

LEG. FINANCE - BILLS 1977 - 1978 688

CSHB 222 cont., thru CSHB 224 589

achieving the proposed objectives or whether other objectives should be adopted. The contents of the marked-up lists that were mailed back to Budget and Management by individual citizens would be tabulated, the tabulated data being made available to the individual operating agencies and the Governor's Budget Review Committee (BRC) for consideration during assembly of the Governor's budget proposal.

Shortly after publication of the list of proposed objectives in the State's newspapers, a small team (proposal is for two people) of Budget and Management personnel would hold a series of meetings in the State's population centers (Anchorage, Fairbanks, Nome, Bethel, Kodiak, Ketchikan and Juneau) for the purpose of explaining and answering questions about the array of objectives that had been published in the newspapers. This team would also solicit additional public response to the newspaper questionnaire and collect both written and verbal opinions regarding the proposed objectives.

Sometime in September, a list of prior fiscal year objective targets would be published in all of the State's newspapers so that people have an opportunity to develop a sense of the success probabilities attached to different government sponsored endeavors.

Estimated FY 78 Cost: \$288,900

B. Requirement: (AS 37.07.040(4)) ". . .all documents forwarded by the division to a state agency containing instructions for the preparation of program plans and budget requests and the reporting of program performance are public information after the date they are forwarded;"

Compliance Proposal: Copies of the preliminary budget submission instructions, the final budget submission instructions, revised program instructions, and program performance instructions would be sent to a wide array of public personalities and institutions. Examples of proposed recipients include: schools, libraries, city managers, city council members, radio stations, TV stations, public service clubs, school boards, native corporations, chambers of commerce and such individuals as may request copies. Estimate allows for 500 sets of the above listed documents to be printed and mailed.

Estimated FY 78 Cost: \$1,400

C. Requirement: (AS 44.62.310(a)) Meetings of groups, advisory or otherwise, supported in whole or in part by public money, including "any committee established or designated by the governor to review agency plans and programs and recommend program budget requests or revisions under AS 37.07.020-37.07.040" are open to the public except as otherwise specified.

Compliance Proposal: The weekly schedule of Governor's BRC hearings concerning the formulation of the Governor's budget proposal to the Legislature will be published in the State's newspapers a week in advance. The hearings will be held in facilities capable of seating a reasonable number of public observers. Such facilities may include court rooms, large conference rooms, auditoriums, etc.

Estimated FY 78 Cost: \$15,300

The new positions embodied in this proposal include:

- 2 each Program Budget Analysts IV
- 1 each Graphic Artist II (three months per year)

Less Costly Options

Significant incremental reductions in the cost of this proposal could be achieved by reducing the number of newspapers in which program objectives and results are published (reference: Requirement A above). The total estimated cost of publishing this information is based on the following schedule:

<u>Size of Newspaper</u>	<u># of Papers</u>	<u># of Pages</u>	<u>\$ per Page</u>	<u>Publications per year</u>	<u>Annual Cost</u>
Large	3 (Anch - 2, Fbx - 1)	3	550	2	\$9,900
Medium	10 (i.e., Juneau & Ketchikan)	3	790	2	47,400
Small	40	5	400	2	160,000
Total					<u>\$217,300</u>

The majority of the state's population is represented by the potential readership of only (approximately) thirteen newspapers in the large and medium size category. Deleting the cost of publishing the information in the estimated forty small newspapers would reduce the cost of the proposal by over half and still place the information at the disposal of over 75% of the state's population. This option would reduce the probability of rural Alaskans being informed about the composition of the Governor's budget proposal and the successes/failures of prior year program efforts.

Another viable option (costwise) might be to publish only the preliminary budget objectives (and not the results of prior year program efforts) in all of the State's fifty + newspapers. This would reduce the estimated publishing cost shown in the above schedule by 50% from \$217,300 to \$108,650. This option would give up the attempt to inform the State's populace of the successes and failures of government sponsored programs.

112

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 222 am

Title An Act Relating to Public Scrutiny of the Budget Formulation Process

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Governor's Office

Program Category Affected General Government

Budget Request Unit(s) Affected Budget and Management

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES		66.6	70.6	74.2	78.7	
200 TRAVEL		3.4	3.6	3.8	4.0	
300 CONTRACTUAL		235.3	249.4	264.4	280.3	
400 COMMODITIES		.5	.5	.5	.5	
500 EQUIPMENT		1.1				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		306.9	324.1	342.9	363.5	

FUNDING (Thousands of Dollars)

GENERAL FUND		306.9	324.1	342.9	363.5	
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		2	2	2	2	
PART TIME						
TEMPORARY		1	1	1	1	

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

The following paragraphs describe

the activities and cost associated with each of the several requirements levied by the proposed legislation.

A. Requirement: (AS 37.07.040(3)) "develop procedures to produce the information needed for effective policy decision making, including procedures to provide for the dissemination of information about plans, programs and program budget requests to be included in the annual budget and opportunity for public review and comment during the period of budget preparation."

Compliance Proposal: A consolidated list of 200-300 major program objectives (stated to the extent feasible in terms of proposed impact on the taxpayer/consumer) and their estimated costs, representing the essence of the preliminary version of the Governor's budget, would be published in all newspapers in the State in the early part of the summer. This listing would be constructed so as to serve as a vehicle for people to indicate their opinion as to whether or not more or less effort should be put into

(continued)

IV. DATE April 26, 1977

PREPARED BY David Bush

AGENCY Division of Budget and Management

PHONE 465-2267

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

achieving the proposed objectives or whether other objectives should be adopted. The contents of the marked-up lists that were mailed back to Budget and Management by individual citizens would be tabulated, the tabulated data being made available to the individual operating agencies and the Governor's Budget Review Committee (BRC) for consideration during assembly of the Governor's budget proposal.

Shortly after publication of the list of proposed objectives in the State's newspapers, a small team (proposal is for two people) of Budget and Management personnel would hold a series of meetings in the State's population centers (Anchorage, Fairbanks, Nome, Bethel, Kodiak, Ketchikan and Juneau) for the purpose of explaining and answering questions about the array of objectives that had been published in the newspapers. This team would also solicit additional public response to the newspaper questionnaire and collect both written and verbal opinions regarding the proposed objectives.

Sometime in September, a list of prior fiscal year objective targets would be published in all of the State's newspapers so that people have an opportunity to develop a sense of the success probabilities attached to different government sponsored endeavors.

Estimated FY 78 Cost: \$288,900

B. Requirement: (AS 37.07.040(4)) ". . . all documents forwarded by the division to a state agency containing instructions for the preparation of program plans and budget requests and the reporting of program performance are public information after the date they are forwarded;"

Compliance Proposal: Copies of the preliminary budget submission instructions, the final budget submission instructions, revised program instructions, and program performance instructions would be sent to a wide array of public personalities and institutions. Examples of proposed recipients include: schools, libraries, city managers, city council members, radio stations, TV stations, public service clubs, school boards, native corporations, chambers of commerce and such individuals as may request copies. Estimate allows for 500 sets of the above listed documents to be printed and mailed.

Estimated FY 78 Cost: \$1,400

C. Requirement: (AS 44.62.310(a)) Meetings of groups, advisory or otherwise, supported in whole or in part by public money, including "any committee established or designated by the governor to review agency plans and programs and recommend program budget requests or revisions under AS 37.07.020-37.07.040" are open to the public except as otherwise specified.

Compliance Proposal: The weekly schedule of Governor's BRC hearings concerning the formulation of the Governor's budget proposal to the Legislature will be published in the State's newspapers a week in advance. The hearings will be held in facilities capable of seating a reasonable number of public observers. Such facilities may include court rooms, large conference rooms, auditoriums, etc.

Estimated FY 78 Cost: \$15,300

The new positions embodied in this proposal include:

- 2 each Program Budget Analysts IV
- 1 each Graphic Artist II (three months per year)

Less Costly Options

Significant incremental reductions in the cost of this proposal could be achieved by reducing the number of newspapers in which program objectives and results are published (reference: Requirement A above). The total estimated cost of publishing this information is based on the following schedule:

<u>Size of Newspaper</u>	<u># of Papers</u>	<u># of Pages</u>	<u>\$ per Page</u>	<u>Publications per year</u>	<u>Annual Cost</u>
Large	3 (Anch - 2, Fbx - 1)	3	550	2	\$9,900
Medium	10 (i.e., Juneau & Ketchikan)	3	790	2	47,400
Small	40	5	400	2	160,000
Total					<u>\$217,300</u>

The majority of the state's population is represented by the potential readership of only (approximately) thirteen newspapers in the large and medium size category. Deleting the cost of publishing the information in the estimated forty small newspapers would reduce the cost of the proposal by over half and still place the information at the disposal of over 75% of the state's population. This option would reduce the probability of rural Alaskans being informed about the composition of the Governor's budget proposal and the successes/failures of prior year program efforts.

Another viable option (costwise) might be to publish only the preliminary budget objectives (and not the results of prior year program efforts) in all of the State's fifty + newspapers. This would reduce the estimated publishing cost shown in the above schedule by 50% from \$217,300 to \$108,650. This option would give up the attempt to inform the State's populace of the successes and failures of government sponsored programs.

COMMITTEE REPORT
SENATE

FURTHER: _____

Date: Aug 9 1975

Mr. President:

The Committee on Finance has had H.R. 222 public scrutiny of budget process

under consideration and (a majority of the committee) (the committee reports it back as follows)

- recommends it do pass recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with ^{Senate} CS for H.R. 222

and _____ new title same title

- AND attaches a Letter of Intent New Fiscal Note
- reports it back without recommendation
- and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Mr. [unclear]

Chairman

COMMITTEE REPORT
SENATE

FURTHER: _____

Date: May 9 1978

Mr. President:

The Committee on Finance has had HR 222 under public scrutiny of budget process

under consideration and (a majority of the committee) (the committee reports it back as follows)

() recommends it do pass () recommends it do not pass

() recommends it do pass with attached amendment(s)

(X) recommends it be replaced with ^{Letter} CS for HR 222

and _____ (X) new title () same title

() AND attaches a Letter of Intent () New Fiscal Note

() reports it back without recommendation

() and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

John Buttrick, M.P.C.

[Signature]

Chairman

COMMITTEE REPORT

SENATE

4/6/77

_____ Date

Mr. President:

The Committee on Finance has had HB 222 am
public scrutiny of budget process
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
- AND attaches a report of its intent
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends: _____
_____ recommends: _____
_____ recommends: _____

Chairman

Original sponsors: Malone and Gardiner

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR HOUSE BILL NO. 222

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to public scrutiny of the budget
7 formulation process, to the state budget, and to state
8 bonding."

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

10 * Section 1. AS 37.07.010 is amended by adding a new paragraph to read:

11 (6) public participation in the development of the annual
12 budget, including opportunity for the public to review and comment upon
13 the plans and programs of the Office of the Governor and all state
14 agencies in the executive branch, the legislature, the judicial system,
15 the University of Alaska and the public corporations of the state.

16 * Sec. 2. AS 37.07.020 is repealed and re-enacted to read:

17 Sec. 37.07.020. RESPONSIBILITIES OF THE GOVERNOR. (a) The gover-
18 nor shall prepare and submit to the legislature before the fourth legis-
19 lative day a budget for the succeeding fiscal year which shall cover all
20 estimated receipts, including all grants, loans, and money received from
21 the federal government, and all proposed expenditures of the state
22 government. The budget shall be accompanied by a general appropriation
23 bill to authorize the proposed expenditures, and a bill or bills cover-
24 ing recommendations in the budget for new or additional revenues.

25 (b) In addition to the budget and general appropriation bill, the
26 governor shall submit a capital improvements program and financial plan
27 covering the succeeding six fiscal years.

28 (c) Proposed expenditures may not exceed estimated revenues for
29 the succeeding fiscal year. The expenditures proposed in the six-year

1 capital improvements program and financial plan shall not exceed the
2 estimated revenues and bond authorizations passed and proposed.

3 * Sec. 3. AS 37.07.030 is amended to read:

4 Sec. 37.07.030. RESPONSIBILITIES OF THE LEGISLATURE. The legis-
5 lature shall

6 (1) provide for a budget review function;

7 (2) analyze the comprehensive operating and capital improve-
8 ments programs [PROGRAM] and financial plans [PLAN] recommended by the
9 governor;

10 (3) adopt legislation to authorize implementation of the
11 governor's comprehensive operating and capital improvements programs
12 [PROGRAM] and financial plans [PLAN] or appropriate alternatives to
13 those plans [THAT PLAN];

14 (4) provide for a post-audit function, to cover financial
15 transactions, program accomplishment and compliance with legislative
16 intent;

17 (5) adopt or revise the estimate or receipts required to
18 balance the succeeding fiscal year's budget in order that proposed
19 expenditures do not exceed estimated receipts for that fiscal year;

20 (6) adopt, revise, or initiate revenue measures in order to
21 balance the succeeding fiscal year's budget and the capital improvements
22 section of the budget for the succeeding six years.

23 * Sec. 4. AS 37.07.040(3),(4) and (7) are amended to read:

24 (3) develop procedures to produce the information needed for
25 effective policy decision making, including procedures to provide for
26 the dissemination of information about plans, programs and program
27 budget requests to be included in the annual budget and opportunity for
28 public review and comment during the period of budget preparation;

29 (4) assist state agencies in their statement of goals and

1 objectives. Preparation of program plans, program budget requests and
2 reporting of program performance; all documents forwarded by the divi-
3 sion to a state agency containing instructions for the preparation of
4 program plans and program budget requests and the reporting of program
5 performance are public information after the date they are forwarded;

6 (7) provide the legislative finance division with an advance
7 copy of the governor's budget workbooks by the first Monday in January
8 of each year, except that following a gubernatorial election year the
9 advance copy shall be provided by the second Monday in January [; THE
10 ADVANCE COPY SHALL BE PROVIDED ON A CONFIDENTIAL BASIS AND SHALL BE USED
11 ONLY TO PREPARE BUDGET ANALYSIS DOCUMENTS WHICH WILL BE PUBLISHED AND
12 DISTRIBUTED FOLLOWING THE DELIVERY OF THE GOVERNOR'S BUDGET MESSAGE TO
13 THE LEGISLATURE].

14 * Sec. 5. AS 37.07.050 is amended by adding a new subsection to read:

15 (g) All goals and objectives plans, programs, estimates, budgets
16 and other documents forwarded to the division of budget and management
17 by a state agency under this section are public information after the
18 date they are forwarded.

19 * Sec. 6. AS 37.07.060 is repealed and re-enacted to read:

20 Sec. 37.07.060. GOVERNOR'S RECOMMENDATION. (a) The governor
21 shall formulate the operating and capital improvements programs and
22 financial plans required to be recommended to the legislature by sec. 20
23 of this chapter after considering the state agency proposed program and
24 financial plans, and other programs and alternatives that he considers
25 appropriate. The plans shall include his recommended goals and poli-
26 cies, recommended plans to implement the goals and policies, recommended
27 operating program for the succeeding fiscal year, recommended capital
28 improvements program for the succeeding six fiscal years, and recom-
29 mended revenue measures to support the programs.

1 (b) The governor shall present the proposed comprehensive opera-
2 ting and capital improvements programs and financial plans in a message
3 to a joint session of the legislature before the fourth legislative day
4 following the convening of the legislature in regular session. The
5 message shall be accompanied by an explanatory report which summarizes
6 recommended goals, plans, and appropriations. The report shall contain

7 (1) the coordinated program goals and objectives which the
8 governor recommends to guide the decisions on the proposed program plans
9 and budget appropriations;

10 (2) his operating program and budget recommendations for the
11 succeeding fiscal year;

12 (3) his capital improvements program and budget recommenda-
13 tions for the succeeding fiscal year and capital improvements program
14 for the succeeding six fiscal years which shall include

15 (A) a description of each project, its estimated cost
16 for the year construction is to start, and the source of financing;

17 (B) a summary of projects previously authorized and not
18 yet completed;

19 (C) a summary, listed by agency, of all previously pro-
20 posed projects which have been deferred beyond the six years
21 covered by the plan and the year in which construction has been re-
22 scheduled to begin;

23 (D) a forecast of the debt structure of the state and
24 the various debt ratios over the life of the state's bonds out-
25 standing, bonds authorized and to be issued, and bond authoriza-
26 tions recommended in the plan;

27 (E) a description of additional revenue measures needed
28 to finance the plan in lieu of debt;

29 (F) bond election bills to authorize the bonds required

1 to fund the projects scheduled for the first three years of the
2 plan;

3 (G) projections of population of the state and its
4 regions and communities;

5 (H) economic data and projections necessary for the
6 evaluation of the plan;

7 (4) a summary of state receipts in the last fiscal year, a
8 revised estimate for the current fiscal year, and an estimate for the
9 succeeding fiscal year;

10 (5) a summary of expenditures during the last fiscal year,
11 those authorized for the current fiscal year, and an estimate for the
12 succeeding fiscal year;

13 (6) any additional information which will facilitate under-
14 standing of the governor's proposed programs and financial plans by the
15 legislature and the public.

16 * Sec. 7. AS 37.07 is amended by adding a new section to read:

17 Sec. 37.07.062. CAPITAL BUDGET. (a) The general appropriation
18 bill required to be submitted to the legislature in sec. 20(a) of this
19 chapter shall contain a separate section for capital outlays which is
20 divided into subsections for each of the capital projects funds (AS
21 44.42.080) which lists, for each project, the (1) project identification
22 number; (2) project title; (3) source of funding; (4) amount expended on
23 the project during the preceding fiscal year, the amount authorized for
24 the current fiscal year, and the amount proposed to be expended during
25 the succeeding fiscal year; (5) estimated start for construction; (6)
26 schedule of bond elections pertaining to the appropriation, including
27 elections previously held. The total appropriation to each capital
28 projects fund shall be reflected in the balance sheet of each fund as of
29 June 30 of each fiscal year.

1 (b) Upon the effective date of the general appropriation bill, the
2 amounts appropriated by the bill for capital outlay shall be paid into
3 the appropriate capital project funds established under AS 44.42.080.

4 (c) The balance sheet of each capital projects fund (AS 44.42.080)
5 shall, at the end of each fiscal year, contain the following items so as
6 to reflect the status of each fund and that the appropriations to each
7 fund are not based upon a fiscal year:

8 (1) cash with treasury--shows a normal debit balance;

9 (2) bonds authorized and unissued--shows a normal debit
10 balance; these are assets of each fund and shall be sold in accordance
11 with the election date of each authorization; the proceeds are expended
12 on a first-in, first-out basis;

13 (3) bonds to be authorized--shows a normal debit balance;
14 these shall be reflected in general obligation bond or revenue bond Act
15 proposals accompanying each year's capital improvements program revi-
16 sion; the general obligation bond Act proposals are to provide funding
17 for the three fiscal years following the general election date;

18 (4) general fund; reserve for capital outlay--shows a normal
19 debit balance; this is the amount required by AS 37.05.157 to be in-
20 cluded in the general appropriation bill as the reserve for capital
21 outlay to cover the succeeding six-year planning period;

22 (5) general fund; other--shows a normal debit balance; addi-
23 tional appropriations from the general fund above those required by law
24 for capital outlay;

25 (6) other funds--shows a normal debit balance; appropriations
26 from other state funds for capital outlay;

27 (7) federal aid--shows a normal debit balance; includes funds
28 expected to be received from federal sources for capital projects;

29 (8) expenditures, prior fiscal year--shows a normal credit

1 balance;

2 (9) encumbrances--shows a normal debit balance;

3 (10) reserve for encumbrances--shows a normal credit balance;

4 (11) fund balance--shows a normal zero balance.

5 (d) The appropriations to the capital projects funds may be ex-
6 pended upon authorization of the bonds intended to fund a project and
7 before the sale of those bonds or receipt of revenues from other
8 sources. Any deficit created in the general fund shall be considered,
9 for accounting purposes, as an advance from the general fund in lieu of
10 revenue or bond anticipation borrowing.

11 (e) The annual financial report of the state shall contain the
12 following statements for each capital projects fund:

13 (1) balance sheet;

14 (2) analysis of changes in bonds authorized and unissued;

15 (3) analysis of changes in bonds to be authorized;

16 (4) analysis of changes in funds to be provided by others;

17 (5) statement of expenditures and encumbrances compared to

18 appropriations.

19 * Sec. 8. AS 37.07.070 is amended to read:

20 Sec. 37.07.070. LEGISLATIVE REVIEW. The legislature shall consi-
21 der the governor's proposed comprehensive operating and capital improve-
22 ments programs [PROGRAM] and financial plans [PLAN], evaluate alterna-
23 tives to the plans [PLAN], make program selections among the various
24 alternatives and determine, subject to available revenues, the level of
25 funding required to support authorized state services. During each
26 regular session of the legislature, legislative review of the plans
27 [PLAN] shall be accomplished according to the following schedule:

28 (1) By the 45th legislative day, the legislature shall have
29 established by concurrent resolution the total amount of state general

1 funds that shall be available for appropriation for the budget year and
2 the tentative allocation of the funds among program categories in both
3 the operating and capital budgets. The resolution shall be introduced
4 by the finance committee of the house in which the general appropria-
5 tions bill was introduced.

6 (2) By the 90th legislative day, the house in which the
7 general appropriations bill was introduced by the governor shall have
8 calendared for second reading a version of the general appropriations
9 bill. The bill shall be supported with documentation to explain the
10 proposed appropriations and related statements of intent. In addition,
11 a list of other appropriations or measures with fiscal implications
12 pending before the legislature shall be included with the documentation
13 for the calendared bill.

14 * Sec. 9. AS 37.05 is amended by adding a new section to read:

15 Sec. 37.05.157. GENERAL FUND; "RESERVE FOR CAPITAL OUTLAY" AC-
16 COUNT. (a) There is created within the general fund the "reserve for
17 capital outlay" account.

18 (b) Thirty per cent of the annual receipts paid the state from
19 mineral lease bonuses and rentals for state land and royalties derived
20 from minerals produced on state land shall be allocated to the reserve
21 for capital outlay account.

22 (c) The proceeds of the reserve for capital outlay account are
23 subject to annual appropriation by the general appropriation Act.

24 * Sec. 10. AS 37.15 is amended by adding a new section to read:

25 Sec. 37.15.215. OFFICIAL STATEMENTS. To the extent practicable
26 the official statements and other documentation issued in connection
27 with an offering of state or local government securities shall comply
28 with the guidelines of the Municipal Finance Officers Association or
29 other nationally recognized guidelines.

1 * Sec. 11. AS 44.42.020(a) is amended by adding new paragraphs to read:

2 (13) maintain a current inventory of all state facilities,
3 including a projection of the serviceability of the facilities and pro-
4 jections of replacements and additions to facilities needed to provide
5 the level of services programmed by the various user agencies;

6 (14) perform the duties required in (13) of this subsection
7 for municipalities with populations of less than 12,000 and perform
8 those duties on a cooperative basis with larger municipalities;

9 (15) recommend to the governor

10 (A) projects in the following categories:

11 (i) sewage transmission and treatment systems in
12 communities without a central system;

13 (ii) water transmission and treatment systems in
14 communities without a central system;

15 (iii) electrical generation and distribution systems;

16 (iv) health care facilities in communities without
17 such facilities, unless those facilities can be provided in
18 conjunction with school facilities;

19 (v) school facilities which will provide adequate
20 recreational, physical fitness, public library, health care,
21 and other related activities;

22 (vi) transportation facilities which will provide
23 all-weather access for supplies and transportation to employ-
24 ment centers on a reliable and consistent basis;

25 (vii) community development projects which will pro-
26 vide local employment opportunities;

27 (viii) public safety and justice facilities;

28 (B) priorities for the projects recommended in (A) of
29 this paragraph based upon the following criteria:

1 (i) date of incorporation of the municipality bene-
2 fited by the project;

3 (ii) absence of basic facilities in the community;

4 (iii) projected needs of community to meet antici-
5 pated growth.

6 * Sec. 12. AS 44.42 is amended by adding new sections to read:

7 Sec. 44.42.080. CAPITAL PROJECTS FUNDS. There is created within
8 the department the following capital projects funds:

9 (1) educational, cultural, and related facilities;

10 (2) transportation and related facilities;

11 (3) public institutions and related facilities;

12 (4) public safety, justice, and related facilities;

13 (5) health, and related facilities;

14 (6) natural resource development facilities;

15 (7) new capital site and related facilities;

16 (8) general purpose facilities.

Introduced: 2/16/77
Referred: Finance

1 IN THE HOUSE

BY MALONE AND GARDINER

2 HOUSE BILL NO. 222

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to public scrutiny of the budget
7 formulation process."

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

9 * Section 1. AS 37.07.010 is amended by adding a new paragraph to read:

10 (6) a more significant participation by members of the public
11 in the formulation of the state budget.

12 * Sec. 2. AS 37.07.040(1) is amended to read:

13 (1) assist the governor in the preparation and explanation of
14 the proposed comprehensive program and financial plan, including the
15 coordination and analysis of state agency program goals and objectives,
16 program plans and program budget requests; the procedures of the divi-
17 sion, including any hearings or meetings conducted by the division or by
18 a budget review committee within the division with a state agency to
19 review the agency's program budget requests and to assist the governor
20 in making his recommendations to the legislature under sec. 60 of this
21 chapter, are subject to public scrutiny, review and comment under the
22 provisions of AS 44.62.310; no hearing or meeting considering the budget
23 of a state agency may be held in executive session under AS 44.62.-
24 310(c)(1);

25 * Sec. 3. AS 37.07.050 is amended by adding a new subsection to read:

26 (f) All goals and objectives, plans, programs, estimates, budgets
27 and other documents forwarded to the division of budget and management
28 by a state agency under this section are public information after the
29 date they are forwarded.

1 * Sec. 4. AS 37.07.060(a) is amended to read:

2 (a) The governor shall formulate the program and financial plan to
3 be recommended to the legislature after considering the state agency
4 proposed program and financial plans, the comments offered as a result
5 of public scrutiny of the proposals, and other programs and alternatives
6 that he considers appropriate. The plan shall include his recommended
7 goals and policies, recommended plans to implement the goals and poli-
8 cies, recommended budget for the succeeding fiscal year, and recommended
9 revenue measures to support the budget.
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate CS For House Bill 222
 Title An Act Relating to Public Scrutiny of the Budget Formulation Process...
 Requested by Reps. Malone and Gardiner Date May 26, 1978

II. FISCAL DETAIL

Agency Affected combined see attached Fiscal Notes
 Program Category Affected _____
 Budget Request Unit(s) Affected _____

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES		854.9	909.5	721.1	743.3	784.2
200 TRAVEL		38.0	28.4	20.1	18.2	18.9
300 CONTRACTUAL		2,102.3	1980.2	813.5	122.6	132.4
400 COMMODITIES		10.5	11.1	10.9	10.7	11.4
500 EQUIPMENT		18.9	8.1	7.9	8.5	9.2
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		3,025.1	2,937.3	1,573.5	903.3	956.1

FUNDING (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
GENERAL FUND		3,025.1	2,937.3	1,573.5	903.3	956.1
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
FULL TIME		26	26	20	19	19
PART TIME						
TEMPORARY						

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

For Sections 1,4, and 5 see Attachment #1.

For remaining sections see Attachment #2 (relating to SB 510) and its subsidiary attachments.

IV. DATE May 26, 1978 PREPARED BY Frank Spargo
 AGENCY Office of the Governor, Div. of Budget and Mgmt.
 PHONE 465-4242
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

ATTACH. #1

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate CS For House Bill 222
Title An Act Relating to Public Scrutiny of the Budget Formulating Process
Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Governor's Office
Program Category Affected General Government
Budget Request Unit(s) Affected Budget and Management

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES		52.7	56.9	61.5	66.4	71.7
200 TRAVEL		0	0	0	0	0
300 CONTRACTUAL		20.0	21.6	23.3	25.2	27.2
400 COMMODITIES		4.0	4.3	4.7	5.0	5.4
500 EQUIPMENT		6.0	6.5	7.0	7.6	8.2
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		82.7	89.3	96.5	104.2	112.5

FUNDING (Thousands of Dollars)

GENERAL FUND		82.7	89.3	96.5	104.2	112.5
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		2	2	2	2	2
PART TIME						
TEMPORARY						

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

This Fiscal Note applies only to Sections 1,4, and 5. All other Sections in this bill are identical to SB510 in its entirety. Therefore, the Fiscal Note for SB510 is attached, and is an integral part of this Note.

See detailed analysis on attachment.

IV. DATE May 25, 1978 PREPARED BY Frank Spargo
AGENCY Governor's Office, Budget and Management
PHONE 465-4242
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

ATTACHMENT

A. Assumptions

1. 8% inflation per year
2. No public hearings are held. Involvement only through responding to media announcements.

B. Program Summary

Public involvement in budget preparation can be assured by establishing one professional and one clerical position in the Division of Budget and Management. These positions would;

1. Notify the public as to the availability of budget documents via statewide press releases, radio announcements, and T.V. announcements
2. Distribute copies of budget documents to the public on request
3. Receive all public responses
4. Distribute public responses to appropriate agencies for possible action
5. Ensure all public responses are included in appropriate places in subsequent documents
6. Coordinate and send responses back to public contributors

The costs of the above includes:

Personal services	\$52,650
Contractual*	\$20,000
Commodities	\$4,000
Equipment	\$6,000

* Contractual includes office space, printing costs, and the cost of placing ads in the media (see attached Table 1)

All funding is General Fund.

TABLE 1

	<u>Newspapers</u>	<u>Radio</u>	<u>T.V.</u>
Approximate cost per advertisement	40.00 (8 column inches)	6.75 (30 sec.)	20.00 (30 sec.)
Number of repetitions of each ad	2	5	3
Number of newspapers, radio, or T.V. stations carrying ads (approx.)	20	20	10
Number of times per year ads are placed (budget instructions, agency submission, governor's budget request, final budget)	4	4	4
Total Cost	\$6400.00	\$2700.00	\$2400.00

Total Advertising Cost -- \$11,500

ATTACH. # 2

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

RECEIVED

FISCAL NOTE

MAY 3 1978

I. REQUEST
Bill/Resolution No. Senate Bill 510 BUDGET & MANAGEMENT
Title An Act relating to the State Budget and to State Bonding
Requested by Special Committee on the Alaska Permanent Fund Date February 14, 1978

II. FISCAL DETAIL
Agency Affected Combined - See attached Fiscal Notes
Program Category Affected _____
Budget Request Unit(s) Affected _____

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES		802.2	852.6	659.6	676.9	712.5
200 TRAVEL		38.0	28.4	20.1	18.2	18.9
300 CONTRACTUAL		2,082.8	1,958.6	790.2	97.4	105.2
400 COMMODITIES		6.5	6.8	6.2	5.7	6.0
500 EQUIPMENT		12.9	1.6	.9	.9	1.0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		2,942.4	2,848.0	1,477.0	799.1	843.6

FUNDING (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
GENERAL FUND		2,942.4	2,848.0	1,477.0	799.1	843.6
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
FULL TIME		24	24	18	17	17
PART TIME						
TEMPORARY						

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

Combined Fiscal Notes from four Departments (See Attached).

SB 533 is a committee substitute for SB 510. Costs for the Department of Transportation and Public Facilities which were included in SB 510 are now incorporated in SB 533. (See attached fiscal note.)

IV. DATE May 4, 1978 PREPARED BY Peter A. Bushre, Acting Deputy Commissioner
AGENCY Revenue
PHONE 465-2350
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 510
Title An Act relating to the State budget and to State Bonding
Requested by Special Committee on the Alaska Permanent Fund Date February 14, 1978

II. FISCAL DETAIL

Agency Affected Revenue
Program Category Affected General Government
Budget Request Unit(s) Affected _____

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES		41.9	45.2	48.8	52.7	56.9
200 TRAVEL		1.0	1.0	1.1	1.2	1.3
300 CONTRACTUAL		25.0	27.0	29.1	31.4	33.9
400 COMMODITIES		1.0	1.0	1.1	1.2	1.3
500 EQUIPMENT		1.0	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		69.9	74.2	80.1	86.5	93.4

FUNDING (Thousands of Dollars)

GENERAL FUND		69.9	74.2	80.1	86.5	93.4
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

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

Funding for one position (Economist) and all attendant costs to build a computer model to project revenues on a continuing basis for the next six years.

Assumption - 8% per year inflation factor.

IV. DATE May 4, 1978

PREPARED BY Peter A. Bushre
AGENCY Revenue
PHONE 465-2350

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

STATE
of ALASKA

MEMORANDUM

TO: [Peter Bushre, Comptroller
Treasury Division
Department of Revenue

DATE: April 10, 1978

FILE NO:

TELEPHONE NO:

FROM: William C. Mullin, Director *Bill*
Division of Finance
Department of Administration

SUBJECT: SB 510

The reporting requirements in Section 4 are in too much detail for proposed legislation. To the extent needed, these requirements should be spelled-out in regulations or procedures.

Additionally, by subsections (c) (3) and (c) (4) the balance sheet includes as assets funds expected to be provided from bonds not yet authorized and appropriations from the general fund for the succeeding six-year planning period. These are, at best, contingent assets and undoubtedly are fully reserved. It would be preferable to include these items in a planning document rather than in an official financial statement.

The analysis of changes in bonds to be authorized and the analysis of changes in funds to be provided by others would be difficult to prepare and, once prepared, difficult to verify. They are the products of subjective determinations. Here again, these are matters more appropriate for a planning document rather than for the annual financial report.

Finally, it is difficult to understand why prior fiscal year expenditures, Section 37.07.062 (b) (8), should be included as a balance sheet item. The section also points out that this item normally has a credit balance. As a general rule, expenditure accounts have debit balances and they are not balance sheet items.

If this legislation is enacted into law the Department of Administration may need some consulting assistance to prepare the annual financial report for the fiscal year ending June 30, 1979. This assistance should not cost more than \$10,000. Professional assistance should not be needed in succeeding years.

cc: Robert S. Gates
Deputy Commissioner
Department of Administration

TO: [The Honorable John Sackett
Chairman, Senate Finance Committee
Alaska State Senate

DATE: April 3, 1978

FILE NO:

TELEPHONE NO:

FROM: *R. Lind*
Ronald Lind, Director
Division of Budget and Management
Office of the Governor

SUBJECT: Fiscal Note for SB 510

Attached please find a Fiscal Note for SB 510. A comprehensive and consolidated Fiscal Note will be coming from the Department of Revenue.

cc: Jim Edenso - Revenue
Frank Spargo - Budg. & Manage.

P.L.
You review & take
necessary action in preparing
the final note - my signature
Follow up w/ Dept. of Revenue 5 P.M.
[Signature]

II. FISCAL DETAIL

Agency Affected Governor's Office
 Program Category Affected General Government
 Budget Request Unit(s) Affected Division of Budget and Management

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES		302.7	326.9	353.1	381.3	411.8
200 TRAVEL		15.0	5.0	6.0	7.0	7.6
300 CONTRACTUAL		102.8	56.6	61.1	66.0	71.3
400 COMMODITIES		2.5	2.7	2.9	3.1	3.3
500 EQUIPMENT		4.5	.8	.9	.9	1.0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		427.5	392.0	424.0	458.3	495.0

FUNDING (Thousands of Dollars)

GENERAL FUND		427.5	392.0	424.0	458.3	495.0
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		10	10	10	10	10
PART TIME						
TEMPORARY						

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

1. Assumption - 8%/year inflation. Same as used by the Capital Site Planning Commission.
2. See Attachment #1 for detailed analysis.
3. See Attachment #2 for Summary of Personal Services and Contractual calculations.
4. See Attachment #3 for comments.
5. The Population Research Center would be contained within the Division of Budget and Management. See Sections AS 37.07.020 (b), AS 37.07.060 (G), (H), AS 44.42.020 (15).

IV. DATE April 3, 1978 PREPARED BY Frank Sparco
 AGENCY Budget and Management
 PHONE 465-4242
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

AMENDED FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 533
 Title An Act Relating to Planning for Public Facilities of Municipalities
 Requested by Joseph Orsini, Chairman, Community & Regional Affairs Committee Date April 11, 1978

II. FISCAL DETAIL

Agency Affected Dep. of Trans. & Public Facilities/Dept. Comm & Regional Affairs
 Program Category Affected Facility Planning & Research/Community Planning
 Budget Request Unit(s) Affected Facility Procurement Policy (Life Cycle Cost)

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES			457.6	480.5	257.7	242.9
200 TRAVEL			22.0	22.4	13.0	10.0
300 CONTRACTUAL			1,945.0	1,875.0	700.0	0
400 COMMODITIES			3.0	3.1	2.2	1.4
500 EQUIPMENT			7.4	.8	0	0
600 LAND & STRUCTURES			0	0	0	0
700 GRANTS, CLAIMS, ETC.			0	0	0	0
TOTAL			2,435.0	2,381.8	972.9	254.3

FUNDING (Thousands of Dollars)

GENERAL FUND			2,435.0	2,381.8	972.9	254.3
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME			6 G.F. 6 CIP	6 G.F. 6 CIP	6 G.F.	5. G.F.
PART TIME						
TEMPORARY						

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

- a) See attachment for breakdown of personal services and contractual amounts.
- b) It is recommended that the funds budgeted for contractual services be appropriated to the Public Facility Planning Fund.

IV. DATE April 11, 1978 PREPARED BY W.K. Gerken
 AGENCY Facility Procurement Policy
 Original: Legislative Finance PHONE 465-4671
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

ATTACHMENT #1

Analysis - See Fiscal Note Preparation, Section III.

Due to length of SB 510, the analysis is by subsection:

Section AS 37.07.020(a)

No fiscal impact.

Section AS 37.07.020(b)

1. Assumption -(line 19) "... financial plan . . ." includes both a financial plan for the capital improvements program and an operating budget for each of the six years.
2. Assumption - an increased staff is required for capital budget analysis and review. This includes four (4) Analysts, a Section Chief - Budget, and two (2) Clerk Typists.
3. Long range detailed planning requires extensive demographic data. Creation of a Population Research Center is needed to supply this data (3 positions). The Center will be included in Budget and Management. Ref. Sections AS 37.07.060 (G), & (H), AS 44.42.020 (15)
4. Elevating the capital improvements program from an "Agency request" to "Governor's Recommendation" (Section 37.07.060) requires better analysis and another level of review in the Governor's Office. Hence the need for (possibly) reorganizing the Division of Budget and Management and adding a Section Chief-Budget (see 2 above).
5. Assumption - additional staffing requires more office costs.

19	current employees
10	additional employees
: . 52% increase in office costs	
6. Position recap:

1	Demographer	(Population Research Center)
2	Assistant Demographers	(Population Research Center)
4	Capital Analysts	(Budget and Management)
1	Section Chief-Budget	(Budget and Management)
2	Clerk Typists	(Budget and Management)

7. Agencies will absorb the additional workload with current staffing, with the exception of Revenue and Transportation. These agencies have separate Fiscal Notes.

8. Data processing modifications and additions will have to be made. Estimated at \$50,000, primarily for Capital Projects.

Section AS 37.07.020 (c)

No fiscal impact.

Section AS 37.07.030 - All

Cost estimates assumed to be prepared by the legislature.

Note - page 2, lines 10-15, SB 510. The Governor's office cannot determine fiscal impact on Executive Branch Agencies until the details regarding the information required is known.

Section AS 37.07.060 (a)

No additional fiscal impact, covered by AS 37.07.020 (b)

Section AS 37.07.060 (b)

- (1) no fiscal impact
- (2) no fiscal impact
- (3) (A) no additional fiscal impact covered by 27.07.020 (b)
- (B) no additional fiscal impact " " " "
- (C) no additional fiscal impact " " " "
- (D) Fiscal Note being prepared by the Department of Revenue -
- (E) Fiscal Note being prepared by the Department of Revenue -
- (F) Fiscal Note being prepared by the Department of Revenue -
- (G) Requires a Population Research Center. Fiscal costs are included under Sec AS 37.07.020 (b). Increases the clerical load.
- (H) Requires a Population Research Center. Fiscal costs are included under Sec AS 37.07.020 (b). Increases the clerical load.
- (4) No fiscal impact
- (5) No fiscal impact
- (6) No fiscal impact

Section AS 37.07.062 (a)

- 1. Some contractual services for modification to computer programs required, covered by AS 27.07.020 (b)
- 2. Departments of Law and Revenue will have comments on this.

Section AS 37.07.062 (b) - (e)

Fiscal Note being prepared by the Department of Revenue

Section 37.07.070 - All Cost estimates assumed to be prepared by the Legislature.

Section AS 37.05.157 - AS 44.42.020

No fiscal impact on Budget and Management.

Section AS 44.42.020 All

1. Department of Transportation is preparing the Fiscal Note
2. The Governor's office must review all the projects since the Governor will be recommending the plans

See AS 37.07.020 (b) for fiscal impact.

Section AS 44.42.080

- . No fiscal impact on Budget and Management

ATTACHMENT - SB 533

PERSONAL SERVICES SUMMARY

<u>POSITION</u>	<u>YEARS REQ'D</u>	<u>QUANTITY</u>	<u>GRADE</u>	<u>TOTAL ANNUAL COST</u>
A - DOT/PF				
Physical Planning Coordinator	79	4	21	161,800
C.I.P. Coordinator	79 & 80	6	20	<u>232,878</u>
			SUBTOTAL	394,678
B - DC&RA				
Senior Planner	79	1	19	33,780
Assoc. Planner	79 & 80	1	17	<u>29,125</u>
			SUBTOTAL	62,905
			TOTAL	457,583

CONTRACTUAL SUMMARY

	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>
A. DOT&PF			
1. Inventory & Condition Surveys @ 220 Locations @ \$8,000/ea.	880,000	880,000	
2. Location Index for Cost Estimating	20,000		
3. Development of Maintenance & Operations Program Planning System	125,000	75,000	
4. Inventory & Condition Surveys with Municipalities Greater than 12,000 population	120,000	120,000	
5. Public Hearings on Facility Plans	<u>50,000</u>	<u>50,000</u>	
	SUBTOTAL	1,195,000	1,125,000
B. DC&RA			
1. Community Profiles for 220 locations @ \$9,900/ea	<u>750,000</u>	<u>750,000</u>	<u>700,000</u>
	TOTAL	1,945,000	1,875,000
			700,000

Attachment #2

PERSONAL SERVICES SUMMARY

<u>Position</u>	<u>Quantity</u>	<u>Grade</u>	<u>Total Salary</u>	<u>Total Benefits</u>	<u>Total Cost</u>
Demographer	1	22	31932	7637	39569
Ass't Demographer	2	18	47592	12467	60059
Capital Analyst III	2	18	47592	12467	60059
Clerk/Typists	2	8	24120	7592	31712
Section Chief - Budget	1	23	34404	8064	42468
Capital Analyst IV	2	20	55104	13763	68867
	<u>10</u>		<u>240744</u>	<u>61990</u>	<u>302734</u>

CONTRACTUAL SUMMARY

	FY 79	FY 80
Data Processing Changes	50.0	0.0
Space expense (10 emp) x (150 sq ft/emp) x (\$1.10/sq ft)/month	19.8	21.4
Printing	25.0	27.0
Miscellaneous	8.0	8.2
	<u>102.8</u>	<u>56.6</u>

Attachment 3

Comments

1. ref. AS 37.07.020 (b), line 19, page 1

" . . . financial plan . . ."

This phrase needs to be defined. Does it mean 6 year operating budget and a 6 year capital improvements program?

2. Insert language which defines a capital budget cycle at a different time than the operating budget cycle.

eg. "The capital improvement plans, recommended by the Governor, shall be introduced to the Legislature on the 90th day of the Legislative session." Insert similar language as a separate section within AS 37.07.060.

3. ref. AS 37.07.060, p 2, lines 22-26

Need an additional subsection such as "CIP is to be amended on an annual basis"

Current wording could make the 6 year plans difficult to amend.

4. ref. AS 37.07.062

The wording in this section should be validated by the Department of Law to minimize legal conflicts.

5. ref. AS 37.07.020 (c)

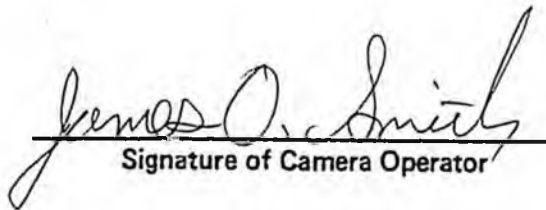
The wording ". . . passed and proposed." should be clarified and defined.

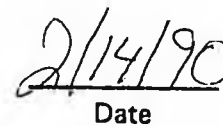


RECORDS CERTIFICATION



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.


Signature of Camera Operator


Date

COMMITTEE REPORT

3/17/77

HOUSE

5-2-77 Date

Mr. Speaker:

The Committee on FINANCE has had HB 224

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 ^{Finance} CS for HB 224 and that CS for HB 224 do pass
- (and) recommends it be referred to the _____ committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) to be passed

MEMBERS SIGNING THE MAJORITY REPORT:

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

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends: _____

_____ recommends: _____

_____ recommends: _____

[Signature]
Chairman

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 224
 Title An act relating to postsecondary education
 Requested by _____ Date May 2, 1977

II. FISCAL DETAIL

Agency Affected Department of Education
 Program Category Affected Education
 Budget Request Unit(s) Affected Alaska Commission on Postsecondary Education

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

No fiscal impact.

IV. DATE May 2, 1977 PREPARED BY Larry G. Pomesdura
 AGENCY Alaska Commission on Postsecondary Education
 PHONE 465-2855
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Original sponsor: Rules Committee by request
of the Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 224 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to postsecondary education; and pro-
7 viding for an effective date."

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

9 * Section 1. AS 14.40.763(b) is amended to read:

10 (b) The loans may only be used to attend a career education pro-
11 gram approved by the commission [DEPARTMENT OF EDUCATION] or a college
12 or university accredited by the accreditation association for the region
13 in which the college or university is located.

14 * Sec. 2. AS 14.40.763(e) is amended to read:

15 (e) Loans are noninterest bearing while a student is enrolled
16 under (c) of this section or is receiving a deferment of payments under
17 (k) of this section [FULFILLING REQUIRED MILITARY SERVICE].

18 * Sec. 3. AS 14.40.763(g) is repealed and re-enacted to read:

19 (g) The repayment period for student loans is 10 years. Unless a
20 deferment of payments has been granted under (k) of this section,
21 repayment shall commence when the student terminates his studies. In
22 case of hardship, the committee may extend repayment of a loan for an
23 additional period of up to five years.

24 * Sec. 4. AS 14.40.763 is amended by adding a new subsection to read:

25 (k) The committee may defer repayment of a loan during any of the
26 following:

- 27 (1) the first year after a student terminates his studies;
28 (2) return by the student to student status as provided in

29 (c) of this section;

(3) performance by the student of military or required alternative service; or

(4) 50 per cent or greater disability of the student, as certified by competent medical authority.

* Sec. 5. AS 14.40.806(1) is amended to read:

(1) "career education" means a course or program in vocational-technical training or education approved by the commission [DEPARTMENT OF EDUCATION];

* Sec. 6. AS 14.40.806(2) is amended to read:

(2) "full-time student" means an undergraduate or career education [A] student who is enrolled and is in regular attendance at classes for at least 12 semester hours of credit or the equivalent during the semester or a graduate student who is enrolled and is in regular attendance at classes for at least nine semester hours of credit or the equivalent; any combination of [12 OR MORE] semester hours of credit, or the equivalent, aggregating to the requisite number of semester hours and undertaken during a semester at two or more public or private institutions of higher education operating under a consortium constitutes full-time student status;

* Sec. 7. AS 14.40.806(3) is amended to read:

(3) "part-time student" means a student who is enrolled and is in regular attendance at classes for at least three but less than the [TWELVE] semester hours of credit required for full-time student status under (2) of this section during the semester;

* Sec. 8. The change in the repayment period of student loans set out in AS 14.40.763(g) as amended by sec. 3 of this Act and the additional bases for granting a deferment of repayment of a student loan set out in AS 14.40.763(k) as enacted by sec. 4 of this Act shall, upon request of the loan recipient, be applied retroactively to the outstanding balance of principal of

CORRECTION

THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

1 (3) performance by the student of military or required alter-
2 native service; or

3 (4) 50 per cent or greater disability of the student, as
4 certified by competent medical authority.

5 * Sec. 5. AS 14.40.806(1) is amended to read:

6 (1) "career education" means a course or program in voca-
7 tional-technical training or education approved by the commission [DE-
8 PARTMENT OF EDUCATION];

9 * Sec. 6. AS 14.40.806(2) is amended to read:

10 (2) "full-time student" means an undergraduate or career
11 education [A] student who is enrolled and is in regular attendance at
12 classes for at least 12 semester hours of credit or the equivalent
13 during the semester or a graduate student who is enrolled and is in
14 regular attendance at classes for at least nine semester hours of
15 credit or the equivalent; any combination of [12 OR MORE] semester hours
16 of credit, or the equivalent, aggregating to the requisite number of
17 semester hours and undertaken during a semester at two or more public or
18 private institutions of higher education operating under a consortium
19 constitutes full-time student status;

20 * Sec. 7. AS 14.40.806(3) is amended to read:

21 (3) "part-time student" means a student who is enrolled and is
22 in regular attendance at classes for at least three but less than the
23 [TWELVE] semester hours of credit required for full-time student status
24 under (2) of this section during the semester;

25 * Sec. 8. The change in the repayment period of student loans set out in
26 AS 14.40.763(g) as amended by sec. 3 of this Act and the additional bases for
27 granting a deferment of repayment of a student loan set out in AS 14.40.763-
28 (k) as enacted by sec. 4 of this Act shall, upon request of the loan reci-
29 pient, be applied retroactively to the outstanding balance of principal of

1 and accrued interest on loans made under AS 14.40.751 - 14.40.806 as they
2 read before the effective date of this Act.

3 * Sec. 9. This Act takes effect immediately in accordance with AS 01.-
4 10.070(c).

5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

HB 224
↓
HB 132

STATE OF ALASKA

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

JAY S. HAMMOND, GOVERNOR

907-465-2855
Pouch F - State Office Building
Juneau 99811

March 29, 1977

The Honorable Steve Cowper
Alaska House of Representatives
Pouch V, Capitol Building
Juneau, Alaska 99811

Dear Representative Cowper:

The House Finance Committee currently has two bills for consideration in which we have a great deal of interest. These are HB 132 and HB 224.

HB 132 establishes a need-based grant program for students attending college. This is a small program utilizing federal and state matching funds.

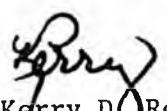
HB 224 is a "housekeeping" bill containing a number of changes which we would like to see implemented. Principal changes include:

- (a) establishing a 10-year student loan repayment cycle (instead of the present 6).
- (b) making loans non-interest bearing when recipient is deferred from payments,
- (c) establishing a disability deferral provision, and
- (d) altering the present representation on the Postsecondary Commission to include a person from the proprietary sector.

The loan statute changes are particularly badly needed.

I request that these bills receive consideration at your earliest convenience.

Sincerely,


Kerry D. Romesburg
Executive Director

Original sponsor: Rules Committee by request
of the Governor

Offered: 3/17/77
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 CS FOR HOUSE BILL NO. 224

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to postsecondary education; and pro-
7 viding for an effective date."

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

9 * Section 1. AS 14.40.763(b) is amended to read:

10 (b) The loans may only be used to attend a career education pro-
11 gram approved by the commission [DEPARTMENT OF EDUCATION] or a college
12 or university accredited by the accreditation association for the region
13 in which the college or university is located.

14 * Sec. 2. AS 14.40.763(e) is amended to read:

15 (e) Loans are noninterest bearing while a student is enrolled
16 under (c) of this section or is receiving a deferment of payments under
17 (k) of this section [FULFILLING REQUIRED MILITARY SERVICE].

18 * Sec. 3. AS 14.40.763(g) is repealed and re-enacted to read:

19 (g) The repayment period for student loans is 10 years. Unless a
20 deferment of payments has been granted under (k) of this section,
21 repayment shall commence when the student terminates his studies. In
22 case of hardship, the committee may extend repayment of a loan for an
23 additional period of up to five years.

24 * Sec. 4. AS 14.40.763 is amended by adding a new subsection to read:

25 (k) The committee may defer repayment of a loan during any of the
26 following:

27 (1) the first year after a student terminates his studies;

28 (2) return by the student to student status as provided in

29 (c) of this section;

1 (3) performance by the student of military or required alter-
2 native service; or

3 (4) 50 per cent or greater disability of the student, as
4 certified by competent medical authority.

5 * Sec. 5. AS 14.40.806(1) is amended to read:

6 (1) "career education" means a course or program in voca-
7 tional-technical training or education approved by the commission [DE-
8 PARTMENT OF EDUCATION];

9 * Sec. 6. AS 14.40.806(2) is amended to read:

10 (2) "full-time student" means an undergraduate or career
11 education [A] student who is enrolled and is in regular attendance at
12 classes for at least 12 semester hours of credit or the equivalent
13 during the semester or a graduate student who is enrolled and is in
14 regular attendance at classes for at least nine semester hours of
15 credit or the equivalent; any combination of [12 OR MORE] semester hours
16 of credit, or the equivalent, aggregating to the requisite number of
17 semester hours and undertaken during a semester at two or more public or
18 private institutions of higher education operating under a consortium
19 constitutes full-time student status;

20 * Sec. 7. AS 14.40.806(3) is amended to read:

21 (3) "part-time student" means a student who is enrolled and is
22 in regular attendance at classes for at least three but less than the
23 [TWELVE] semester hours of credit required for full-time student status
24 under (2) of this section during the semester;

25 * Sec. 8. AS 14.40.903(a)(4) is amended to read:

26 (4) four [FIVE] persons broadly and equitably representative
27 of the general public appointed by the governor;

28 * Sec. 9. AS 14.40.903(a) is amended by adding a new paragraph to read:

29 (8) one person representing proprietary postsecondary educa-

1 tion in the state appointed by the governor.

2 * Sec. 10. The change in the repayment period of student loans set out in
3 AS 14.40.763(g) as amended by sec. 3 of this Act and the additional bases for
4 granting a deferment of repayment of a student loan set out in AS 14.40.763-
5 (k) as enacted by sec. 4 of this Act shall, upon request of the loan reci-
6 pient, be applied retroactively to the outstanding balance of principal of
7 and accrued interest on loans made under AS 14.40.751 - 14.40.806 as they
8 read before the effective date of this Act.

9 * Sec. 11. This Act takes effect immediately in accordance with AS 01.-
10 10.070(c).

11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

Introduced: 2/16/77
Referred: Health, Education &
Social Services and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 224

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to postsecondary education; and
7 providing for an effective date."

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

9 * Section 1. AS 14.40.763(b) is amended to read:

10 (b) The loans may only be used to attend a career education
11 program approved by the commission [DEPARTMENT OF EDUCATION] or a
12 college or university accredited by the accreditation association for
13 the region in which the college or university is located.

14 * Sec. 2. AS 14.40.763(e) is amended to read:

15 (e) Loans are noninterest bearing while a student is enrolled
16 under (c) of this section or is receiving a deferment of payments
17 under (k)(2) - (4) of this section [FULFILLING REQUIRED MILITARY
18 SERVICE].

19 * Sec. 3. AS 14.40.763(g) is repealed and re-enacted to read:

20 (g) The repayment period for student loans is 10 years. Unless
21 a deferment of payments has been granted under (k) of this section,
22 repayment shall commence when the student terminates his studies. In
23 case of hardship, the committee may extend repayment of a loan for an
24 additional period of up to five years.

25 * Sec. 4. AS 14.40.763 is amended by adding a new subsection to read:

26 (k) The committee may defer repayment of a loan during any of
27 the following:

- 28 (1) the first year after a student terminates his studies;
29 (2) return by the student to student status as provided in

1 (c) of this section;

2 (3) performance by the student of required military or
3 alternative service; or

4 (4) 50 per cent or greater disability of the student, as
5 certified by competent medical authority.

6 * Sec. 5. AS 14.40.806(1) is amended to read:

7 (1) "career education" means a course or program in vocational-
8 technical training or education approved by the commission [DEPARTMENT
9 OF EDUCATION];

10 * Sec. 6. AS 14.40.806(2) is amended to read:

11 (2) "full-time student" means an undergraduate or career
12 education [A] student who is enrolled and is in regular attendance at
13 classes for at least 12 semester hours of credit or the equivalent
14 during the semester or a graduate student who is enrolled and is in
15 regular attendance at classes for at least nine semester hours of
16 credit or the equivalent; any combination of [12 OR MORE] semester
17 hours of credit, or the equivalent, aggregating to the requisite
18 number of semester hours and undertaken during a semester at two or
19 more public or private institutions of higher education operating
20 under a consortium constitutes full-time student status;

21 * Sec. 7. AS 14.40.806(3) is amended to read:

22 (3) "part-time student" means a student who is enrolled and
23 is in regular attendance at classes for at least three but less than
24 the [TWELVE] semester hours of credit required for full-time student
25 status under (2) of this section during the semester;

26 * Sec. 8. AS 14.40.903(a) is amended by adding a new paragraph to read:

27 (8) one person representing proprietary postsecondary
28 education in the state appointed by the governor.

29 * Sec. 9. The change in the repayment period of student loans set out

1 in AS 14.40.763(g) as amended by sec. 3 of this Act and the additional
2 bases for granting a deferment of repayment of a student loan set out in AS
3 14.40.763(k) as enacted by sec. 4 of this Act shall, upon request of the
4 loan recipient, be applied retroactively to the outstanding balance of
5 principal of and accrued interest on loans made under AS 14.40.751 -
6 14.40.806 as they read before the effective date of this Act.

7 * Sec. 10. This Act takes effect immediately in accordance with AS 01.-
8 10.070(c).

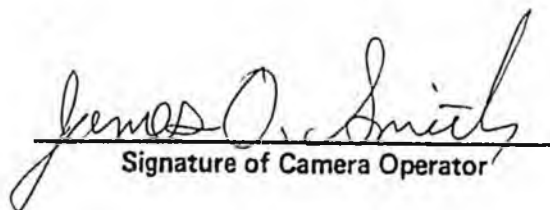
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

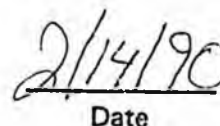


RECORDS CERTIFICATION



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.


Signature of Camera Operator


Date

COMMITTEE REPORT

SENATE

5/21/77

_____ Date

Mr. President:

The Committee on FINANCE has had CSHB 224 (Fin)
postsecondary education
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
- AND attaches a report of its intent
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends: _____
_____ recommends: _____
_____ recommends: _____

Chairman

HB 224

February 16, 1977

The Honorable Hugh Malone
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill relating to postsecondary education. The bill addresses essentially two matters. First, it would make certain changes in the state's student loan program (AS 14.40.751 - 14.40.806). Second, it would add a member to the commission.

Section 1 of the bill would amend AS 14.40.767(b) by substituting the Alaska Postsecondary Education Commission for the Department of Education as the agency which approves career education programs for which the student loans may be used. This change will correct what appears to have been a technical oversight in the drafting of ch. 136 SLA 1974 which transferred responsibility for the student loan program from the Department of Education to the commission. Section 5 of the bill amends AS 14.40.806(l) to make a parallel change.

Section 2 of the bill amends AS 14.40.763(e), which states when interest is not charged on student loans, to reflect another proposed change to AS 14.40.763. That second change is set out in Section 4 of the bill. It would add a new subsection (k) to sec. 763 to list in one place those situations in which a student loan recipient may obtain a deferment of his obligation to repay the loan. This new subsection collects from other portions of sec. 763 three situations in which a

deferment of payments is currently authorized: during (1) the recipient's first year after termination of studies, (2) a recipient's return to full-time student status, and (3) performance by the student of required military service. In addition, the bill would also authorize deferment of payments for performance of required alternative (other than military) service and for 50 per cent or greater disabilities.

Section 3 of the bill would amend AS 14.40.763(g), which states the term for which loans may be made and when repayment must begin, to reflect the changes proposed in Sections 2 and 4 of the bill, discussed above, and to extend the loan repayment period from six to 10 years.

Sections 6 and 7 of the bill would amend AS 14.40.-806(2) and (3), respectively, to recognize within the definition of "full-time student" that graduate students are generally recognized as being full-time when they are enrolled in at least nine semester credit hours of study, rather than 12 as the definition currently requires. A similar distinction between full-time undergraduate and graduate students is recognized at AS 14.40.150(b) which establishes the office of student regent on the University of Alaska's Board of Regents.

Section 8 of the bill adds a member to the commission. This additional member would be appointed by the governor to represent proprietary postsecondary education in the state. As a result of legislation adopted during the 1976 session (ch. 25, SIA 1976) the commission's authority to regulate proprietary postsecondary educational institutions has been greatly expanded, yet at present, this segment of education in the state has no representation on the commission.

Sincerely,

Jay S. Hammond
Governor

HB 224
d
HB 132

STATE OF ALASKA

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

JAY S. HAMMOND, GOVERNOR

907-465-2855
Pouch F — State Office Building
Juneau 99811

March 29, 1977

The Honorable Steve Cowper
Alaska House of Representatives
Pouch V, Capitol Building
Juneau, Alaska 99811

Dear Representative Cowper:

The House Finance Committee currently has two bills for consideration in which we have a great deal of interest. These are HB 132 and HB 224.

HB 132 establishes a need-based grant program for students attending college. This is a small program utilizing federal and state matching funds.

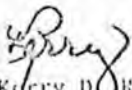
HB 224 is a "housekeeping" bill containing a number of changes which we would like to see implemented. Principal changes include:

- (a) establishing a 10-year student loan repayment cycle (instead of the present 6).
- (b) making loans non-interest bearing when recipient is deferred from payments,
- (c) establishing a disability deferral provision, and
- (d) altering the present representation on the Postsecondary Commission to include a person from the proprietary sector.

The loan statute changes are particularly badly needed.

I request that these bills receive consideration at your earliest convenience.

Sincerely,


Kerry D. Romesburg
Executive Director

In SFC 5/21/77

Original sponsor: Rules Committee by request
of the Governor

Offered: 5/4/77
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 224 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to postsecondary education; and pro-
7 viding for an effective date."

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

9 * Section 1. AS 14.40.763(b) is amended to read:

10 (b) The loans may only be used to attend a career education pro-
11 gram approved by the commission [DEPARTMENT OF EDUCATION] or a college
12 or university accredited by the accreditation association for the region
13 in which the college or university is located.

14 * Sec. 2. AS 14.40.763(e) is amended to read:

15 (e) Loans are noninterest bearing while a student is enrolled
16 under (c) of this section or is receiving a deferment of payments under
17 (k) of this section [FULFILLING REQUIRED MILITARY SERVICE].

18 * Sec. 3. AS 14.40.763(g) is repealed and re-enacted to read:

19 (g) The repayment period for student loans is 10 years. Unless a
20 deferment of payments has been granted under (k) of this section,
21 repayment shall commence when the student terminates his studies. In
22 case of hardship, the committee may extend repayment of a loan for an
23 additional period of up to five years.

24 * Sec. 4. AS 14.40.763 is amended by adding a new subsection to read:

25 (k) The committee may defer repayment of a loan during any of the
26 following:

- 27 (1) the first year after a student terminates his studies;
- 28 (2) return by the student to student status as provided in

29 (c) of this section;

HB 224

February 16, 1977

The Honorable Hugh Malone
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill relating to postsecondary education. The bill addresses essentially two matters. First, it would make certain changes in the state's student loan program (AS 14.40.751 - 14.40.806). Second, it would add a member to the commission.

Section 1 of the bill would amend AS 14.40.767(b) by substituting the Alaska Postsecondary Education Commission for the Department of Education as the agency which approves career education programs for which the student loans may be used. This change will correct what appears to have been a technical oversight in the drafting of ch. 136 SLA 1974 which transferred responsibility for the student loan program from the Department of Education to the commission. Section 5 of the bill amends AS 14.40.806(1) to make a parallel change.

Section 2 of the bill amends AS 14.40.763(e), which states when interest is not charged on student loans, to reflect another proposed change to AS 14.40.763. That second change is set out in Section 4 of the bill. It would add a new subsection (k) to sec. 763 to list in one place those situations in which a student loan recipient may obtain a deferment of his obligation to repay the loan. This new subsection collects from other portions of sec. 763 three situations in which a

deferment of payments is currently authorized: during (1) the recipient's first year after termination of studies, (2) a recipient's return to full-time student status, and (3) performance by the student of required military service. In addition, the bill would also authorize deferment of payments for performance of required alternative (other than military) service and for 50 per cent or greater disabilities.

Section 3 of the bill would amend AS 14.40.763(g), which states the term for which loans may be made and when repayment must begin, to reflect the changes proposed in Sections 2 and 4 of the bill, discussed above, and to extend the loan repayment period from six to 10 years.

Sections 6 and 7 of the bill would amend AS 14.40.-806(2) and (3), respectively, to recognize within the definition of "full-time student" that graduate students are generally recognized as being full-time when they are enrolled in at least nine semester credit hours of study, rather than 12 as the definition currently requires. A similar distinction between full-time undergraduate and graduate students is recognized at AS 14.40.150(b) which establishes the office of student regent on the University of Alaska's Board of Regents.

Section 8 of the bill adds a member to the commission. This additional member would be appointed by the governor to represent proprietary postsecondary education in the state. As a result of legislation adopted during the 1976 session (ch. 25, SLA 1976) the commission's authority to regulate proprietary postsecondary educational institutions has been greatly expanded, yet at present, this segment of education in the state has no representation on the commission.

Sincerely,

Jay S. Hammond
Governor

HB 224
d
HB 132

STATE OF ALASKA

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

JAY S. HAMMOND, GOVERNOR

907-465-2855
Pouch F — State Office Building
Juneau 99811

March 29, 1977

The Honorable Steve Cowper
Alaska House of Representatives
Pouch V, Capitol Building
Juneau, Alaska 99811

Dear Representative Cowper:

The House Finance Committee currently has two bills for consideration in which we have a great deal of interest. These are HB 132 and HB 224.

HB 132 establishes a need-based grant program for students attending college. This is a small program utilizing federal and state matching funds.

HB 224 is a "housekeeping" bill containing a number of changes which we would like to see implemented. Principal changes include:

- (a) establishing a 10-year student loan repayment cycle (instead of the present 6).
- (b) making loans non-interest bearing when recipient is deferred from payments,
- (c) establishing a disability deferral provision, and
- (d) altering the present representation on the Postsecondary Commission to include a person from the proprietary sector.

The loan statute changes are particularly badly needed.

I request that these bills receive consideration at your earliest convenience.

Sincerely,


Kerry D. Romesburg
Executive Director

1 (3) performance by the student of military or required alter-
2 native service; or

3 (4) 50 per cent or greater disability of the student, as
4 certified by competent medical authority.

5 * Sec. 5. AS 14.40.806(1) is amended to read:

6 (1) "career education" means a course or program in voca-
7 tional-technical training or education approved by the commission [DE-
8 PARTMENT OF EDUCATION];

9 * Sec. 6. AS 14.40.806(2) is amended to read:

10 (2) "full-time student" means an undergraduate or career
11 education [A] student who is enrolled and is in regular attendance at
12 classes for at least 12 semester hours of credit or the equivalent
13 during the semester or a graduate student who is enrolled and is in
14 regular attendance at classes for at least nine semester hours of
15 credit or the equivalent; any combination of [12 OR MORE] semester hours
16 of credit, or the equivalent, aggregating to the requisite number of
17 semester hours and undertaken during a semester at two or more public or
18 private institutions of higher education operating under a consortium
19 constitutes full-time student status;

20 * Sec. 7. AS 14.40.806(3) is amended to read:

21 (3) "part-time student" means a student who is enrolled and is
22 in regular attendance at classes for at least three but less than the
23 [TWELVE] semester hours of credit required for full-time student status
24 under (2) of this section during the semester;

25 * Sec. 8. The change in the repayment period of student loans set out in
26 AS 14.40.763(g) as amended by sec. 3 of this Act and the additional bases for
27 granting a deferment of repayment of a student loan set out in AS 14.40.763-
28 (k) as enacted by sec. 4 of this Act shall, upon request of the loan reci-
29 pient, be applied retroactively to the outstanding balance of principal of

In SFC 5/21/77

Original sponsor: Rules Committee by request
of the Governor

Offered: 5/4/77
Referred: Rules

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 224 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to postsecondary education; and pro-
7 viding for an effective date."

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

9 * Section 1. AS 14.40.763(b) is amended to read:

10 (b) The loans may only be used to attend a career education pro-
11 gram approved by the commission [DEPARTMENT OF EDUCATION] or a college
12 or university accredited by the accreditation association for the region
13 in which the college or university is located.

14 * Sec. 2. AS 14.40.763(e) is amended to read:

15 (e) Loans are noninterest bearing while a student is enrolled
16 under (c) of this section or is receiving a deferment of payments under
17 (k) of this section [FULFILLING REQUIRED MILITARY SERVICE].

18 * Sec. 3. AS 14.40.763(g) is repealed and re-enacted to read:

19 (g) The repayment period for student loans is 10 years. Unless a
20 deferment of payments has been granted under (k) of this section,
21 repayment shall commence when the student terminates his studies. In
22 case of hardship, the committee may extend repayment of a loan for an
23 additional period of up to five years.

24 * Sec. 4. AS 14.40.763 is amended by adding a new subsection to read:

25 (k) The committee may defer repayment of a loan during any of the
26 following:

- 27 (1) the first year after a student terminates his studies;
28 (2) return by the student to student status as provided in
29 (c) of this section;

1 and accrued interest on loans made under AS 14.40.751 - 14.40.806 as they
2 read before the effective date of this Act.

3 * Sec. 9. This Act takes effect immediately in accordance with AS 01.-
4 10.070(c).

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

#

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HB 224
 Title An act relating to postsecondary education
 Requested by _____ Date May 2, 1977

II. FISCAL DETAIL
 Agency Affected Department of Education
 Program Category Affected Education
 Budget Request Unit(s) Affected Alaska Commission on Postsecondary Education

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME						
PART TIME						
TEMPORARY						

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

No fiscal impact.

IV. DATE May 2, 1977 PREPARED BY Larry D. Grommes
 AGENCY Alaska Commission on Postsecondary Education
 PHONE 465-2855
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HB 224
 Title An act relating to postsecondary education
 Requested by Office of the Governor Date February 8, 1977

II. FISCAL DETAIL
 Agency Affected Department of Education (for administrative purposes only)
 Program Category Affected Education
 Budget Request Unit(s) Affected Commission on Postsecondary Education

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL		1.3	1.3	1.4	1.4	1.5
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		1.3	1.3	1.4	1.4	1.5

FUNDING (Thousands of Dollars)

GENERAL FUND		1.3	1.3	1.4	1.4	1.5
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The only fiscal impact will result from the addition of one member to the Commission. The expense of this will only be in travel and per diem. An inflation factor of 3% was used for projections on travel.

IV. DATE February 8, 1977 PREPARED BY Erny W. Tomesburg
 AGENCY Alaska Commission on Postsecondary Education
 PHONE 465-2856
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Fiscal Note #1

HB 224

February 16, 1977

The Honorable Hugh Malone
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill relating to postsecondary education. The bill addresses essentially two matters. First, it would make certain changes in the state's student loan program (AS 14.40.751 - 14.40.806). Second, it would add a member to the commission.

Section 1 of the bill would amend AS 14.40.767(b) by substituting the Alaska Postsecondary Education Commission for the Department of Education as the agency which approves career education programs for which the student loans may be used. This change will correct what appears to have been a technical oversight in the drafting of ch. 136 SLA 1974 which transferred responsibility for the student loan program from the Department of Education to the commission. Section 5 of the bill amends AS 14.40.806(1) to make a parallel change.

Section 2 of the bill amends AS 14.40.763(e), which states when interest is not charged on student loans, to reflect another proposed change to AS 14.40.763. That second change is set out in Section 4 of the bill. It would add a new subsection (k) to sec. 763 to list in one place those situations in which a student loan recipient may obtain a deferment of his obligation to repay the loan. This new subsection collects from other portions of sec. 763 three situations in which a

deferment of payments is currently authorized: during (1) the recipient's first year after termination of studies, (2) a recipient's return to full-time student status, and (3) performance by the student of required military service. In addition, the bill would also authorize deferment of payments for performance of required alternative (other than military) service and for 50 per cent or greater disabilities.

Section 3 of the bill would amend AS 14.40.763(g), which states the term for which loans may be made and when repayment must begin, to reflect the changes proposed in Sections 2 and 4 of the bill, discussed above, and to extend the loan repayment period from six to 10 years.

Sections 6 and 7 of the bill would amend AS 14.40.-806(2) and (3), respectively, to recognize within the definition of "full-time student" that graduate students are generally recognized as being full-time when they are enrolled in at least nine semester credit hours of study, rather than 12 as the definition currently requires. A similar distinction between full-time undergraduate and graduate students is recognized at AS 14.40.150(b) which establishes the office of student regent on the University of Alaska's Board of Regents.

Section 8 of the bill adds a member to the commission. This additional member would be appointed by the governor to represent proprietary postsecondary education in the state. As a result of legislation adopted during the 1976 session (ch. 25, SLA 1976) the commission's authority to regulate proprietary postsecondary educational institutions has been greatly expanded, yet at present, this segment of education in the state has no representation on the commission.

Sincerely,

Jay S. Hammond
Governor

HB 224
d
HB 132

STATE OF ALASKA

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

JAY S. HAMMOND, GOVERNOR

907-465-2855
Pouch F — State Office Building
Juneau 99811

March 29, 1977

The Honorable Steve Cowper
Alaska House of Representatives
Pouch V, Capitol Building
Juneau, Alaska 99811

Dear Representative Cowper:

The House Finance Committee currently has two bills for consideration in which we have a great deal of interest. These are HB 132 and HB 224.

HB 132 establishes a need-based grant program for students attending college. This is a small program utilizing federal and state matching funds.

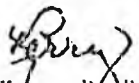
HB 224 is a "housekeeping" bill containing a number of changes which we would like to see implemented. Principal changes include:

- (a) establishing a 10-year student loan repayment cycle (instead of the present 6).
- (b) making loans non-interest bearing when recipient is deferred from payments,
- (c) establishing a disability deferral provision, and
- (d) altering the present representation on the Postsecondary Commission to include a person from the proprietary sector.

The loan statute changes are particularly badly needed.

I request that these bills receive consideration at your earliest convenience.

Sincerely,


Kerry D. Romesburg
Executive Director

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS HB 224

Title An Act Relating to Postsecondary Education

Requested by _____ Date 5/23/77

II. FISCAL DETAIL

Agency Affected _____

Program Category Affected _____

Budget Request Unit(s) Affected _____

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

FUNDING (Thousands of Dollars)

GENERAL FUND	N.A.	N.A.	1,200.	1,600	1,700	2,000
FEDERAL FUNDS						
OTHER (Specify)	N.A.	N.A.	(1,200)	(1,600)	(1,700)	(2,000)

POSITIONS

FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						

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

See attached tables.

IV. DATE May 23, 1977

PREPARED BY *Barry G. Romesburg*

AGENCY Alaska Commission on Postsecondary Education

PHONE 465-2851

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

(A) IN MILLIONS

	Total	General Fund	Program Receipts (6-Yr.)	Program Receipts (10-Yr.)	Difference	**Additional Interest (10-Yr.)
1971-72	\$1.6	\$1.6	\$---	\$---	\$---	
72-73	2.9	2.9	---	---	---	
73-74	2.9	2.8	.1	---	---	
74-75	3.3	3.1	.2	---	---	
75-76	4.1	3.8	.3	---	---	
76-77	4.4	3.0	1.4	---	---	
77-78*	4.8	3.0	1.8	1.1	.7	1.4
78-79*	5.3	3.0	2.3	1.4	.9	.6
79-80*	5.9	2.9	3.0	1.8	1.2	.7
80-81*	6.5	3.2	3.3	2.0	1.3	.7
81-82*	7.3	3.7	3.6	2.2	1.4	.8

*Estimates: Total based upon 10-11% annual increase--this reflects increased participation, fees, graduate percentage. Collections, based upon 30% annual increase through 1978-80 and a level to 10% thereafter.

**Annual interests are figured on a .0063 rate of total, in accordance with 1976-77 data.

(B)

By making loans non-interest bearing during deferment, we lose one-year of interest on each loan.

	Difference
77-78	--
78-79	.3
79-80	.4
80-81	.4
81-82	.6

Introduced: 2/16/77
Referred: Health, Education &
Social Services and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 224

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to postsecondary education; and
7 providing for an effective date."

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

9 * Section 1. AS 14.40.763(b) is amended to read:

10 (b) The loans may only be used to attend a career education
11 program approved by the commission [DEPARTMENT OF EDUCATION] or a
12 college or university accredited by the accreditation association for
13 the region in which the college or university is located.

14 * Sec. 2. AS 14.40.763(e) is amended to read:

15 (e) Loans are noninterest bearing while a student is enrolled
16 under (c) of this section or is receiving a deferment of payments
17 under (k)(2) - (4) of this section [FULFILLING REQUIRED MILITARY
18 SERVICE].

19 * Sec. 3. AS 14.40.763(g) is repealed and re-enacted to read:

20 (g) The repayment period for student loans is 10 years. Unless
21 a deferment of payments has been granted under (k) of this section,
22 repayment shall commence when the student terminates his studies. In
23 case of hardship, the committee may extend repayment of a loan for an
24 additional period of up to five years.

25 * Sec. 4. AS 14.40.763 is amended by adding a new subsection to read:

26 (k) The committee may defer repayment of a loan during any of
27 the following:

- 23 (1) the first year after a student terminates his studies;
27 (2) return by the student to student status as provided in

1 (c) of this section;

2 (3) performance by the student of required military or
3 alternative service; or

4 (4) 50 per cent or greater disability of the student, as
5 certified by competent medical authority.

6 * Sec. 5. AS 14.40.806(1) is amended to read:

7 (1) "career education" means a course or program in vocational-
8 technical training or education approved by the commission [DEPARTMENT
9 OF EDUCATION];

10 * Sec. 6. AS 14.40.806(2) is amended to read:

11 (2) "full-time student" means an undergraduate or career
12 education [A] student who is enrolled and is in regular attendance at
13 classes for at least 12 semester hours of credit or the equivalent
14 during the semester or a graduate student who is enrolled and is in
15 regular attendance at classes for at least nine semester hours of
16 credit or the equivalent; any combination of [12 OR MORE] semester
17 hours of credit, or the equivalent, aggregating to the requisite
18 number of semester hours and undertaken during a semester at two or
19 more public or private institutions of higher education operating
20 under a consortium constitutes full-time student status;

21 * Sec. 7. AS 14.40.806(3) is amended to read:

22 (3) "part-time student" means a student who is enrolled and
23 is in regular attendance at classes for at least three but less than
24 the [TWELVE] semester hours of credit required for full-time student
25 status under (2) of this section during the semester;

26 * Sec. 8. AS 14.40.903(a) is amended by adding a new paragraph to read:

27 (8) one person representing proprietary postsecondary
28 education in the state appointed by the governor.

29 * Sec. 9. The change in the repayment period of student loans set out

1 in AS 14.40.763(g) as amended by sec. 3 of this Act and the additional
2 bases for granting a deferment of repayment of a student loan set out in AS
3 14.40.763(k) as enacted by sec. 4 of this Act shall, upon request of the
4 loan recipient, be applied retroactively to the outstanding balance of
5 principal of and accrued interest on loans made under AS 14.40.751 -
6 14.40.806 as they read before the effective date of this Act.

7 * Sec. 10. This Act takes effect immediately in accordance with AS 01.-
8 10.070(c).

9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

Original sponsor: Rules Committee by request
of the Governor

Offered: 5/4/77
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

CS FOR HOUSE BILL NO. 224 (Finance)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to postsecondary education; and providing for an effective date."

7

8

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

9

* Section 1. AS 14.40.763(b) is amended to read:

10

(b) The loans may only be used to attend a career education program approved by the commission [DEPARTMENT OF EDUCATION] or a college or university accredited by the accreditation association for the region in which the college or university is located.

11

12

13

14

* Sec. 2. AS 14.40.763(e) is amended to read:

15

(e) Loans are noninterest bearing while a student is enrolled under (c) of this section or is receiving a deferment of payments under (k) of this section [FULFILLING REQUIRED MILITARY SERVICE].

16

17

18

* Sec. 3. AS 14.40.763(g) is repealed and re-enacted to read:

19

(g) The repayment period for student loans is 10 years. Unless a deferment of payments has been granted under (k) of this section, repayment shall commence when the student terminates his studies. In case of hardship, the committee may extend repayment of a loan for an additional period of up to five years.

20

21

22

23

24

* Sec. 4. AS 14.40.763 is amended by adding a new subsection to read:

25

(k) The committee may defer repayment of a loan during any of the following:

26

27

(1) the first year after a student terminates his studies;

28

(2) return by the student to student status as provided in

29

(c) of this section;

1 (3) performance by the student of military or required alter-
2 native service; or

3 (4) 50 per cent or greater disability of the student, as
4 certified by competent medical authority.

5 * Sec. 5. AS 14.40.806(1) is amended to read:

6 (1) "career education" means a course or program in voca-
7 tional-technical training or education approved by the commission [DE-
8 PARTMENT OF EDUCATION];

9 * Sec. 6. AS 14.40.806(2) is amended to read:

10 (2) "full-time student" means an undergraduate or career
11 education [A] student who is enrolled and is in regular attendance at
12 classes for at least 12 semester hours of credit or the equivalent
13 during the semester or a graduate student who is enrolled and is in
14 regular attendance at classes for at least nine semester hours of
15 credit or the equivalent; any combination of [12 OR MORE] semester hours
16 of credit, or the equivalent, aggregating to the requisite number of
17 semester hours and undertaken during a semester at two or more public or
18 private institutions of higher education operating under a consortium
19 constitutes full-time student status;

20 * Sec. 7. AS 14.40.806(3) is amended to read:

21 (3) "part-time student" means a student who is enrolled and is
22 in regular attendance at classes for at least three but less than the
23 [TWELVE] semester hours of credit required for full-time student status
24 under (2) of this section during the semester;

25 * Sec. 8. The change in the repayment period of student loans set out in
26 AS 14.40.763(g) as amended by sec. 3 of this Act and the additional bases for
27 granting a deferment of repayment of a student loan set out in AS 14.40.763-
28 (k) as enacted by sec. 4 of this Act shall, upon request of the loan reci-
29 pient, be applied retroactively to the outstanding balance of principal of

1 and accrued interest on loans made under AS 14.40.751 - 14.40.806 as they
2 read before the effective date of this Act.

3 * Sec. 9. This Act takes effect immediately in accordance with AS 01.-
4 10.070(c).

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

#

Original sponsor: Rules Committee by request
of the Governor

Offered: 3/17/77
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 CS FOR HOUSE BILL NO. 224

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to postsecondary education; and pro-
7 viding for an effective date."

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

9 * Section 1. AS 14.40.763(b) is amended to read:

10 (b) The loans may only be used to attend a career education pro-
11 gram approved by the commission [DEPARTMENT OF EDUCATION] or a college
12 or university accredited by the accreditation association for the region
13 in which the college or university is located.

14 * Sec. 2. AS 14.40.763(e) is amended to read:

15 (e) Loans are noninterest bearing while a student is enrolled
16 under (c) of this section or is receiving a deferment of payments under
17 (k) of this section [FULFILLING REQUIRED MILITARY SERVICE].

18 * Sec. 3. AS 14.40.763(g) is repealed and re-enacted to read:

19 (g) The repayment period for student loans is 10 years. Unless a
20 deferment of payments has been granted under (k) of this section,
21 repayment shall commence when the student terminates his studies. In
22 case of hardship, the committee may extend repayment of a loan for an
23 additional period of up to five years.

24 * Sec. 4. AS 14.40.763 is amended by adding a new subsection to read:

25 (k) The committee may defer repayment of a loan during any of the
26 following:

- 27 (1) the first year after a student terminates his studies;
28 (2) return by the student to student status as provided in
29 (c) of this section;

1 (3) performance by the student of military or required alter-
2 native service; or

3 (4) 50 per cent or greater disability of the student, as
4 certified by competent medical authority.

5 * Sec. 5. AS 14.40.806(1) is amended to read:

6 (1) "career education" means a course or program in voca-
7 tional-technical training or education approved by the commission [DE-
8 PARTMENT OF EDUCATION];

9 * Sec. 6. AS 14.40.806(2) is amended to read:

10 (2) "full-time student" means an undergraduate or career
11 education [A] student who is enrolled and is in regular attendance at
12 classes for at least 12 semester hours of credit or the equivalent
13 during the semester or a graduate student who is enrolled and is in
14 regular attendance at classes for at least nine semester hours of
15 credit or the equivalent; any combination of [12 OR MORE] semester hours
16 of credit, or the equivalent, aggregating to the requisite number of
17 semester hours and undertaken during a semester at two or more public or
18 private institutions of higher education operating under a consortium
19 constitutes full-time student status;

20 * Sec. 7. AS 14.40.806(3) is amended to read:

21 (3) "part-time student" means a student who is enrolled and is
22 in regular attendance at classes for at least three but less than the
23 [TWELVE] semester hours of credit required for full-time student status
24 under (2) of this section during the semester;

25 * Sec. 8. AS 14.40.903(a)(4) is amended to read:

26 (4) four [FIVE] persons broadly and equitably representative
27 of the general public appointed by the governor;

28 * Sec. 9. AS 14.40.903(a) is amended by adding a new paragraph to read:

29 (8) one person representing proprietary postsecondary educa-

1 tion in the state appointed by the governor.

2 * Sec. 10. The change in the repayment period of student loans set out in
3 AS 14.40.763(g) as amended by sec. 3 of this Act and the additional bases for
4 granting a deferment of repayment of a student loan set out in AS 14.40.763-
5 (k) as enacted by sec. 4 of this Act shall, upon request of the loan reci-
6 pient, be applied retroactively to the outstanding balance of principal of
7 and accrued interest on loans made under AS 14.40.751 - 14.40.806 as they
8 read before the effective date of this Act.

9 * Sec. 11. This Act takes effect immediately in accordance with AS 01.-
10 10.070(c).

11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

#