

LEG. FINANCE - BILLS 1983 - 1984 1809

SSHB 42 - SSHB 56

1809

COMMITTEE REPORT

HOUSE

FURTHER:

2/14/83

Date: 4-8-83

Mr. Speaker:

The Committee on FINANCE has had SSHE 42

An Act relating to the determination of population for purposes of calculating amounts of state aid; and providing for an effective date.

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for SSHE 42 (711) same title
 new title
- and recommends individual recommendations
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation Zero Fiscal Note Attached
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

[Signature]

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

[Signature]
CHAIRMAN

Original sponsors: Lacher and Larson

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 42 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the determination of population
7 for purposes of calculating amounts of state aid; and
8 providing for an effective date."

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

10 * Section 1. AS 29.88.015 is amended to read:

11 Sec. 29.88.015. DETERMINATION OF POPULATION. (a) For purposes
12 of AS 29.88, the population of a taxing unit shall be determined
13 annually by the latest figures of the United States Bureau of the
14 Census or by another method of determining the actual [OTHER] popu-
15 lation based on current criteria of the United States Bureau of the
16 Census that [DATA WHICH], in the judgment of the department, is
17 equally reliable.

18 (b) The population of the taxing unit includes all persons who
19 usually reside within the taxing unit and the population of any mili-
20 tary reservation that [WHICH] is a part of the taxing unit. No person
21 may be included in the population of more than one taxing unit.

22 * Sec. 2. AS 29.89.060 is amended to read:

23 Sec. 29.89.060. POPULATION DETERMINATION. (a) For purposes of
24 AS 29.29, population shall be determined by the latest figures of the
25 United States Bureau of the Census or other reliable population data,
26 including current criteria of the United States Bureau of the Census,
27 [BUT NOT LIMITED TO] public school enrollment figures, public utility
28 connection, registered voters or certified employment payrolls.

29 * Sec. 3. AS 29.89.060 is amended by adding a new subsection to read:

1 (b) The population of an area for which a population determina-
2 tion is made under this section includes all persons who usually
3 reside within the area and the population of any military reservation
4 that is a part of the area. A person may not be included in the
5 population of more than one area for which a population determination
6 is made under this section.

7 * Sec. 4. This Act takes effect July 1, 1983.
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STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: CSSSHB 42 Date on Bill: February 14, 1983
 Title: Determination of population for purposes of calculating State aid
 Sponsor: HCRA
 Requestor: House Finance

1. Estimated fiscal impacts on: Department of Community & Regional Affairs

a. Expenditures:

(Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86
Capital		-0-	-0-	-0-
Operating		-0-	-0-	-0-
Total		-0-	-0-	-0-

b. Revenues:

Revenue				
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2. Source of funds to offset fiscal impact of bill:

3. Assumptions:

This bill changes the definition of individual residence for the purposes of municipal population determination. This procedural change will have no effect upon current Departmental operation and will require no additional monies for State aid programs based upon municipal population.

4. Disclaimer:

This statement has not been reviewed by the OMB in the Office of the Governor. It therefore does not represent the final estimate of fiscal impact.

Prepared By: Richard Rainery *RR* Phone: 465-4703
 Division: Commissioner's Office Date: 3/1/83
 Approved by Commissioner: *[Signature]* Date: 3/2/83
 Department: Department of Community & Regional Affairs

5. Distribution:

- Original to Legislative Finance
- Copy to OMB
- Copy to Sponsor
- Copy to Requestor

2/15/83

The following individuals are expected to testify on CS HB 42 (C&RA):

Representative Barbara Lacher, Chair, House C&RA Committee

Jeff Smith, Director, Division of Local Government Assistance, Department of Community and Regional Affairs

Dave Swanson, State Demographer, Department of Labor

Ginny Chitwood, Executive Director, Alaska Municipal League

Susan Burke, representing the North Slope Borough

Barbara Steakel, Municipal Manager, Municipality of Anchorage

Steve Morrissette, Borough Attorney, MatSu Borough

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THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SSHB 42

Title Population determination for purposes of calculating State aid

Requested by HCRA Date 1/28/83

II. FISCAL DETAIL

Agency Affected Department of Community & Regional Affairs

Program Category Affected Community Development

BRU, Program, Or Subprogram(s) Affected _____

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-	-0-	-0-		

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

This bill changes the definition of individual residence for the purposes of municipal population determination. This procedural change will have no affect upon current Department internal operations and will require no additional monies for State aid programs based upon municipal population.

No fiscal impact.

IV. DATE February 2, 1983

PREPARED BY Richard Rainery

AGENCY CRA/Commissioner's Office

Original: Legislative Finance

PHONE 465-4703

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/82)

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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PHONE: (907) 264-2294

March 2, 1983

POSITION PAPER

RE: CSSHB 42 (C&RA)

SPONSOR: Representative Lacher

The position of this Department on the original bill, Sponsor Substitute for HB 42, was that the language was ambiguous and provided unclear direction for implementation. These concerns have been resolved by CSSHB 42 (C&RA) which provides a much clearer picture of how this Department should count and allocate Alaskans among the over 250 communities of this State. CSSHB 42 ties the State very closely to criteria and procedures used by the U.S. Bureau of the Census and gives this Department points of reference which have been applied by the Bureau of Census for nearly two hundred years.

The Department is still reviewing all of the options that may be available to fairly and equitably enumerate, estimate, and allocate the population of municipalities in this State. There are many unique situations which must be evaluated and though CSSHB 42 offers one approach it is certainly not the only option. Therefore, the Department has no recommendation to offer at this time and leaves this major policy decision in the hands of the Legislature.



Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
Milo Fritz
Don Clocksin
Jack McBride
Mike Szymanski



Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives Committee on Community & Regional Affairs

M E M O R A N D U M

TO: COMMUNITY & REGIONAL AFFAIRS COMMITTEE MEMBERS

FROM: STAFF

DATE: FEBRUARY 11, 1983

SUBJECT: ANALYSIS OF CSSS HB42 (C&RA)

The substitute clarifies certain inconsistencies appearing in the original bill and addresses the concerns of the Departments of Labor and C&RA. It is believed that the present language will assure use of U.S. census figures for population of Alaskan municipalities rather than figures derived from different concepts of population. It will leave the Department of Community & Regional Affairs with discretion to develop and approve estimation methods for best counting population as defined by the statute.

The committee substitute would make the following changes in municipal assistance allocation, AS 29.88.015, and revenue sharing allocation, AS 29.89.060.

1. Any method for determining the annual population of municipalities other than using U.S. Census figures would have to be based on the same criteria as current census figures and be "equally" reliable. This would eliminate the option of a municipality to define population differently and would require the Department to certify population figures based on the same U.S. Census definitions and rules used throughout the State.
2. Population is defined by "usual residence" rather than remaining undefined as in present law. The "usual place of residence" or the place a person "usually resides" is a reference to the definition of population of the U.S. Census Bureau. It is a reasonably precise definition, supported by nearly 200 years of history and case law. This standard, when applied in a census, allows the citizen counted to tell the census taker where his "usual residence" is. Where the residence cannot be ascertained in this manner, the special rules of the U.S. Bureau would be invoked to aid in determining the person's residence.

HOUSE COMMUNITY & REGIONAL AFFAIRS
STANDING COMMITTEE
February 9, 1983
3:15 p.m.

Members Present: Rep. Lacher, Chairwoman
Rep. Tischer, Vice-Chairwoman
Rep. Fritz
Rep. McBride
Rep. Phillips

Members Absent: Rep. Szymanski
Rep. Clocksin

COMMITTEE CALENDAR

SSHB 42 "An Act relating to the determination of
population for purposes of calculating
amounts of state aid; and providing for an
effective date."

WITNESS REGISTER

Steven Morrisett, Attorney
Matanuska-Susitna Borough
Box B
Palmer, Alaska
745-4801

Jim Robison, Commissioner
Department of Labor
P.O. Box 1149
Juneau, Alaska 99811
465-2700

Dave Swanson, State Demographer
Department of Labor
P.O. Box 1149
Juneau, Alaska 99811
465-2700

Mike Breedlove, Demographer
Anchorage Department of Community Planning
Municipality of Anchorage
Pouch 6-650
Anchorage, Alaska
264-4529

Ginny Chitwood
Alaska Municipal League
204 North Franklin Street
Juneau, Alaska 99801
586-1325

PREVIOUS ACTION

SSHB 42

Statutory References: 29.88.015(b);
29.80.060; 29.60.020; and 29.60.150

ACTION NARRATIVE

TAPE#11 (Side A)
Recording
Number 0000

The meeting was called to order at 3:15 p.m. All members were present with the exceptions of Representatives Szymanski and Clocksin.

Number 0008

Steven Morrissett, Attorney for Matanuska-Susitna Borough begins testimony.

Number 0028

Rep. Clocksin arrives at 3:18 p.m.

Steven Morrissett discusses background and concept of population determination.

Number 0341

Rep. Szymanski arrives at 3:31 p.m.

Continuation of Steven Morrissett's testimony, including the issue of the emergency regulations adopted last year by the Department of Community and Regional Affairs.

Number 0545

Steven Morrissett comments on SSHB 42 and its attempt to deal with problems raised by the emergency regulations. The bill does not resolve or even address all of the problems, but the intent of the bill is to deal with the problem of population determination.

Steven Morrissett wants to see a definition of population which is non-political. He wishes to see standards applied by using the latest U.S. Census Bureau figures and wants to see the bill reflect this.

Number 0670

Questions and discussion by committee members.

One suggestion made by Rep. Phillips was that one common denominator for all Alaskans is the permanent fund dividend check. Could we use this program as a standard for definition?

TAPE#11 (Side B)
Recording
Number 0000

Continuation of committee discussion on
Steven Morrisett's testimony.

Number 0118

Commissioner Jim Robison, Department of
Labor, the Department will not say 'pro' or
'con' on the bill, but wants Dave Swanson to
indicate some of the problems with the
legislation.

Number 0182

Dave Swanson, State Demographer for the
Department of Labor. Speaks to some
concerns of the bill - summarized the
state's position paper - concerned the bill
might be in conflict with the U.S. Bureau of
Census definition.

Number 0247

Discussion and questions for Dave Swanson.

Rep. McBride questions if it is possible to
have more than one 'set' of standards to
determine population, especially if the
state has more than one purpose in mind.
Dave Swanson indicates that this is
feasible.

Number 0380

Mike Breedlove, Demographer for the
Municipality of Anchorage. In response to a
question from Rep. Fritz, Mike Breedlove
explained what a demographer is and does.

Rep. Lacher indicates that no one wants to
risk lack of credibility with U.S. Bureau of
Census. Mike Breedlove indicates that it is
unusual for the U.S. Bureau of Census to
accept a state's estimates.

Mike Breedlove addresses the concept of
census taking. To him, it appears that the
Census Bureau relies on the individual to
indicate where they reside. The Bureau does
not generally determine this--the individual
does.

The four night-a-week rule is not a rule of
thumb, but only used as a last resort if the
individual is unsure how to report.

Number 0640

In 1980, in other states, it was decided not
to enumerate oil rig workers, etc., the
Census Bureau intended the same for Alaska

but because of letters and communication to Governor, it was decided to enumerate them.

Number 0756

End of testimony.

Number 0760

Ginny Chitwood, Alaska Municipal League, favors determining population using U.S. Census standards.

Will the committee consider the possibility of amending AS 29.53.054 and AS 29.53.050 - the tax legislation since the North Slope situation is what has created the problem.

Rep. Lacher does not feel that this is the issue before the committee. SSHB 42 only deals with population determination. Rep. Szymanski objects to having the witness' testimony restricted.

Number 0848

Discussion and questions by the committee.

Ginny Chitwood, on behalf of the Alaska Municipal League, will deter to demographer. If the 'eligibility to vote' standard violates the U.S. Census Bureau standards, the Municipal League cannot support the bill.

TAPE#12 (Side A)
Recording
Number 0000

If the U.S. Census Bureau believes that 'eligibility to vote' is no problem then the Municipal League will support the legislation.

Number 0041

Doug Griffin, Senior Local Government Specialist, Department of Community and Regional Affairs. The Department sees the need for clearer legislation and wants to work towards a solution.

Number 0100

Questions and discussion.

Number 0180

End of testimony.

Rep. Lacher would like to see a committee substitute that would determine population equitably.

Number 0248

Doug Griffin sees two separate issues and wants to see determination of population dealt with first.

Number 0260

Open for statements by committee members.

Number 0284

The meeting adjourned at 5:00 p.m.

STATE OF ALASKA

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POSITION PAPER

Re: SSHB 42

Sponsor: Representative Lacher

Program Effect

This legislation would provide for definition of individual residence for the purposes of municipal population determination. The bill would have persons eligible to vote in a particular taxing unit counted in that unit.

Comments

SSHB 42 would provide the department more direction in applying residence definitions for purposes of making municipal population determinations. However, the legislation is somewhat ambiguous. The process of allocation does not conform with U.S. Bureau of Census definitions. The bill largely bases population determination upon intent while Bureau of Census definitions are based more upon an individual's physical location.

Sec. 15.05.010. Voter qualification. A person may vote at any election who

- (1) is a citizen of the United States;
- (2) is 18 years of age or older;
- (3) (repealed);
- (4) has been a resident of the state and of the election district in which he seeks to vote for at least 30 days just before the election; and
- (5) (repealed);
- (6) has registered before the election as required under AS 15.07 and is not registered to vote in another jurisdiction. (§ 1.01 ch 83 SLA 1960; am § 1 ch 125 SLA 1962; am § 1 ch 80 SLA 1963; am § 1 ch 211 SLA 1968; am § 1 ch 88 SLA 1969; am § 1 ch 15 SLA 1970; am § 1 ch 75 SLA 1972; am §§ 1, 38 ch 116 SLA 1972; am §§ 2, 3 ch 197 SLA 1975; am § 1 ch 100 SLA 1980)

Sec. 15.05.020. Rules for determining residence of voter. For the purpose of determining residence for voting, the place of residence is governed by the following rules:

(1) No person may be considered to have gained a residence solely by reason of his presence nor may he lose it solely by reason of his absence while in the civil or military service of this state or of the United States or of his absence because of marriage to a person engaged in the civil or military service of this state or the United States, while a student at an institution of learning, while in an institution or asylum at public expense, while confined in public prison, while engaged in the navigation of waters of this state, or the United States or of the high seas, while residing upon an Indian or military reservation, or while residing in the Alaska Pioneers' Home.

(2) The residence of a person is that place in which his habitation is fixed, and to which, whenever he is absent, he has the intention to return. If a person resides in one place, but does business in another, the former is his place of residence. ~~Temporary construction camps do not constitute a dwelling place.~~

(3) A change of residence is made only by the act of removal joined with the intent to remain in another place. There can only be one residence.

(4) A person does not lose his residence if he leaves his home and goes to another country, state or place in this state for temporary purposes only and with the intent of returning.

(5) A person does not gain residence in any place to which he comes without the present intention to establish his permanent dwelling at that place.

(6) A person loses his residence in this state if he votes in another state's election, either in person or by absentee ballot, and will not be eligible to vote in this state until he again qualifies under AS 15.05.010.

(7) Repealed by § 38 ch 116 SLA 1972.

(8) The term of residence is computed by including the day on which the person's residence begins and excluding the day of election.

(9) Repealed by § 38 ch 116 SLA 1972.

(10) The address of a voter as it appears on his official voter registration card is presumptive evidence of the person's voting residence. If the person has changed his voting residence, this presumption is negated only by the voter executing an affidavit on a form prepared by the director setting out his new voting residence. (§ 1.02 ch 83 SLA 1960; am § 2 ch 125 SLA 1962; am §§ 2, 3 ch 136 SLA 1966; am § 1 ch 228 SLA 1968; am §§ 4, 38 ch 116 SLA 1972; am §§ 4, 5 ch 197 SLA 1975; am § 6 ch 11 SLA 1979; am § 3 ch 100 SLA 1980)

Rec'd from DCRA

15.05.020

Bill No. Sponsor Substitute for House Bill 42

Date February 4, 1983

Title An Act relating to the determination of population for purposes of calculating amounts of state aid; and providing for an effective date.

Contact: Judy Knight
465-2700
John Post
465-2720

This bill seeks to define population for state revenue sharing, municipal assistance, and related programs for which the Department of Labor has no statutory responsibility. The bill seeks to exclude from the population of a taxing unit: (1) any person who is not eligible to vote in the taxing unit; and (2) any person who is counted in the population of a different taxing unit. The first restriction may cause this definition of population to be unacceptable to the U.S. Bureau of the Census. In addition, the language may create some unanticipated consequences, examples of which are described at the end of this paper.

The state can utilize a definition of population that is not acceptable to the U.S. Bureau of the Census. However, the Department of Labor suggests that by maintaining a definition of population acceptable to the U.S. Bureau of the Census, consistency of Alaskan population information can be maintained.

The Department of Labor acts as the state's representative to the U.S. Bureau of the Census in three programs: (1) the Federal-State Cooperative Program for Population Estimates; (2) the Federal-State Cooperative Program for Population Projections; and (3) the State Census Data Network Program. Under these three programs, this department works with the U.S. Bureau of the Census in generating and disseminating population data that are used in many federally-funded programs, including general revenue sharing. If the incentive is reduced for taxing units to produce population data acceptable for federal programs, the effectiveness of the Department in representing state interests is reduced. Consequently, the state and its taxing units may not receive appropriate funding levels for many federally supported programs.

Some possible consequences of Sponsor Substitute for House Bill 42 include the following:

- (1) Excluding transients, those with no usual place of residence, from a population count. The U.S. Bureau of the Census counts transients where they are found during a census.
- (2) Encouraging taxing units to utilize the voter registration rolls, which may include the names of many people who have moved out of the taxing unit. This may tend to produce inflated estimates.
- (3) Encouraging double-counting even though the bill expressly forbids it. A person carried on the voter registration roll for taxing unit "A" may have moved to taxing unit "B" without bothering to register as a voter in "B", even if eligible. This person may be implicitly counted in "A" if taxing unit "A" uses its voter registration to produce an estimate and also be implicitly or explicitly counted in "B" because the person is eligible to vote.

POSITION PAPER/Department of Labor

- 7
- (4) An inability to determine in which taxing unit a person should be counted. An oil worker may be eligible to vote both at his job location and in the taxing unit where the worker stays, while not working, if the person has never registered to vote. Which taxing unit has a priority claim? A college student from Nome, registered to vote in Nome, is eligible to vote in Fairbanks after 30 days of residence. Should the student be counted in Nome or in Fairbanks?
- (5) Excluding residents of Group Quarters from a population count. Should inmates in a state correctional facility, who may not be eligible to vote anywhere, be counted as part of the inmate population or as part of the populations in their home towns?

*Out of the
territory?*

APPROVED

Jim Robison

Jim Robison
Commissioner
Department of Labor

2/15/83

Date: _____

This is a signed position



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

February 7, 1983

MEMORANDUM

TO: Representative Barbara Lacher

FROM: Susan Brody, Acting Director *SB*
Chris Johnson, Research Staff *CJ*

RE: Effect of Population Counting Method in SSHB 42
Research Request 83-41

Bob Harris of your staff asked us to respond to the following two questions:

1. How would the change in population counting methods proposed in SSHB 42 affect the FY 83 population counts for the major boroughs?
2. Are the changes outlined in SSHB 42 compatible with Commissioner Lewis's proposed method of determining annual municipal populations?

Effect of SSHB 42 on Borough Population Counts

SSHB 42 would amend the population determination sections of State revenue sharing statutes. Existing statute requires the determination of a taxing unit's population to be based on the latest figures of the U.S. Bureau of the Census or other reliable data. It also directs that the population of a taxing unit include the population of any military reservation that is located in the taxing unit.

The bill would leave this language intact, but would add that the population of a taxing unit includes all permanent residents. It further adds the following language:

A person who is eligible to vote shall be included in the population of the taxing unit in which that person is eligible to vote. No person may be included in the population of more than one taxing unit.

The term eligible to vote may be somewhat ambiguous for the purposes of population estimation. Dana Coffman, Director of the Division of Elections stated that, in her opinion, oil workers who lived six months in Anchorage and six months on the North Slope would be eligible to vote in both places. The Department of Labor's position paper on SSHB 42

Representative Lacher
February 7, 1983
Page 2

makes a similar point: "An oil worker may be eligible to vote both at his job location and in the taxing unit where the worker stays, while not working, if the person has never registered to vote."

Tam Cook, Legislative Counsel, stated that the issue rests, in part, on how "eligible to vote" is construed. A broad interpretation of the term might be that a person is eligible to vote where (s)he is "qualified," but not registered to vote; a narrow interpretation would be that a person is eligible to vote only where (s)he is "registered" to vote. Ms. Cook indicated that, in implementing this bill, the department would probably, as a practical matter, count oil field workers where they were registered to vote.

According to Assistant Attorney General Lauri Davis, she would interpret the term "eligible to vote" to mean "registered to vote." She indicated that an individual cannot be eligible to vote in a particular location unless (s)he is registered at that location. According to this interpretation, a person can be "eligible to be registered" in more than one location, but can be eligible (i.e., registered) to vote in only one place.

Effect on Population Counts. We spoke with State Demographer Dave Swanson to determine the possible effect of SSHB 42 on borough population counts. According to Mr. Swanson, there were 4,841 people in the North Slope Borough in 1982, excluding workers at oil-related sites.¹ In this same year, there were 6,306 people at oil-related work sites on the North Slope, of which 4,874 claimed Alaska as their usual place of residence and 1,432 claimed other states.

To determine the number of oil field workers who might be counted as part of the North Slope Borough's population under SSHB 42, we obtained voter registration lists for the Borough from the State Division of Elections. Using the address of each registered voter as a guide, we identified approximately 180 registered voters as oil workers.

If we take voter registration as a measure of voter eligibility, then the North Slope Borough's population count under SSHB 42 would be approximately 5,000 (4,841 permanent residents + 180 oil workers registered to vote = 5,020).² However, if eligibility to vote is more broadly defined, it might be argued that more of the oil workers should be counted as part of the North Slope Borough's population (for example, those workers not registered at any location might be considered eligible to vote in the North Slope Borough).

¹ Special census of the North Slope Borough conducted in January-February 1982 as a cooperative effort of the State and the borough.

² The number of permanent residents (not including persons at oil-related worksites) is taken from the 1982 special census; the number of registered voters is as of October 1982.

The population of the other boroughs under SSHB 42 is somewhat more difficult to estimate. Presumably, the approximately 4,700 (4,874 - 180=4,694) oil field workers not counted as part of the North Slope's population under this bill could be counted as part of the populations of the Anchorage, Fairbanks, Kenai Peninsula and Mat-Su Boroughs. However, we have no data on the number of oil workers registered to vote in these other communities.

One possible indicator of where these workers would be eligible (registered) to vote is the community they claimed as their usual place of residence during the 1982 special census. Of the 4,874 oil field workers claiming Alaska as their place of residence, 178 claimed the North Slope Borough as their usual place of residence³ and approximately 4,700 claimed other municipalities, as shown on the table below.

Table 1
1982 State Special Census of the North Slope Borough

<u>Municipality</u>	<u>Total No. of Workers Claiming this as Usual Place of Residence</u>	
Anchorage	2,496	(51.3%)
Fairbanks	1,094	(22.6%)
Kenai Peninsula	437	(9.1%)
North Slope	178	(8.0%)
Mat-Su	413	(3.7%)
Other	<u>256</u>	(<u>5.3%</u>)
TOTAL	4,874	(100%)

SOURCE: Alaska Department of Labor

If the workers who claimed Anchorage as their usual place of residence in the 1982 special census were also registered to vote there, then approximately 2,500 of the North Slope oil field workers could be counted as part of Anchorage's population under SSHB 42. Similarly, about 1,100

³This corresponds closely to our estimate of the number of oil field workers registered to vote in the North Slope borough. Our estimate was 180 based on Division of Election registration lists.

of the oil field workers could be counted in Fairbanks, 440 in the Kenai Borough, and 410 in the Mat-Su Borough. It should be noted that some of these workers were already included in DCRA's population estimates for these municipalities for FY 82 and FY 83 revenue sharing purposes.

SSHB 42 and DCRA's Proposed Population Determination Method

Bob Harris also asked us to comment on the extent to which the changes in SSHB 42 are compatible with Commissioner Lewis's proposed method of determining annual municipal populations. Commissioner Lewis's proposal requires that municipal population adjustments be accomplished using the Housing Unit Method of estimating population.⁴ This method uses as its basis the most recent population data produced by the U.S. Bureau of the Census.

According to State Demographer Dave Swanson, the Census Bureau currently accepts only three ways of determining residency:

1. A person may be counted as a resident of a community if he or she spends four nights of the week there on a regular basis;
2. A person may be counted as a resident if he or she spends at least 51 percent of the year there;
3. Oil workers on the North Slope and in Cook Inlet may be counted as residents of their home communities regardless of where they spend four nights of the week or most of the year.

The federal government allocated all oil field workers to their home communities in the 1980 U.S. Census. In contrast, the State used the 51 percent rule to estimate population in the 1982 special census. This was also the basis for the population estimates used for revenue sharing purposes in FY 82.

Dave Swanson stated that although the State could ask the U.S. Census Bureau to accept a definition of residency which is based on where an individual is registered to vote, he is confident that it would not be acceptable. At this time, according to Mr. Swanson, voter registration is not a factor which the Census Bureau considers in determining residency.

⁴Department of Community and Regional Affairs, The Annual Municipal Population Determination Programs Basis for Development of Regulations, January 7, 1983.

Discd -

HOUSE RESEARCH AGENCY
Pouch Y
Juneau, Alaska 99811
465-3991

KEY WORD: Population Counting
Research Request No: 83-41

RESEARCH EVALUATION

TO: *Rep. Laska*
FROM: Susan Brody, Acting Director
RE: Evaluation of Research Products

To assist us in improving the quality of our research services, we would appreciate your response to the following questions:

- Was the information unbiased?

- Did it provide answers to (or, at least, useful information on) all the questions you posed?

- Was the research completed and delivered to you in a timely manner?

- Was it clearly written?

- May we release this information to the public?

- Now
- Three months from the date of transmittal
- At the end of the current legislative session

Please be assured that we will take your comments seriously in performing future research for you.

Please return to House Research Agency, Mail Stop 3100.

Thank you.

Susan

§ 29.88.010

§ 29.88.015

MUNICIPAL GOVERNMENT

§ 29.88.020

(C) revenue from fees, rentals, leases, penalties, licenses or permits received during the preceding fiscal year by the municipality for a function or service over which it has control, including revenues derived from parks and recreation services, mass transit, offstreet parking, and garbage and solid waste disposal services;

(D) special assessments received during the preceding fiscal year; and

(E) payments received by a municipality from a utility which are in place of taxes levied and collected by the municipality;

(2) excludes

(A) revenue derived from the levy and collection of municipal taxes and appropriated for the operating expenses and debt service of utilities;

(B) revenue from interest earned on investments and from the sale and lease of land or equipment; and

(C) all other revenue from whatever service derived. (§ 2 ch 155 SLA 1980)

Sec. 29.88.015. Determination of population. (a) For purposes of AS 29.88.010 — 29.88.045, the population of a taxing unit shall be determined annually by the latest figures of the United States Bureau of the Census or other population data which, in the judgment of the department, is reliable.

(b) The population of the taxing unit includes the population of any military reservation which is a part of the taxing unit. (§ 2 ch 155 SLA 1980)

Sec. 29.88.020. Determination of millage rate equivalent. (a) The department may require a municipality to return a certification, signed by the municipal treasurer or manager and the mayor, which provides an estimate of the locally generated revenue received by the municipality during the preceding fiscal year.

(b) By October 15 of each year, the department shall make an initial determination of the millage rate equivalent of each taxing unit to be used for computing and distributing equalization entitlements for the current fiscal year under AS 29.88.010 — 29.88.045. The department shall base the initial determination on the estimates in the certification returned by a municipality under (a) of this section.

(c) As early as possible, but not later than December 15 of each year, the department shall make a final determination of the millage rate equivalent of each taxing unit to use to compute and distribute equalization entitlements under AS 29.88.010 — 29.88.045. The department shall base the determination on audits, financial statements and other financial reports prepared and submitted by a municipality. The department shall adjust the locally generated revenue reported by a municipality to exclude the municipal revenue claimed by the municipality which does not qualify for inclusion in or

Sec. 29.89.050. State aid to Native village governments. The state shall pay \$25,000 to a Native village government for a village which is not incorporated as a city under AS 29.03.010 — 29.95.030. In this section, "Native village government" means

(1) a local governing body organized by authority of the Act of Congress of June 18, 1934 (25 U.S.C. § 476); or

(2) a traditional village council or, if there is no traditional village council, the paramount chief or other governing body of a Native village which meets the requirements of the Alaska Native Claims Settlement Act (43 U.S.C. §§ 1601 — 1628). (§ 3 ch 155 SLA 1980)

Sec. 29.89.060. Population determination. For purposes of AS 29.89.010 — 29.89.100, population shall be determined by the latest figures of the United States Bureau of the Census or other reliable population data, including but not limited to public school enrollment figures, public utility connection, registered voters or certified employment payrolls. (§ 3 ch 155 SLA 1980)

Sec. 29.89.070. Area cost-of-living differential. (a) Payments to a municipality or other eligible recipient under AS 29.89.020 — 29.89.030 shall reflect area cost-of-living differentials. Payments shall be based upon the sum of per capita, per mile and per bed or facility grants due each municipality or other recipient multiplied by the appropriate area cost-of-living differential. The area cost-of-living differential for each recipient shall be determined annually by election district under the provisions of AS 39.27.030. Application of the area cost-of-living differential may not result in distribution of an amount less than the amount of the payment determined without application of this section.

(b) The election districts used to establish area cost-of-living differentials under (a) of this section are those designated by the proclamation of reapportionment and redistricting of December 7, 1961, and retained for the house of representatives by proclamation of the governor September 3, 1965. (§ 3 ch 155 SLA 1980)

Sec. 29.89.080. Miscellaneous services account. The miscellaneous services account is established. Money to carry out the provisions of AS 29.89.010 — 29.89.100 shall be allocated by the department to the account in accordance with AS 29.95.010. If amounts in the account are insufficient to pay each municipality's or other recipient's share authorized under AS 29.89.010 — 29.89.100, the amounts which are available shall be distributed pro rata among eligible municipalities and other recipients. (§ 3 ch 155 SLA 1980)

Sec. 29.89.090. Regulations. The department shall adopt regulations necessary to carry out the purposes of AS 29.89.010 — 29.89.100. The regulations shall include minimum standards required to qualify a municipality or other recipient for payments for each ser-

Bill No. CS for SS for HB 42

Date February 23, 1983

Title An Act relating to the determination of population for purposes of calculating amounts of state aid; and providing for an effective date.

Contact: Judy Knight
465-2700

This bill revises both the definition and methodology relating to population determinations used in state revenue sharing, municipal assistance, and related programs. The Department of Labor has no statutory responsibility for these programs. However, the Department does act as the state's representative to the U.S. Bureau of the Census and works with the Bureau in generating and disseminating population data used in many federally-funded programs affecting Alaska.

The definition of population formulated in the bill would be common to all taxing units since it requires consistency with the definition used by the U.S. Bureau of the Census. It further specifies that no double-counting would occur across taxing units, which is also consistent with definitions and procedures used by the U.S. Bureau of the Census.

The bill specifies that determinations that are not taken directly from figures produced by the U.S. Bureau of the Census must rely on methodology based upon current criteria of the U.S. Bureau of the Census. These determinations must, in the judgment of the Department of Community and Regional Affairs, be equal in reliability to those produced by the U.S. Bureau of the Census.

The Department of Labor believes that this bill would encourage consistent population information for Alaska. It allows some flexibility in the methods used to develop consistent population data. This aspect recognizes the different conditions found within the state that may require the use of different but equally reliable methods. The bill also encourages the development of population determinations that would be acceptable for both state and federal programs using population in their funding formulas. The Department supports a population program that reduces duplication in effort and achieves efficiencies in cost for the state, its boroughs, and municipalities.

Approved by *Jimi Robinson*
Commissioner

Date *2/24/83*

POSITION PAPER/Department of Labor

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N FRANKLIN ST.
JUNEAU, ALASKA 99801

March 1, 1983

The Honorable Al Adams
State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Adams:

The Alaska Municipal League supports the adoption of HB 153 - Municipal Assistance Fund Supplemental Appropriation. The \$25.1 million requested represents the difference between the original appropriation of \$71.3 million and 10% of the amount that would have been generated by the corporate income tax if the Legislature had not adopted SB 524 in 1981, eliminating the special oil and gas corporate tax.

When the Legislature repealed the Gross Business License Tax, a portion of which was automatically distributed to municipalities, it created the Municipal Assistance Fund as a revenue replacement for local governments. The law provided that an amount "equal to or greater than 10%" of the proceeds of the previous year's corporate income tax, both special oil and gas and also general, could be appropriated to the fund. When the Legislature repealed the special oil and gas corporate income tax, and increased the severance tax in the closing days of the 1981 session (SB 524), it did not make any changes to the Municipal Assistance Fund. Following the session, however, legislative leaders publicly stated that they did not intend to adversely impact local government funding and would make corrections during the next session.

In the 1982 session, the Legislature amended the law, increasing the level from 10% to 30%. This change affects FY 84 and subsequent years, but FY 83 was caught in the middle between the 2 systems. The FY 83 appropriation was \$71.3 million, \$16.1 million less than the FY 82 appropriation of \$87.4 million.

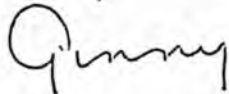
In the past, municipalities levying property taxes have used this funding to reduce taxes, as directed by law. Without the supplemental, most areas will have to raise taxes by about one mill to make up the difference. Second class cities, which rely on sales tax, will not have that option and will have to cut back services.

March 1, 1983 - page 2

We urge your favorable consideration of this supplemental request. Enclosed is a listing of the municipalities in your district, and how much they received in FY 82, the estimated amount for FY 83, and their estimated share of the supplemental.

Please feel free to contact me if you have any questions.

Sincerely,

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

Ginny Chitwood
Executive Director

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

MUNICIPAL ASSISTANCE

Representative Adams - District #22

<u>Municipality</u>	<u>FY 82 Pmt</u>	<u>Estimated FY 83 Pmt</u>	<u>HB 153 Additional</u>
Ambler	39,649	32,309	11,374
Anaktuvuk Pass	46,409	39,987	14,077
Barrow	487,674	460,970	162,277
Buckland	41,979	34,709	12,219
Deering	31,008	25,272	8,896
Kaktovik	40,690	34,229	12,050
Kiana	71,501	58,061	20,439
Kivalina	49,223	40,467	14,246
Kobuk	12,647	10,237	3,604
Kotzebue	477,285	394,112	138,741
Noorvik	101,500	82,693	29,111
North Slope Borough	1,320,031	452,973	159,462
Nuiqsut	53,428	45,905	16,160
Point Hope	108,084	87,012	30,631
Selawik	74,351	96,129	33,840
Shungnak	42,220	34,229	12,050

MUNICIPAL ASSISTANCE FUND

The Municipal Assistance Fund, administered by the Department of Revenue, distributes money appropriated by the Legislature to municipalities on a per capita basis. There is no cost of living adjustment or payment to unincorporated communities. The statute provides that the fund contain an amount "equal to or greater" than 30% of the corporate income tax receipts, subject to Legislative appropriation. The Legislature raised the level from 10% to 30% during the 1982 Session in order to compensate for the 1981 repeal of the special oil and gas corporate income tax. Legislative intent is that this money be used for local tax relief.

The Municipal Assistance Fund was created when the Legislature repealed the Gross Business License Tax. Under that program, municipalities received 60% of revenues generated. Since it was a pre-statehood dedicated sharing, the amount was distributed automatically and not subject to Legislative appropriation.

Prepared by
Alaska Municipal League
July, 1982

Alaska Municipal Assistance Fund

Sec. 43.20.016. Sharing of corporate income tax revenue with municipalities. (a) There is established within the Department of Revenue the municipal assistance fund. The legislature may appropriate to the fund during each fiscal year an amount equal to or greater than (10) percent of the income tax revenue received by the state under AS 43.20.011(e) and AS 43.21.01C — 43.21.120 for the previous fiscal year. The Department of Revenue shall distribute money from the fund to each organized borough and each city of any class on an annual basis as provided in (b) and (c) of this section. A borough or city may not receive payment under (b) or (c) of this section until it submits to the Department of Revenue a resolution approved by the governing body of the municipality that requests the funds. Distribution of money from the fund to a city or organized borough with a fiscal year beginning on January 1 shall be made on February 1 of the state fiscal year for which the appropriation to the fund is made. Distribution of money from the fund to all other cities and organized boroughs shall be made on June 1 of the state fiscal year for which the appropriation to the fund is made. A borough or city that incorporates after December 31 of a state fiscal year is not eligible for a distribution under this section until the following state fiscal year.

1982 Legislature
increased to 30%
to compensate for
changes made to the
oil & gas corporate
income tax in 1981.

(b) The base amount to be distributed from the fund to each borough and city for the fiscal year shall be the amount received by the borough

or city during fiscal year 1978 under AS 43.70.080; however, if the amount appropriated to the fund by the legislature under (a) of this section is insufficient for distribution of the full base amount, the Department of Revenue shall prorate the amount available for distribution on the basis of amounts received during fiscal year 1978 under AS 43.70.080. A city incorporated within an organized borough after June 30, 1977 shall receive as a base amount a share of the amount distributed to the borough in which it is located based on the ratio of population in the city to the total population in the borough. A city incorporated outside an organized borough after June 30, 1977 shall receive as a base amount the amount received by the city in the state most closely approximating it in population at the time of its incorporation. A borough incorporated after June 30, 1977 shall receive as a base amount the amount received by the borough in the state most closely approximating it in population at the time of its incorporation.

(c) If the amount in the fund at the time of distribution exceeds the base amount to be distributed under (b) of this section, the excess amount shall be distributed to each borough and city on the basis of population. For the purpose of this subsection, the population of a city within an organized borough shall be deducted from the population of the borough. Population, for the purpose of this section, shall be as certified by the commissioner of community and regional affairs.

(d) The intent of (c) of this section is that local governments which levy property taxes reduce those levies in reasonable proportion to the amount of increased state aid received by a local government. The governing body of each local government shall furnish a notice with the tax statement describing its use of this increased state aid. (§ 2 ch 144 SLA 1978; am § 1 ch 51 SLA 1981)

JOINT RESOLUTION NO. JR 83-2

A JOINT RESOLUTION OF THE GOVERNING BODIES OF THE CITY OF FAIRBANKS, FAIRBANKS NORTH STAR BOROUGH, AND MUNICIPALITY OF ANCHORAGE, ALASKA, ENDORSING THE ADOPTION OF HB 42.

WHEREAS, population data is invaluable to local governments for a wide variety of reasons, and

WHEREAS, population data is used in part as a basis for a variety of resource distribution systems, and

WHEREAS, reliable population data is essential to the rational application of all programs and systems that are affected by population distribution, and

WHEREAS, issues regarding the equity of resource distribution systems should be addressed in the design of those systems rather than through the application of unreliable, irrational or novel data collection methods, and

WHEREAS, the U. S. Bureau of the Census has, for over two hundred years, developed and refined guidelines and criteria for the establishment and gathering of reliable population data.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODIES OF THE CITY OF FAIRBANKS, FAIRBANKS NORTH STAR BOROUGH, AND MUNICIPALITY OF ANCHORAGE:

The 13th Legislature of the State of Alaska is urged to approve the House Community and Regional Affairs Committee Substitute for HB 42, which bill provides that population determinations for the Department of Community and Regional Affairs be based on U. S. Census data or on other reliable data that is consistent with the standards, criteria and guidelines of the U. S. Bureau of the Census.

ADOPTED at the JOINT MEETING on February 18, 1983 in Anchorage, Alaska.

ATTEST:

CITY OF FAIRBANKS

Carma Roberson
Carma Roberson

Bill Walley
Bill Walley, Mayor

FAIRBANKS NORTH STAR BOROUGH

Carma Roberson
Carma Roberson

Jerry Noren
Jerry Noren, Presiding Officer

MUNICIPALITY OF ANCHORAGE

Ruby E. Smith
Ruby Smith
Municipal Clerk

Paul Baer
Paul Baer, Chairman

PROPOSED CS FOR HB 42
March 2, 1983

A BILL

For an Act entitled: "An Act relating to the determination of population for purposes of calculating amounts of state aid and limitations on oil and gas property taxes; and providing for an effective date."

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

* Section 1. AS 29.88.015(b) is amended to read:

(b) The population of the taxing unit includes all persons who usually reside within the taxing unit and the population of any military reservation that [WHICH] is a part of the taxing unit. The population of the taxing unit also includes the average number of persons during the year who temporarily reside in each isolated work site within the taxing unit if there are workers temporarily residing at the work site during each month of the year and if the number of workers in any single month does not vary more than 50 per cent from the average for that year. The average number of persons temporarily residing in an isolated work site during the year is the number of persons temporarily residing in the isolated work site at the time of a census, adjusted for seasonal fluctuations. In this section "temporarily" means at least four nights during a week.

* Section 2. AS 29.89.060 is amended to read:

Sec. 29.89.060. POPULATION DETERMINATION. (a) For purposes of AS 29.89.010 - 29.89.100, population shall be determined by the latest figures of the United States Bureau of the Census or other reliable population data [,INCLUDING BUT NOT LIMITED TO PUBLIC UTILITY CONNECTION, REGISTERED VOTERS OR CERTIFIED EMPLOYMENT PAYROLLS].

* Sec. 3. AS 29.89.060 is amended by adding a new subsection to read:

(b) The population of the taxing unit includes all persons who usually reside within the taxing unit and the population of any military reservation that is a part of the taxing unit. The population of the taxing unit also includes the average number of persons during the year who temporarily reside in each isolated work site within the taxing unit if there are workers temporarily residing at the work site during each month of the year and if the number of workers in any single month does not vary more than 50 per cent from the average for that year. The average number of persons temporarily residing in an isolated work site during the year is the number of persons temporarily residing in the isolated work site at the time of a census, adjusted for seasonal fluctuations. In this section "temporarily" means at least four nights during a week.

* Sec. 4. AS 29.53.045 is amended by adding a new subsection to read:

(f) The population of the taxing unit includes all persons who usually reside within the taxing unit and the population of any military reservation that is a part of the taxing unit. The population of the taxing unit also includes the average number of persons during the year who temporarily reside in each isolated work site within the taxing unit if there are workers temporarily residing at the work site during each month of the year and if the number of workers in any single month does not vary more than 50 per cent from the average for that year. The average number of persons temporarily residing in an isolated work site during the year is the number of persons temporarily residing in the isolated work site at the time of a census, adjusted for seasonal fluctuations. In this section "temporarily" means at least four nights during a week.

* Sec. 5. AS 29.53.050 is amended by adding a new subsection to read:

(c) The population of the taxing unit includes all persons who usually reside within the taxing unit and the population of any military reservation that is a part of the taxing unit. The population of the taxing unit also includes the average number of persons during the year who temporarily reside in each isolated

work site within the taxing unit if there are workers temporarily residing at the work site during each month of the year and if the number of workers in any single month does not vary more than 50 per cent from the average for that year. The average number of persons temporarily residing in an isolated work site during the year is the number of persons temporarily residing in the isolated work site at the time of a census, adjusted for seasonal fluctuations. In this section "temporarily" means at least four nights during a week.

* Sec. 6. This Act takes effect July 1, 1983.

Introduced: 1/17/83
Referred: Community & Regional Affairs and Finance

1 IN THE HOUSE

BY LACHER AND LARSON

2 SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 42
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the determination of population
7 for purposes of calculating amounts of state aid; and
8 providing for an effective date."

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

10 * Section 1. AS 29.88.015(b) is amended to read:

11 (b) The population of the taxing unit includes all permanent
12 residents and the population of any military reservation that [WHICH]
13 is a part of the taxing unit. A person who is eligible to vote shall
14 be included in the population of the taxing unit in which that person
15 is eligible to vote. No person may be included in the population of
16 more than one taxing unit.

17 * Sec. 2. AS 29.89.060 is amended by adding a new subsection to read:

18 (b) A population determination under this section includes all
19 permanent residents and the population of any military reservation
20 that is a part of the area for which the determination is made. A
21 person who is eligible to vote shall be included in the population of
22 the area in which that person is eligible to vote. No person may be
23 included in the population of more than one area.

24 * Sec. 3. AS 29.60.020 is amended by adding a new subsection to read:

25 (b) The population of the taxing unit includes all permanent
26 residents and the population of any military reservation that is a
27 part of the taxing unit. A person who is eligible to vote shall be
28 included in the population of the taxing unit in which that person is
29 eligible to vote. No person may be included in the population of more

1 than one taxing unit.

2 * Sec. 4. AS 29.60.150 is amended by adding a new subsection to read:

3 (b) A population determination under this section includes all
4 permanent residents and the population of any military reservation
5 that is a part of the area for which the determination is made. A
6 person who is eligible to vote shall be included in the population of
7 the area in which that person is eligible to vote. No person may be
8 included in the population of more than one area.

9 * Sec. 5. Sections 3 and 4 of this Act shall be used to calculate
10 amounts of state aid beginning July 1, 1983.

11 * Sec. 6. Sections 1 and 2 of this Act are repealed.

12 * Sec. 7. Sections 1 and 2 of this Act take effect July 1, 1983.

13 * Sec. 8. Sections 3 - 6 of this Act take effect on the effective date
14 of a version of an Act revising AS 29 passed by the Thirteenth Legislature
15 and enacted into law.

Offered: 2/14/83
Referred: Finance

Original sponsors: Lacher and Larson

1 IN THE HOUSE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 42 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the determination of population
7 for purposes of calculating amounts of state aid; and
8 providing for an effective date."

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

10 * Section 1. AS 29.88.015 is amended to read:

11 Sec. 29.88.015. DETERMINATION OF POPULATION. (a) For purposes
12 of AS 29.88.010 - 29.88.045, the population of a taxing unit shall be
13 determined annually by the latest figures of the United States Bureau
14 of the Census or by another method of determining the actual [OTHER]
15 population based on current criteria of the United States Bureau of
16 the Census that [DATA WHICH], in the judgment of the department, is
17 equally reliable.

18 (b) The population of the taxing unit includes all persons who
19 usually reside within the taxing unit and the population of any mili-
20 tary reservation that [WHICH] is a part of the taxing unit. No person
21 may be included in the population of more than one taxing unit.

22 * Sec. 2. AS 29.89.060 is amended to read:

23 Sec. 29.89.060. POPULATION DETERMINATION. (a) For purposes of
24 AS 29.89.010 - 29.89.100, population shall be determined by the latest
25 figures of the United States Bureau of the Census or by another method
26 of determining the actual [OTHER RELIABLE] population based on current
27 criteria of the United States Bureau of the Census that is equally
28 reliable [DATA, INCLUDING BUT NOT LIMITED TO PUBLIC UTILITY CONNEC-
29 TION, REGISTERED VOTERS OR CERTIFIED EMPLOYMENT PAYROLLS].

1 * Sec. 3. AS 29.89.060 is amended by adding a new subsection to read:

2 (b) The population of an area for which a population determina-
3 tion is made under this section includes all persons who usually
4 reside within the area and the population of any military reservation
5 that is a part of the area. A person may not be included in the
6 population of more than one area for which a population determination
7 is made under this section.

8 * Sec. 4. This Act takes effect July 1, 1983.

HCR 51

SENATE JOURNAL - PAGE 2260- 1 3/ 6/84

<CS FOR HOUSE CONCURRENT RESOLUTION NO. 51 (RES) am> by the
Resources Committee,

Relating to the appointment of a
Delta Junction bison range
advisory committee,

was read the first time and referred to the Resources Commit-
tee and the Finance Committee.

HCR 51

SENATE JOURNAL - PAGE 2825- 1 4/25/84

Senator Fahrenkamp, Chairman, moved and asked unanimous con-
sent that the Resources Committee referral be waived on <CS>
<FOR HOUSE CONCURRENT RESOLUTION NO. 51 (RES) am> (appointment
of a Delta Junction bison range advisory committee). Without
objection, it was so ordered.

CS FOR HOUSE CONCURRENT RESOLUTION NO. 51 (RES) am was referred
to the Finance Committee.

*Fin waved
to Rules*

COMMITTEE REPORT

SENATE

FURTHER: FINANCE

3/6/84

Date _____

Mr. President

The Committee on RESOURCES considered CSHCR 51(Res) an
appointment of a Delta Junction bison range advisory committee.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman _____

Chairman recommendation _____

Offered: 2/28/84
Referred: Rules

Original sponsor: Shultz and Liska

1 IN THE HOUSE BY THE RESOURCES COMMITTEE
2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 51 (Resources) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - SECOND SESSION
5 Relating to the appointment of a Delta
6 Junction bison range advisory committee.
7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:
8 WHEREAS the Delta Junction bison herd is a highly valued state wild-
9 life resource; and
10 WHEREAS drawing permits issued for the hunting of Delta Junction bison
11 constitute a valuable source of state revenue; and
12 WHEREAS the Delta Junction bison herd has established the Delta agri-
13 cultural project as a fall and winter range; and
14 WHEREAS the feeding, wallowing, and traveling by the Delta Junction
15 bison herd within the Delta agricultural project has resulted in damage to
16 crops, monetary loss to local farmers, legal conflicts, and physical harm
17 to the herd; and
18 WHEREAS the bison range concept is a proven means of keeping bison in
19 an area as long as adequate forage is available on the range; and
20 WHEREAS the current state of development of the Delta Junction bison
21 range area is inadequate to sustain bison for more than a few weeks; and
22 WHEREAS the expansion of available forage on the Delta Junction bison
23 range area is required to provide a winter range for the Delta Junction
24 bison herd and to effectively keep the herd from grazing within the Delta
25 agricultural project;
26 BE IT RESOLVED by the Alaska State Legislature that the governor is
27 requested to appoint a nine-member Delta Junction Bison Range Advisory
28 Committee with members representing the following interests:
29 (1) two members representing the Delta agricultural project;

1 (2) two members representing Delta Junction sport hunters and
2 the state fish and game advisory committee;

3 (3) one member representing nonconsumptive wildlife users;

4 (4) one member representing timber, mining and other consumptive
5 natural resource industries;

6 (5) one member representing the tourism industry; and

7 (6) two members appointed statewide identified as potential
8 users of the bison herd; and be it

9 FURTHER RESOLVED that the governor is requested to provide that the
10 committee shall consult with and offer its advice to the Department of Fish
11 and Game, the Department of Commerce and Economic Development, and the
12 Alaska Agricultural Action Council, on matters relating to the game manage-
13 ment plan required under AS 16.20.310; and to provide that a member of the
14 advisory committee is not entitled to per diem, travel, or other compensa-
15 tion from the state for the performance of acts as a committee member.

COMMITTEE REPORT
HOUSE

FURTHER:

(11)

4/13/83

Date:

4/27/83

Mr. Speaker:

The Committee on FINANCE has had SSHB 56

An Act relating to scholarship loans.

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for SSHB 56 (FINANCE) same title
 new title
- and recommends DO PASS
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation Zero Fiscal Note Attached
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

Original sponsors: Lindauer, Uehling,
Furnace and Wendte

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 56 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

9 * Section 1. AS 14.43.120(f) is amended to read:

10 (f) Interest on a loan made [GIVEN] under AS 14.43.090 - 14.43.-
11 160 is at the rate of eight [FIVE] percent a year.

12 * Sec. 2. AS 14.43.120(k)(2) is amended to read:

13 (2) serving a first enlistment period of up to four years
14 on active duty as a member of the armed forces of the United States;

15 * Sec. 3. AS 14.43.125 is repealed and reenacted to read:

16 Sec. 14.43.125. ELIGIBILITY OF STUDENTS. A person may apply for
17 and obtain a scholarship loan if the person

18 (1) is

19 (A) enrolled as a full-time student in a career educa-
20 tion, or associate, or baccalaureate, or graduate degree program;
21 or

22 (B) a graduate of a high school, or the equivalent, or
23 scheduled for graduation from a high school within six months,
24 with sufficient credits to be admitted to a career education
25 program or to an accredited college or university;

26 (2) is not delinquent or in default on a previously awarded
27 scholarship loan; and

28 (3) is a resident of the state at the time of application
29 for the loan. For purposes of this section, a person qualifies as a

1 resident of the state if at the time of application for the loan the
2 person

3 (A) has been physically present in the state for at
4 least two years;

5 (B) is dependent on a parent or guardian for care, and
6 the parent or guardian has been present in the state for at least
7 two years; or

8 (C) has been physically present in the state for at
9 least two years immediately before being absent from the state
10 and the absence is due solely to

11 (i) military service;

12 (ii) volunteer service under the Peace Corps Act;

13 (iii) volunteer service under the Domestic Volun-
14 teer Service Act of 1973;

15 (iv) attending a school as a full-time student;

16 (v) full-time employment by the state or its
17 congressional delegation; or

18 (vi) required medical care for the applicant or
19 the applicant's immediate family.

20 * Sec. 4. AS 14.43.130 is repealed and reenacted to read:

21 Sec. 14.43.130. SELECTION CRITERIA. (a) The selection commit-
22 tee shall grant loans based on total point accumulations under this
23 section with priority going to those applicants with the highest point
24 accumulations, except as provided in (b) of this section. Points
25 shall be awarded according to the following schedule:

26 (1) Alaska high school graduates and continuing undergrad-
27 uate and graduate students with existing Alaska scholarship loans
284 points
29

- 1 (2) continuing undergraduate and graduate students without
- 2 existing Alaska scholarship loans3 points
- 3 (3) first year undergraduate students2 points
- 4 (4) new graduate students without existing Alaska scholar-
- 5 ship loans1 point
- 6 (5) students attending Alaska colleges or universities ...-
- 71 point

8 (b) The selection committee shall award loans to applicants
 9 based upon the earliest date of completed applications if the appli-
 10 cant has filed a completed application not later than May 15 of the
 11 year for which the loan is requested.

12 * Sec. 5. AS 14.43 is amended by adding a new section to read:

13 Sec. 14.43.132. **FEDERALLY INSURED LOANS ENCOURAGED.** Whenever
 14 possible scholarship loans made under AS 14.43.090 - 14.43.160 shall
 15 be federally insured.

16 * Sec. 6. AS 14.43.160 is amended by adding a new paragraph to read:

17 (9) "committee" means the student financial aid committee
 18 of the Alaska Commission on Postsecondary Education.

19 * Sec. 7. If the two-year residency requirement for scholarship loans
 20 provided by AS 14.43.125 is declared unconstitutional or otherwise invalid
 21 by a court of competent jurisdiction, the Commission on Postsecondary
 22 Education shall adopt regulations to impose the most stringent residency
 23 requirement allowable under the Constitution of the State of Alaska and the
 24 United States Constitution on scholarship loan applicants.

25 * Sec. 8. This Act takes effect July 1, 1984.

STATE OF ALASKA
FISCAL NOTE

Revision Date 4/12, 1983

I. REQUEST

Bill/Resolution No.: CSSSHB 56 (FIN)
 Title: Act Re: Student Loans
 Sponsor: Lindauer
 Requestor: House Loan Committee

II. FISCAL DETAIL

Agency Affected: Education
 Program Category Affected: Postsecondary
 BRU, Program of Subprogram(s) Affected: Student Loan Program

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING						
CAPITAL	N.A.	-0-	-0-	(93.5)	(372.5)	(1,562.8)
REVENUE	N.A.	-0-	-0-	93.5	372.5	1,562.8

FUNDING: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
GENERAL FUND	N.A.	-0-	-0-	(93.5)	(372.5)	(1,562.8)
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
FULL-TIME	N.A.					
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Kerry D. Romesburg Phone: 465-2854
 Division: Commission on Postsecondary Education Date: 4/12/83
 Approved by Commissioner: _____ Date: _____
 Department: _____

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

CSSSHB56 (Revised 4/12/83)

IV Analysis:

(a) Increasing interest from 5% to 8%

FY84	\$0	FY87	\$(372.5)
FY85	\$0	FY88	\$(1,562.8)
FY86	\$(93.5)	FY89	\$(3,210.2)

The following individuals are expected to testify on CS
SS HB 56 (Loans):

Representative John Lindauer, prime sponsor

Representative Rick Uehling, Chair, House Special
Committee on Loans

Kerry Romesburg, Executive Director, Alaska Commission
On Postsecondary Education

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: SSHB 56 Date on Bill: 2/25/83
 Title: An Act relating to scholarship loans
 Sponsor: Lindauer
 Requestor: House HESS

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
Capital		34,195.3	40,656.2	43,845.6	46,943.7	49,273.5
Operating						
Total	N.A.					

b. Revenues:

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
Revenue	N.A.	0	0	62.3	248.3	1,041.8

2. Source of funds to offset fiscal impact of bill:

3. Assumptions:

a. Raising interest to 7%: FY 87 \$ 248.3
 FY 88 \$1,041.8
 FY 86 \$62.3 FY 89 \$2,140.1

b. Removing loan maximum: FY 84 \$34,195 FY 87 \$46,943
 FY 85 \$40,656 FY 88 \$49,273
 FY 86 \$43,845 FY 89 \$51,949

4. Disclaimer:

This statement has not been reviewed by the OMB in the Office of the Governor. It therefore does not represent the final estimate of fiscal impact.

Prepared By: Kerry D. Romesburg Phone: 465-2854
 Division: Commission on Postsecondary Education Date: 3/1/83

Approved by Commissioner: _____ Date: _____
 Department: _____

5. Distribution:

- Original to Legislative Finance
- Copy to OMB
- Copy to Sponsor
- Copy to Requestor

2/15/83

STATE OF ALASKA
FISCAL NOTE

Revision Date _____, 1983

I. REQUEST

Bill/Resolution No.: CSSS HB 56
 Title: An Act Re: Scholarship Loans
 Sponsor: Lindauer
 Requestor: House HESS

II. FISCAL DETAIL

Agency Affected: Education
 Program Category Affected: Postsecondary Comm.
 BRU, Program of Subprogram(s) Affected: Student Loan Program

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING						
CAPITAL	N.A.	52.5	(1,572.7)	(2,190.6)	(3,364.8)	(11,861.9)
REVENUE	N.A.	0	1,647.2	2,066.2	2,955.4	11,061.8

FUNDING: (Thousands of Dollars)

GENERAL FUND	N.A.	52.5	(1,572.7)	(2,190.6)	(3,364.8)	(11,861.9)
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME	N.A.					
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Kerry D. Romesburg Phone: 465-354
 Division: Commission on Postsecondary Education Date: 3/29/83
 Approved by Commissioner: _____ Date: _____
 Department: _____

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3/8/83

CSSSHB56

IV Analysis:

(a) Increasing interest from 5% to 8%

FY84	\$0	FY87	\$ (372.5)
FY85	\$0	FY88	\$ (1,562.8)
FY86	\$ (93.5)	FY89	\$ (3,210.2)

(b) Reducing forgiveness to 20%

FY84	\$0	FY87	\$ (520.2)
FY85	\$0	FY88	\$ (930.0)
FY86	\$ (214.2)	FY89	\$ (1,491.0)

(c) Allowing for borrowing actual amount of tuition
(based upon attendance of 0.35% of total borrowers)

FY84	\$52.5	FY87	\$110.8
FY85	\$74.5	FY88	\$129.9
FY86	\$89.8	FY89	\$145.0

(d) Reducing grace year to grace period of 120 days
(assuming 13.2% seniors, 12.7% vocational)

FY84	\$0	FY87	\$ (2,582.9)
FY85	\$ (1,647.2)	FY88	\$ (9,499.0)
FY86	\$ (1,972.7)	FY89	\$ (13,419.6)

STATE OF ALASKA
FISCAL NOTE

Revision Date 4/4, 1983

AB 56

I. REQUEST

Bill/Resolution No.: CSSS HB 56
 Title: Act Re: Student Loans
 Sponsor: Lindauer
 Requestor: House Loan Committee

II. FISCAL DETAIL

Agency Affected: Education
 Program Category Affected: Postsecondary Comm
 BRU, Program of Subprogram(s) Affected: Student Loan Program

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING						
CAPITAL	N.A.	7,402.5	7,358.9	7,634.0	7,644.4	216.1
REVENUE	N.A.	0	1,742.2	2,318.1	3,874.3	12,735.6

FUNDING: (Thousands of Dollars)

GENERAL FUND	N.A.	7,402.5	7,358.9	7,634.0	7,644.4	216.1
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME	N.A.					
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Kerry D. Romesburg Phone: 465-2854
 Division: Commission on Postsecondary Education Date: 4/4/83

Approved by Commissioner: _____ Date: _____
 Department: _____

Distribution:

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- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

3/8/83

CSSSHB56 (Revised 4/4/83)

IV Analysis:

(a) Increasing interest from 5% to 8%

FY84	\$0	FY87	\$(372.5)
FY85	\$0	FY88	\$(1,562.8)
FY86	\$(93.5)	FY89	\$(3,210.2)

(b) Reducing forgiveness to 20%

FY84	\$0	FY87	\$(520.2)
FY85	\$0	FY88	\$(930.0)
FY86	\$(214.2)	FY89	\$(1,491.0)

(c) Allowing for borrowing actual amount of tuition
(based upon attendance of 0.35% of total borrowers)

FY84	\$52.5	FY87	\$110.8
FY85	\$74.5	FY88	\$129.9
FY86	\$89.8	FY89	\$145.0

(d) Reducing grace year to grace period of 120 days
(assuming 13.2% seniors, 12.7% vocational)

FY84	\$0	FY87	\$(3,329.0)
FY85	\$(1,742.2)	FY88	\$(10,765.1)
FY86	\$(2,181.8)	FY89	\$(14,204.6)

(e) Room expenses are approximately 65% of total room and board expense, therefore, allowing actual room and tuition and fees would cost about \$1,000 per out-of-state borrower, plus those expenses in (c) above. Room allowance would cost (with 6% inflation):

FY84	\$ 7,350.0	FY87	\$11,755.3
FY85	\$ 9,026.6	FY88	\$13,344.1
FY86	\$10,033.7	FY89	\$15,376.2

New Draft.

Amendment #1 Lindauer

1. Page 1. Line 23. After "Graduate"
insert "or equivalent".

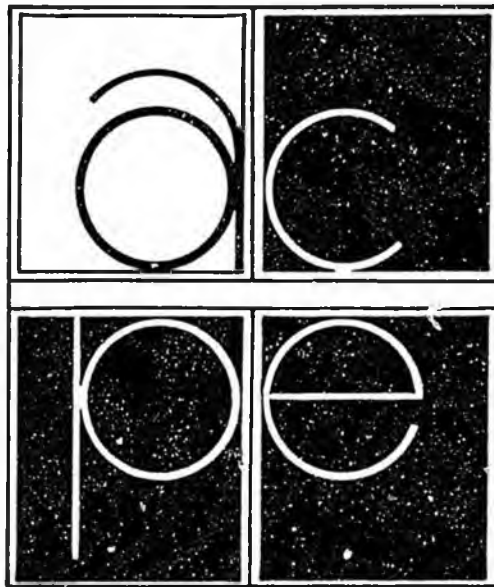
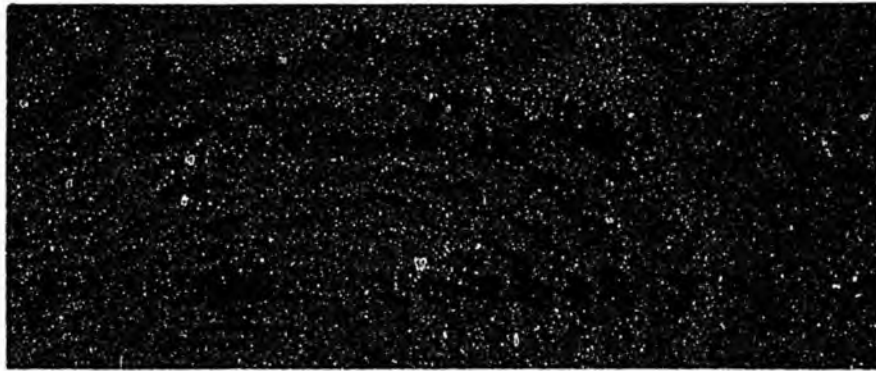
Amendment #2. Lindauer

1. Page 2 line 18

add (VII) Absence due to medical
needs or religious activities.

Amendment #3 Grossendorf.

Page 1 - line 14 - Strike "As an enlisted person"



Alaska Commission on Postsecondary Education

ALASKA STUDENT LOANS

Background and Discussion Materials
for the House Finance Committee

CONTENTS

	<u>Page</u>
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Commission Position on Loans	12

PROGRAM DESCRIPTION

PURPOSES

1. To provide Alaskans with access to postsecondary educational resources through low-interest loans to students.
2. To encourage an educated citizenry through initial access to education and training and through inducements to utilize that education and training in Alaska.

TERMS

1. Undergraduates and vocational students may borrow up to \$6,000 per year of full-time study.
2. Graduate students may borrow up to \$7,000 per year of full-time study.
3. Students may borrow for up to 5 years of undergraduate study, or up to 5 years of graduate study, but for not more than 8 years combined.
4. A student must be a two-year Alaska resident to borrow and must maintain full-time study in good standing to continue borrowing Alaska student loans.
5. Loans may be used for attendance at any approved institution.
6. Proceeds from loans may only be used for the costs of tuition and fees, room and board, and books and supplies.
7. Loan repayment begins one year after the student ceases to be a full-time student (except for approved periods of deferment).
8. Repayment is over a 10-year period with provision for extending to 15 years if necessary.
9. Interest charged on the loans is 5%.

FORGIVENESS

If, upon completion of the program of study for which the loan was granted, the borrower resides in Alaska, a portion of the loan, plus interest, shall be forgiven by the State. That portion, for up to a total of 50%, shall accrue as follows:

1. 2-3 years residence in the state, 10%
2. 3-4 years residence in the state, an additional 10%
3. 4-5 years residence in the state, an additional 10%
4. 5-6 years residence in the state, an additional 10%
5. Over 6 years residence in the state, a final 10%.

This residence must be continuous and must begin within one year of completion of program.

REPAYMENT SCHEDULE

IF YOUR STUDENT LOANS TOTAL:	YOUR MONTHLY PAYMENT FOR 120 MONTHS (10 YRS.) WOULD BE:	TOTAL TO BE REPAYED:		
		5% Interest	Principal	Total
\$1,000.00	\$ 10.61	\$ 273.20	\$1,000.00	\$ 1,273.20
2,000.00	21.21	545.20	2,000.00	2,545.20
3,000.00	31.83	818.40	3,000.00	3,818.40
4,000.00	42.43	1,091.60	4,000.00	5,091.60
5,000.00	53.06	1,363.60	5,000.00	6,363.60
6,000.00	63.64	1,636.80	6,000.00	7,636.80
7,000.00	74.25	1,910.00	7,000.00	8,910.00
8,000.00	84.95	2,182.00	8,000.00	10,182.00
9,000.00	95.46	2,455.20	9,000.00	11,455.20
10,000.00	106.07	2,728.40	10,000.00	12,728.40
15,000.00	159.10	4,092.00	15,000.00	19,092.00
20,000.00	212.13	5,455.60	20,000.00	25,455.60
25,000.00	265.16	6,819.20	25,000.00	31,819.20
30,000.00	318.20	8,184.00	30,000.00	38,184.00
35,000.00	371.23	9,547.60	35,000.00	44,547.60
40,000.00	424.26	10,911.20	40,000.00	50,911.20
45,000.00	477.29	12,274.80	45,000.00	57,274.80
50,000.00	530.33	13,639.60	50,000.00	63,639.60

1982-83 ALASKA STUDENT LOANS

1. Program Status (March 11, 1983)

<u>Student Level</u>	<u>Number</u>	<u>Amount</u>
Freshman	3,844	\$15,200,300
Sophomore	2,631	11,134,250
Junior	1,920	8,273,000
Senior	1,694	7,240,550
Vocational	1,580	7,982,100
<u>Undergraduate</u>	<u>11,669</u>	<u>49,830,200</u>
<u>Graduate</u>	<u>1,137</u>	<u>6,110,550</u>
TOTAL	12,806	\$55,940,750

2. In-State/Out-of-State Attendance by Level (March 11, 1983)

<u>Student Level</u>	<u>Alaska</u>	<u>%</u>	<u>Out-of-State</u>	<u>%</u>
Freshman	2,078	54.1	1,766	45.9
Sophomore	1,268	48.2	1,363	51.8
Junior	872	45.4	1,048	54.6
Senior	789	46.6	905	53.4
Vocational	1,157	73.2	423	26.8
<u>Undergraduate</u>	<u>6,164</u>	<u>52.8</u>	<u>5,505</u>	<u>47.2</u>
<u>Graduate</u>	<u>277</u>	<u>24.4</u>	<u>860</u>	<u>75.6</u>
TOTAL	6,441	50.3	6,365	49.7

3. Percent In-State Previous Year

<u>Year</u>	<u>Undergraduate</u>	<u>Graduate</u>	<u>All Loans</u>
1981-82	47.3	23.8	45.0
1980-81	45.3	17.9	42.3
1979-80	36.1	12.3	33.3
1978-79	35.1	12.0	32.3

4. States of Attendance by Student Level (March 11, 1983)

<u>Freshman</u>	<u>Sophomore</u>	<u>Junior</u>	<u>Senior</u>	<u>Vocational</u>	<u>Undergraduate</u>	<u>Graduate</u>
AK-2,078	AK-1,268	AK- 872	AK- 789	AK-1,157	AK-6,164	AK- 277
WA- 384	WA- 295	WA- 263	WA- 240	CO- 123	WA-1,276	CA- 166
OR- 289	OR- 255	OR- 172	OR- 144	WA- 94	OR- 906	WA- 156
CA- 198	CA- 137	CA- 89	CA- 87	AZ- 48	CA- 552	OR- 124
ID- 120	AZ- 81	AZ- 57	AZ- 50	OR- 46	CO- 366	CO- 33
AZ- 113	CO- 71	UT- 52	ID- 42	CA- 41	AZ- 349	MA- 32
HA- 102	ID- 69	HA- 51	HA- 36	OK- 17	HA- 265	HA- 24
CO- 98	HA- 68	CO- 40	UT- 35	HA- 8	ID- 265	UT- 22
UT- 55	UT- 54	MT- 35	CO- 34	FL- 7	UT- 198	TX- 21
MT- 42	TX- 39	ID- 33	TX- 28	MN- 5	TX- 150	NY- 19
ZZ- 365	ZZ- 294	ZZ- 256	ZZ- 209	ZZ- 34	ZZ-1,178	ZZ- 263
3,844	2,631	1,920	1,694	1,580	11,669	1,137

5. Age Distribution of Borrowers (January 18, 1983)

<u>Age</u>	<u>Number</u>	
60+	24	Age Range: 16-72
50-59	163	Median Age: 22.6
40-49	618	
30-39	2,421	
20-29	8,479	
16-19	1,851	
	13,556	

6. Residency (January 18, 1983)

<u>Student Level</u>	<u>2-Years</u>	<u>3-5</u>	<u>6-10</u>	<u>10+</u>	<u>Total</u>
Freshman	243	763	913	2,313	4,232
Sophomore	82	445	604	1,677	2,808
Junior	78	289	461	1,191	2,019
Senior	61	279	385	1,009	1,734
Vocational	87	339	305	850	1,581
Undergraduate	551	2,115	2,668	7,040	12,374
Graduate	177	293	308	404	1,182
TOTAL	728	2,408	2,976	7,444	13,556

% Breakdown

2 Years	5.4%	6-10 Years	21.9%
3-5 Years	17.8%	10+ Years	54.9%

7. Default: (Computed on June 30)

1971-72	N.A.
1972-73	N.A.
1973-74	N.A.
1974-75	80.0%
1975-76	44.6%
1976-77	24.9%
1977-78	22.3%
1978-79	19.3%
1979-80	14.5%
1980-81	11.5%
1981-82	9.2%

10. Loan Volumes, Collections, Forgiveness (see attached table)

STATE STUDENT LOAN ACTIVITY
Projected to 1988-89
(Current Program)

Year	Loan Awards	Loan Volume	Cumulative Total	Average Loan	Loan Collections	Federal Funds	Forgiveness	General Fund
1971-72	1,081	\$ 1,603,158	\$ 1,603,158	\$1,483	\$ -0-	\$ -0-	\$ -0-	\$ 1,603,158
1972-73	1,748	2,870,384	4,473,542	1,642	-0-	-0-	-0-	2,870,384
1973-74	1,665	2,986,176	7,459,718	1,793	-0-	-0-	-0-	2,986,176
1974-75	1,457	2,659,807	10,119,525	1,826	235,476	-0-	703	2,424,331
1975-76	1,719	3,382,997	13,502,522	1,968	465,530	-0-	44,233	2,977,467
1976-77	1,921	3,850,507	17,353,029	2,004	1,141,461	-0-	64,746	2,709,046
1977-78	2,265	4,604,167	21,957,196	2,033	1,191,851	-0-	314,306	3,412,316
1978-79	2,795	6,416,402	28,373,598	2,296	1,391,643	-0-	445,985	5,024,758
1979-80	3,918	9,373,949	37,747,547	2,393	1,603,436	-0-	409,501	7,770,513
1980-81	6,460	15,957,717	53,705,264	2,475	2,225,388	-0-	555,494	13,732,329
1981-82	9,898	40,559,499	94,264,763	4,098	2,779,900	1,000,000	785,769	36,019,599
1982-83*	12,500	56,250,000	150,514,763	4,500	4,604,046	1,200,000	(1,367,555)	54,563,309
1983-84	15,000	73,500,000	224,014,763	4,900	7,591,895	850,000	2,311,210	65,058,105
1984-85	17,741	99,349,600	323,364,363	5,600	11,187,099	675,000	3,458,423	87,487,501
1985-86	19,000	112,100,600	435,464,963	5,900	15,871,653	500,000	4,750,002	95,728,947
1986-87	21,100	124,490,000	559,954,963	5,900	20,742,025	350,000	6,432,819	103,397,975
1987-88	22,489	133,809,550	693,764,513	5,950	24,787,158	225,000	8,113,038	108,797,392
1988-89	24,365	144,971,750	838,736,263	5,950	28,423,931	150,000	10,617,441	116,397,819

*1982-83 through 1988-89 are projections

Revised 3/3/83

TABLE 1

DISTRIBUTION OF YEAR-TO-DATE ALASKA STATE LOANS
FOR STUDENTS ATTENDING IN ALASKA
(February, 1983)

Institution	1982-83	
	No.	Amount
U of Alaska, Fairbanks	2,266	\$ 6,975,068
U of Alaska, Anchorage	1,560	4,611,230
Anchorage Community College	1,353	4,538,244
U of Alaska, Juneau	340	1,053,425
Kenai Peninsula Community College	326	1,191,593
Alaska Pacific U	198	680,400
Alaska Business College	198	943,887
Alaska Vocational-Technical Center	197	348,741
Tanana Valley Community College	195	731,450
Testing Institute of Alaska	167	761,361
Sheldon Jackson College	138	465,953
Matanuska-Susitna Community College	130	547,800
New Anchorage Beauty School	115	549,450
Gordon Aviation, Inc.	110	549,764
Aero Technical Flight School	80	409,000
Wilburs Flight Operation	53	286,300
Fort Richardson Flying Club	49	249,000
Ketchikan Community College	46	124,250
Trend Setter School of Beauty	42	191,500
Sitka Community College	36	114,400
Headquarters Barber & Beauty Academy	35	171,000
Hutchison Career Center	35	131,200
Flight Training Devices	33	136,800
Academy of Hair Design	32	126,600
Alaska Native Training Institute	29	112,200
A.I.R. Center	24	129,000
Alaska Computer Training Center	21	97,150
Anchorage Alaska School of Barbering	20	96,000
Elmendorf Aero Club	20	90,871
St. Herman's Theological Seminary	19	62,000
Kotzebue Technical Center	19	44,250
Kodiak Community College	15	44,050
North Pacific Business Institute	14	55,050
Alaska Bible College	12	40,950
Fairbanks Beauty School	14	58,100
Peninsula Institute of Welding Technology	11	44,950
Peninsula Hair Styling Academy	11	43,750
Prince William Sound Community College	8	21,531
Kuskokwim Community College	8	18,550
Alaska Piper Sales, Inc.	6	35,900
Birchwood Air Service	4	24,000
University of LaVerne	3	12,750
Chapman College	2	3,000
Far North Bible College	2	2,450
T&H Real Estate Institute	1	6,000
Northwest Community College	1	5,000
Charismatic Bible College	1	4,500
Bar Review	1	4,000
Delta Greely Rural Educational Center	1	3,000
Alaska Media Workshop	1	550
TOTAL	8,002	\$26,648,006

INSTITUTIONS AT WHICH AT LEAST FIFTY ALASKA
STUDENT LOAN BORROWERS ATTENDED 1982-83
(as of February, 1983)

Institution	No.	Amount
*University of Alaska, Fairbanks	2,266	\$6,975,068
*University of Alaska, Anchorage	1,560	4,611,230
*Anchorage Community College	1,353	4,538,244
*University of Alaska, Juneau	340	1,053,425
*Kenai Peninsula Community College	326	1,191,593
Oregon State University	241	1,189,956
University of Oregon	233	1,026,136
University of Washington	205	935,667
*Alaska Business College	198	943,887
*Alaska Pacific University	198	680,400
*Alaska Vocational-Technical Center	197	348,741
*Tanana Valley Community College	195	731,450
Western Washington University	177	767,542
*Testing Institute of Alaska	167	761,311
Brigham Young University (UT)	160	498,630
*Sheldon Jackson College	138	465,953
Arizona State University	135	615,025
*Matanuska-Susitna Community College	130	547,800
Washington State University	124	551,776
University of Hawaii, Manoa	124	381,811
*New Anchorage Beauty School	115	549,450
Gonzaga University (WA)	113	596,450
*Gordon Aviation, Inc.	110	549,764
University of Puget Sound (WA)	103	512,200
University of Hawaii, Hilo	100	276,175
University of Idaho	99	364,950
Willamette University (OR)	95	481,675
Northern Arizona University	90	308,942
Pacific Lutheran University (WA)	87	406,950
University of Arizona	86	329,600
*Aero Technical Flight Service	80	409,000
Seattle Pacific University (WA)	77	344,550
Central Washington University	77	334,900
American Diesel & Automotive School (CO)	77	320,573
Seattle University (WA)	73	333,134
Montana State University	69	254,088
Linfield College (OR)	67	305,100
Colorado State University	60	306,050
Ricks College (OR)	58	139,181
Denver Institute of Technology (CO)	56	204,056
*Wilbur's Flight Service	53	286,300
Eastern Washington University	53	255,267
University of Colorado	52	231,400

*Alaskan School

SAMPLE STUDENT BUDGETS
(1982-83)*

Budget Item	UAF On-Campus	UAF Off-Campus	UAA	UAJ	ACC	Kenai Penn. C.C.	APU On-Campus	SJC On-Campus
Tuition & Fees	\$ 788	\$ 788	\$ 648	\$ 624	\$ 632	\$ 632	\$3,190	\$3,100
Room & Board	2,100	4,800	4,096	4,650	4,608	4,608	3,050	3,000
Books & Supplies	400	400	270	300	270	270	270	250
Subtotal	\$3,288	\$5,988	\$5,014	\$5,574	\$5,510	\$5,510	\$6,510	\$6,350
Transportation	1,000	1,000	640	600	720	1,080	1,080	100
Personal	800	800	768	775	864	864	768	630
Total	\$5,088	\$7,788	\$6,422	\$6,949	\$7,094	\$7,454	\$8,358	\$7,080

Budget Item	Oregon State U On-Campus	U of Oregon On-Campus	Willamette U On-Campus	Linfield College On-Campus	Lewis & Clark College On-Campus	U of Washington On-Campus	Western Washington U On-Campus
Tuition & Fees	\$4,050	\$4,020	\$5,570	\$ 5,555	\$6,444	\$3,255	\$3,210
Room & Board	2,100	2,250	2,350	2,550	2,603	2,601	2,100
Books & Supplies	300	285	250	290	225	300	300
Subtotal	\$6,450	\$6,555	\$8,170	\$ 8,395	\$9,272	\$6,156	\$5,610
Transportation	1,240	1,126	1,800	1,850	1,560	1,525	1,500
Personal	1,320	990	530	715	575	1,041	600
Total	\$9,010	\$8,671	\$10,500	\$10,960	\$11,407	\$8,722	\$7,710

Budget Item	Washington State U On-Campus	Pacific Lutheran U On-Campus	U Puget Sound On-Campus	Gonzaga U On-Campus	Seattle U On-Campus	Arizona State U On-Campus	Northern Arizona U On-Campus
Tuition & Fees	\$3,256	\$ 5,280	\$ 5,480	\$ 4,700	\$ 4,725	\$3,250	\$2,750
Room & Board	2,200	2,370	2,580	2,420	2,493	2,320	1,770
Books & Supplies	330	330	400	330	330	288	275
Subtotal	\$5,786	\$ 7,980	\$ 8,460	\$ 7,450	\$ 7,548	\$5,858	\$4,795
Transportation	1,664	1,600	1,225	1,660	1,736	1,200	1,200
Personal	900	900	700	900	900	1,040	650
Total	\$8,350	\$10,480	\$10,385	\$10,010	\$10,184	\$8,098	\$6,645

*All budgets are for single full-time undergraduate students for a full academic year.

SAMPLE STUDENT BUDGETS
(1982-83)*

Budget Item	U of Hawaii On-Campus	U of Idaho On-Campus	U of Montana On-Campus	Colorado State U On-Campus	U of Colorado On-Campus	U of Denver On-Campus	Stanford U On-Campus
Tuition & Fees	\$ 481	\$2,516	\$2,241	\$4,109	\$ 4,711	\$ 5,790	\$ 8,220
Room & Board	2,837	1,870	2,000	2,700	2,286	2,649	3,423
Books & Supplies	316	300	200	300	230	375	350
Subtotal	\$3,634	\$4,686	\$4,441	\$7,109	\$ 7,227	\$ 8,814	\$11,993
Transportation	1,099	1,450	1,044	1,675	1,716	1,746	1,990
Personal	688	600	500	150	1,417	690	745
Total	\$5,421	\$6,736	\$5,985	\$8,934	\$10,360	\$11,250	\$14,728

Budget Item	Boston U On-Campus	Purdue U On-Campus	Northwestern U On-Campus	Dartmouth College On-Campus	Brigham Young U On-Campus
Tuition & Fees	\$ 7,275	\$3,800	\$ 8,085	\$ 8,190	\$1,100
Room & Board	3,400	2,200	3,060	3,255	1,740
Books & Supplies	310	270	350	1,033	340
Subtotal	\$10,985	\$6,270	\$11,495	\$12,478	\$3,180
Transportation	1,540	1,880	1,560	1,865	1,100
Personal	600	760	650	1,600	200
Total	\$13,325	\$8,910	\$13,705	\$15,943	\$4,480

*All budgets are for single full-time undergraduate students for a full academic year.

FISCAL IMPACTS OF CERTAIN CHANGES
TO THE LOAN PROGRAM

	Additional Interest Income	7%	8%	9%	10%	11%
FY 84		\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
FY 85		-0-	-0-	-0-	-0-	-0-
FY 86		62,300	93,450	124,600	155,750	187,225
FY 87		248,300	372,450	496,600	620,750	744,900
FY 88		1,041,850	1,562,775	2,083,700	2,604,625	3,125,550
FY 89		2,140,150	3,210,225	4,280,300	5,350,375	6,420,450

	Savings By Changing Forgiveness	To 20%	To 10%	To -0-
FY 84		\$ -0-	\$ -0-	\$ -0-
FY 85		-0-	-0-	-0-
FY 86		214,200	285,600	357,000
FY 87		520,200	693,600	867,000
FY 88		930,000	1,240,000	1,550,000
FY 89		1,491,000	1,988,000	2,485,000

All changes would be reflected by reducing the amount of State General Fund money needed by the program. To obtain the result of any combination of the above, simply add the impacts for the appropriate fiscal years. (For example: raising interest to 11% and eliminating forgiveness completely would save \$8.9 million in FY 89.)

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

POUCH FP
JUNEAU, ALASKA 99811
PHONE: (907) 465-2854

STATEMENT ON ALASKA STUDENT LOANS

The State of Alaska can make no better commitment of resources than investing in the education of its citizens. Direct support of Alaska's public elementary, secondary, and postsecondary school systems is vital to the state's continued growth and development. It is in the best interest of the state to provide access to these educational resources for the citizens of Alaska.

The best method of assuring access and opportunity is through the direct provision of educational services, but this is not always practical or possible, particularly at the postsecondary level. Therefore, the most effective and efficient method of attaining these goals of access and opportunity is through a system of low interest loans which allow the students to choose the educational setting most appropriate for their particular needs.

The Commission endorses and recommends the continuation and full-funding of the Alaska State Student Loan Program. Amendments which restrict access by denying loans to groups of Alaskans, either by design or by default, are vigorously opposed. However, the fiscal climate of the state, as well as increasing costs because of increased demand require that some modifications be made in the present program. Therefore, the Commission recommends:

1. interest rates be increased to 9%, and
2. forgiveness provisions be eliminated.

Additionally, the Commission will, by regulation, eliminate the practice of providing refunds for forgiveness benefits and will revert to the method of crediting the account.

3/2/83

STATE STUDENT LOAN ACTIVITY
 Projected to 1988-89
 (Current Maximums)
 (9% Interest)
 (No Forgiveness)

Year	Loan Awards	Loan Volume	Cumulative Total	Average Loan	Loan Collections	Federal Funds	Forgiveness	General Fund
1971-72	1,081	\$ 1,603,158	\$ 1,603,158	\$1,483	\$ -0-	\$ -0-	\$ -0-	\$ 1,603,158
1972-73	1,748	2,870,384	4,473,542	1,642	-0-	-0-	-0-	2,870,384
1973-74	1,665	2,986,176	7,459,718	1,793	-0-	-0-	-0-	2,986,176
1974-75	1,457	2,659,807	10,119,525	1,826	235,476	-0-	703	2,424,331
1975-76	1,719	3,382,997	13,502,522	1,968	465,530	-0-	44,233	2,977,467
1976-77	1,921	3,850,507	17,353,029	2,004	1,141,461	-0-	64,746	2,709,046
1977-78	2,265	4,604,167	21,957,196	2,033	1,191,851	-0-	314,306	3,412,316
1978-79	2,795	6,416,402	28,373,598	2,296	1,391,643	-0-	445,985	5,024,758
1979-80	3,918	9,373,949	37,747,547	2,393	1,603,436	-0-	409,501	7,770,513
1980-81	6,460	15,957,717	53,705,264	2,475	2,225,388	-0-	555,494	13,732,329
1981-82	9,898	40,559,499	94,264,763	4,098	2,779,900	1,000,000	785,769	36,819,599
1982-83*	12,500	56,250,000	150,514,763	4,500	4,604,046	1,200,000	(1,367,555)	51,813,509
1983-84	15,000	73,500,000	224,014,763	4,900	7,591,895	850,000	2,311,210	65,058,105
1984-85	17,741	99,349,600	323,364,363	5,600	11,187,099	675,000	3,458,423	87,487,501
1985-86	19,000	112,100,600	435,464,963	5,900	15,996,253	500,000	4,393,002	95,604,347
1986-87	21,100	124,490,000	559,954,963	5,900	21,238,625	350,000	5,565,819	102,901,375
1987-88	22,489	133,809,550	693,764,513	5,950	26,870,858	225,000	6,563,038	106,713,692
1988-89	24,365	144,971,750	838,736,263	5,950	32,704,231	150,000	8,132,441	112,117,537

*1982-83 through 1988-89 are projections

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

Bill Sheffield, Governor

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

April 14, 1983

The Honorable Rick Uehling
House of Representatives
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Re: Andress v. Baxter -
student loan case

Dear Representative Uehling:

This letter is to confirm my advice to your committee that the Department of Law could defend the present requirement of the student loan program that a student must have lived in Alaska for two years at the time of application in order to establish the bona fides of residency. The primary reasons for the ability to defend a two-year requirement in this particular instance include the known and recognized mobility of the student population, the attractiveness of this loan program, and the portability of the loans. Enclosed are the briefs of the state in this matter along with the deposition and affidavits of Dr. Kerry Romesberg which sets forth in more detail the exact basis for our arguments to the court.

On the other hand, I wish to repeat my caution that there are substantial arguments that the two-year requirement is not constitutional. While we believe the Department of Law can defend the requirement, we do not mean to imply that the odds of succeeding in that defense are even 50 percent. Although we believe that the correct legal position that the court should take is that two-years is justifiable under the federal constitution, you should be aware that no court has ever upheld a residency requirement of greater than one-year under circumstances similar to these. On the other hand, no court has ever struck down a two-year requirement under these circumstances. Briefly, we are in uncharted constitutional waters, and there is substantial reason to believe that a court could find the two-year requirement is unconstitutional.

Since the matter is in litigation, I do not believe that it is in the state's interest to give a public assessment of all the strengths and deficiencies of our legal position. Therefore, I did not intend my testimony to either raise hopes that we would win the suit, nor, on the other hand, to exaggerate fears

The Honorable Rick Uehling


April 14, 1983
Page 2

that we would lose. My testimony is intended to be completely neutral on that question.

If you have any questions, please do not hesitate to call.

Sincerely,

NORMAN C. GORSUCH
ATTORNEY GENERAL

By: 
Robert M. Maynard
Assistant Attorney General

RMM:mr

Enclosure

Wilson L. Condon
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Pouch K
Juneau, Alaska 99811
(907) 465-3600

Attorney for Defendants

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ALASKA

JUDITH ANDRESS,)

Plaintiff,)

v.)

FRED J. BAXTER, MILDRED BANFIELD,)
THELMA BUCHHOLDT, LEE DEMMERT,)
THELMA LANGDON, MARY ELIZABETH)
LOMEN, JOHN MALONE, JOHN SHIVELY,)
TERRY STIMSON, DONNIS THOMPSON,)
BLANCHE WALTERS, WALTER WARD,)
KERRY ROMESBERG AND THE ALASKA)
COMMISSION ON POSTSECONDARY)
EDUCATION,)

Defendants.)

No. A82-307 Civ.

MOTION FOR SUMMARY JUDGMENT


Defendants Fred J. Baxter et al., move this court for entry of a summary judgment in their favor under the provisions of Rule 56 of the Federal Rules of Civil Procedure.

This motion is based on the pleadings, deposition, the accompanying memorandum in support, and on the attached Affidavit of Kerry Romesburg. These materials establish that there is no

genuine issue as to any material fact and that defendants are entitled to judgment in their favor as a matter of law.

DATED this 8th day of September, 1982.

WILSON L. CONDON
ATTORNEY GENERAL

By: 
Robert M. Maynard
Assistant Attorney General

Wilson L. Condon
Attorney General
State of Alaska
Pouch K
Juneau, Alaska 99811
(907) 465-3600

Attorney for Defendants

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ALASKA

JUDITH ANDRESS,

Plaintiff,

v.

FRED J. BAXTER, MILDRED BANFIELD,
THELMA BUCHHOLDT, LEE DEMMERT,
THELMA LANGDON, MARY ELIZABETH
LOMEN, JOHN MALONE, JOHN SHIVELY,
TERRY STIMSON, DONNIS THOMPSON,
BLANCHE WALTERS, WALTER WARD,
KERRY ROMESBERG AND THE ALASKA
COMMISSION ON POSTSECONDARY
EDUCATION,

Defendants.

No. A82-307 Civ.

DEFENDANTS' MEMORANDUM IN SUPPORT OF SUMMARY JUDGMENT

I. INTRODUCTION AND SUMMARY

The question before this court is whether Alaska's student loan program, which is by far the most generous program in the nation, can require two years residency as a condition of application in order "to make virtually certain that students who are not, in fact, bona fide residents of the State, cannot take

advantage of in-state rates." Vlandis v. Kline, 412 U.S. 441, 454 (1973) ("Vlandis") (emphasis added).

Judith Andress contends that the two-year requirement violates the Federal Constitution's Due Process Clause, Equal Protection Clause, Privileges and Immunities Clause, and the Citizenship Clause. Of these challenges, only the equal protection question merits any detailed response.

Denial of a student loan is not the denial of either a fundamental political right (such as voting), or a basic necessity of life (such as welfare or access to medical treatment). Consequently, the equal protection standard to be used is the rational basis test. Hawaii Boating Ass'n v. Water Transportation Facilities, 651 F.2d 661 (9th Cir. 1981) ("Hawaii Boating").

The courts have upheld one-year residency requirements for reduced tuition rates at state schools where all students actually remain in the state to attend school. E.g., Starns v. Malkerson, 326 F.Supp. 234 (D. Minn. 1970), aff'd mem. 401 U.S. 985 (1971). It is not irrational to require two years of residency where the state is paying out cash and where the recipients may then take the money to attend out-of-state schools for up to eight years.

The rationality of the requirement is further enhanced by the incentive created by the Alaska loan program to come to Alaska solely to take advantage of this state benefit. Unlike loan programs in the rest of the nation, an Alaskan resident does not have to pass a needs test, nor is there a family income