 the commissioner and executive secretary as of July 1, 1973, and as of
16 July 1, for each succeeding year.

17 (c) No private university or college in which students receiving
18 tuition grants are enrolled may grant remission of tuition to any
19 student unless more than 22.5 per cent of its annual operating budget
20 is funded from nonpublic sources (private gifts and grants). The 22.5
21 per cent funding from nonpublic sources shall apply as of July 1, 1973,
22 and as of July 1, for each succeeding year.

23 (d) No private university or college in which students receiving
24 tuition grants are enrolled may enter into contractual agreements
25 under the terms of which a student covered by the contract pays less
26 than the published tuition.

27 (e) If a student is awarded, or holds, both a scholarship loan
28 and a tuition grant under secs. 751 - 806 of this chapter, no portion
29 of the scholarship loan may be considered a grant under sec. 763(j)

1 of this chapter.

2 Sec. 14.40.791. ELIGIBILITY OF STUDENTS. A student may apply for
3 a grant under sec. 776 of this chapter if

4 (1) he is a resident of Alaska, and

5 (2) he is either

6 (A) accepted for admission as a full-time or part-time
7 student in an associate, baccalaureate, or graduate degree program;
8 or

9 (B) enrolled as a full-time or part-time student in an
10 associate, baccalaureate or graduate degree program.

11 Sec. 14.40.796. APPLICATION AND CERTIFICATION. Application for
12 tuition grants must be submitted to the executive secretary. The
13 application deadline for a school year is the first day of that school
14 year. The executive secretary of the selection committee may award
15 grants only after the institution of higher education has certified
16 that the student has enrolled in a full-time or part-time course of
17 study in an associate, baccalaureate or graduate degree program. The
18 selection committee shall determine the appropriate formula for award-
19 ing tuition grants to part-time students, and the committee shall be
20 guided by the provisions of sec. 776 of this chapter in making that
21 determination: the difference between (1) the cost of operation for
22 the state institution per semester credit hour and (2) the fee paid
23 by the student at the state institution per semester credit hour, but
24 not to exceed an appropriate portion of \$1,400.

25 Sec. 14.40.801. FISCAL AND BUSINESS MANAGEMENT PRACTICES. (a)
26 The executive secretary may decline to award tuition grants under
27 sec. 776 of this chapter to students attending an institution if he
28 finds that the fiscal and business management practices of the insti-
29 tution are inadequate in comparison with the practices of similar

1 institutions. However, an institution whose fiscal and business
2 management practices are found inadequate may appeal the determination
3 of the executive secretary to the selection committee through the
4 chairman of the committee.

5 (b) Private universities and colleges in which students receiving
6 tuition grants are enrolled are subject to both pre- and post-expenditure
7 audit by the Legislative Budget and Audit Committee or by the Depart-
8 ment of Administration.

9 (c) Private universities and colleges in which students receiving
10 tuition grants are enrolled and which are signatory to a consortium
11 agreement with the University of Alaska must abide by a decision
12 rendered by the Legislative Council when disagreements arise or exist
13 between the parties.

14 (d) Before any funds for tuition grants are disbursed, the
15 commissioner of administration and the executive secretary of the
16 selection committee shall determine that no student is receiving a
17 grant to pay for a required course or courses in his area of study
18 that are offered under the consortium.

19 Sec. 14.40.806. DEFINITIONS. In secs. 751 - 806 of this chapter

20 (1) "career education" means a course or program in
21 vocational-technical training or education approved by the Department
22 of Education;

23 (2) "full-time student" means a student who is enrolled and
24 is in regular attendance at classes for at least 12 semester hours of
25 credit during the semester;

26 (3) "part-time student" means a student who is enrolled and
27 is in regular attendance at classes for at least two but less than
28 twelve semester hours of credit during the semester;

29 (4) "resident" means a person domiciled in Alaska who has

1 resided in Alaska for at least two years before an application for a
2 grant or loan is made under secs. 751 - 806 of this chapter;

3 (5) "school year" means the period from September 1 of one
4 year through August 31 of the following year.

5 * Sec. 6. AS 14.40.773 is repealed.

6 * Sec. 7. This Act takes effect July 1, 1972.

HB-549

UNIVERSITY OF ALASKA
COLLEGE, ALASKA 99701

April 17, 1972

Senator Terry Miller
Pouch V
State Capitol
Juneau, AK 99801

Dear Senator Miller:

I'd like to take just a few moments of your time to comment on the proposed Tuition Equalization Plan and register my objections to it in its present form. It seems that many people are stating that this is not a form of providing aid to the private schools in Alaska but rather direct aid to students. If it were truly this--direct aid to students, I feel that I could at least accept and probably even support such a provision.

However, I think those who make this claim are attempting to cloak the real issues. As I understand this proposed program, tuition assistance would be granted only to students attending either Alaska Methodist University or Sheldon Jackson College. If this is the case, it appears that students going "outside" to attend college are still discriminated against. In some cases, students must leave the state in order to obtain the type of educational program they want because it may not be offered at any of the Alaskan institutions. Others leave because they seek a more competitive atmosphere or a broadening experience in other areas of the country. No attempt is made by the state to provide financial aid in the form of grants for these students. Thusly, it appears that the purpose of this bill would really be financial assistance to the private Alaskan colleges; otherwise, such assistance would also be available to those students who choose to go to outside schools.


Such a program of tuition assistance seems to be aimed at keeping students in the state. This is a type of inbreeding which could prove detrimental to Alaskans. Because of the remoteness of our state, I would think it particularly beneficial for those who have lived here all their lives to be exposed to other environments and educational systems. Upon their return to the state, they will have a much broader frame of reference to deal with Alaskan problems.

UNIVERSITY OF ALASKA

Senator Miller
Page Two
April 17, 1972

I do not think the tuition equalization proposal can really be considered a plan to give students freedom of choice in higher education unless it is expanded to include colleges and universities in the lower 48. If it is limited to those at Alaskan private institutions, it will be discriminatory toward many Alaskan students and in reality a means to provide financial assistance to two private colleges in particular. In this form, I would encourage its defeat. Should it be expanded to allow assistance to all Alaskan students regardless of their choice of institutions, it would be a much more viable plan and truly a form of direct aid to students which would enhance their free choice in higher education.

Sincerely,



Patrick J. O'Rourke
Project Director
UPWARD BOUND

PJO'R/bls

cc: Rep. Mike Brodner
Rep. George Holman
Rep. Gene Guess
Sen. John Butrovich



alaska methodist university

HB 549

April 16, 1972

Representative George H. Hohman
ALASKA STATE HOUSE OF REPRESENTATIVES
Pouch V
Juneau, Alaska 99801

Dear Representative Hohman:

George,
In the present crisis of higher education, I
ask your consideration of the enclosed.

The fate of Alaska's intellectual resources
is in your hands.

Respectfully,

Robert A. Frederick
Professor of History

enclosure

*Thanks for all you
keep last week, George.
The film on Ed. Howard was
most interesting. I hope your
Committee will report
CSHB 549 one for floor action.
Also SB 229.*

SOME VIEWS ON TUITION ASSISTANCE

While I was able to speak with some members of the Seventh Legislature when I was in Juneau last week, I did not have the privilege of seeing each. I therefore ask your consideration of the following since, like yours, my profession demands alternative appraisal.

In the past weeks the concept of tuition assistance to Alaskan students attending Alaska's private institutions of higher education has received discussion in your Chambers and in the public press. Several questions have been raised by legislators and doubtless by your constituents as well. Certain of these questions have received certain answers. I would like to provide a few others which ought to receive your notice and thought.

WHY SHOULD THE STATE ASSIST STUDENTS ATTENDING PRIVATE COLLEGES IN ALASKA?

There is an old maxim which reminds us that we get out of an experience what we put into it. It seems to have escaped some that the student attending a private college or university is not on the gravy train. He or she invests hundreds (thousands) of dollars in his education. Much more in amount than those students who attend public colleges. Thus, in monetary terms he brings more of his own financial resources to his college than does the student who goes to the public institution. He has a larger investment in that school. The paradox is that here in Alaska, the unit cost to the State per student is considerably larger at the Community Colleges and the University of Alaska than at the private college and university. Even if the Legislature should pass CSHB549, and provide assistance, the student will need to provide from his own pocket again at least that amount plus more. Tuition assistance does not take him off the financial hook, but it does help ease the financial burden of one who is willing to make a significant personal contribution of his own into the Alaskan educational economy. It would appear that if private donors and the State should help anyone, it were best to aid those who believe in helping themselves.

As an Alaskan taxpayer and parent, I expect to pay (with my son) for the extra expense entailed in his attending an out-of-state school while I do believe that the State may logically assist our daughter to attend AMU. I do not expect the State to underwrite support for both our children. It is their choice to attend an Alaskan or outside school. They ought to be able to understand that with a small population it makes sense for Alaskans to want Alaskan monies to remain in the state to build Alaskan institutions.

HOW CAN SHELDON JACKSON AND AMU MAKE IT WHEN COLUMBIA, HARVARD, AND STANFORD ARE HAVING A DIFFICULT TIME SURVIVING WITH THEIR HUGE ENDOWMENTS?

Sheldon Jackson and AMU have the advantage of smallness and lower per student operating costs. Smaller educational units can be more efficient and less costly than larger ones. But is fairer to say that if we value what Columbia, Harvard, and Stanford have contributed to American higher education (and it is not inconsiderable), then it is up to the imagination of our best legislators and political leaders to help assure the continued life of these extraordinary American centers of learning. On April 6th, President Nixon promised to help preserve America's private educational institutions. The President warned that the collapse of private educational units which account for 5.2 million students could saddle the American taxpayer with \$3 billion a year in operating costs and as much as \$10 billion in new school construction. On the same day, Governor Egan called for passage of the AMU land sale (HB771AM) and tuition assistance (CSHB549) for much the same reason. It would be most regrettable if these bills did not pass the Seventh Alaskan Legislature and federal assistance became available in another year--after the closing of AMU--when passage could have continued AMU's contribution to Alaskan higher education.

WON'T TUITION ASSISTANCE DESTROY THE SCHOLARSHIP LOAN PROGRAM?

Only the Legislature can destroy the Loan Program which is now operating. The loans should be available for those who choose to attend outside schools, and for those who need the loans to attend State programs.

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

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