

LEG. FINANCE - BILLS 1985 - 1986 2149

CSSB 13 cont. - SB 18 2149

1 / which may be a trust company, bank, or national banking association,
2 with corporate trust powers, located inside or outside the state, or
3 by a secured loan agreement or other instrument or under a resolution
4 giving powers to a corporate trustee by means of which the corporation
5 may:

6 (1) make and enter into any and all the covenants and
7 agreements with the trustee or the holders of the bonds that the board
8 determines to be necessary or desirable, including covenants, pro-
9 visions, limitations and agreements as to the

10 (A) application, investment, deposit, use and disposi-
11 tion of the proceeds of bonds of the corporation or of money or
12 other property of the corporation or in which it has an interest;

13 (B) fixing and collection of loan payments and other
14 consideration for a student loan;

15 (C) assignment by the corporation of its rights in a
16 student loan or in a mortgage or other security interest created
17 with respect to a student loan to a trustee for the benefit of
18 bondholders;

19 (D) terms and conditions upon which additional bonds
20 of the corporation may be issued;

21 (E) vesting in a trustee of rights, powers, duties,
22 funds or property in trust for the benefit of bondholders, in-
23 cluding the right to enforce payment, performance and all other
24 rights of the corporation or of the bondholders, under a student
25 loan or a security interest created with respect to a student
26 loan;

27 (2) pledge, mortgage or assign money, agreements, property,
28 or other assets of the corporation either presently in hand or to be
29 received in the future, or both; and

1 (3) provide for any other matters that in any way affect
2 the security or protection of the bonds.

3 Sec. 14.42.240. RESERVES AND CAPITAL RESERVES. (a) For the
4 purpose of securing one or more issues of bonds of the corporation,
5 the board may establish one or more special funds, called "capital
6 reserve funds," and may pay into those capital reserve funds the
7 proceeds of the sale of bonds and other money available to the
8 corporation from other sources for the purposes of the capital reserve
9 funds. A capital reserve fund may be established only if the board
10 determines that the establishment of the fund would enhance the mar-
11 ketability of the bonds. Money in a capital reserve fund, except as
12 provided in this section, may be used as required only for the (1)
13 payment of the principal of, and interest on, bonds or of the sinking
14 fund payments with respect to those bonds; (2) purchase or redemption
15 of the bonds; or (3) payment of a redemption premium required to be
16 paid when the bonds are redeemed before maturity. However, money in a
17 capital reserve fund may not be withdrawn if the withdrawal would
18 reduce the amount in the capital reserve fund to less than the capital
19 reserve fund requirement, except for the purpose of making payment,
20 when due, of principal, interest redemption premiums on the bonds, and
21 sinking fund payments when other money of the corporation is not
22 available for the payments. Income or interest earned by, or incre-
23 ment to, a capital reserve fund, from the investment of all or part of
24 the fund, may be transferred by the corporation to other funds or
25 accounts of the corporation if the transfer does not reduce the amount
26 of the capital reserve fund below the capital reserve fund require-
27 ment.

28 (b) If the board decides to issue bonds secured by a capital
29 reserve fund, the bonds may not be issued if the amount in the capital

1 reserve fund is less than the capital reserve fund requirement, unless
2 the corporation, at the time of issuance of the bonds, pledges to
3 deposit in the capital reserve fund from the proceeds of the bonds to
4 be issued or from other sources, an amount that, together with the
5 amount then in the fund, is not less than the capital reserve fund
6 requirement.

7 (c) In computing the amount of a capital reserve fund for the
8 purpose of this section, securities in which all or a portion of the
9 fund is invested shall be valued by a reasonable method established by
10 the board by resolution. Valuation shall include the amount of inter-
11 est earned or accrued as of the date of valuation.

12 (d) The chairman of the board shall annually, no later than
13 January 2, certify in writing to the governor and the legislature the
14 amount, if any, required to restore a capital reserve fund to the
15 capital reserve fund requirement. The legislature may appropriate to
16 the corporation the amount certified by the chairman. The corporation
17 shall deposit the amounts appropriated under this subsection during a
18 fiscal year in the proper capital reserve fund. Nothing in this
19 section creates a debt or liability of the state.

20 (e) The board may establish reserve funds, other than capital
21 reserve funds, to secure one or more issues of bonds of the corpo-
22 ration. The corporation may deposit in a reserve fund established
23 under this subsection the proceeds of sale of its bonds and other
24 money available from any other source. A reserve fund established
25 under this subsection must comply with (a) - (c) of this section. The
26 corporation may allow a reserve fund established under this subsection
27 to be depleted without complying with (d) of this section.

28 (f) In this section, "capital reserve fund requirement" means
29 the amount required to be on deposit in the capital reserve fund as of

1 the date of computation as determined by resolution of the board.

2 Sec. 14.42.250. VALIDITY OF PLEDGE. It is the intention of the
3 legislature that a pledge made in respect of bonds shall be valid and
4 binding from the time the pledge is made; that the money or property
5 so pledged and thereafter received by the corporation shall immediately
6 be subject to the lien of the pledge without physical delivery or
7 further act; and that the lien of the pledge shall be valid and binding
8 as against all parties having claims of any kind in tort, contract
9 or otherwise against the corporation irrespective of whether the
10 parties have notice. Neither the resolution, trust agreement nor any
11 other instrument by which a pledge is created need be recorded or
12 filed under the provisions of the Uniform Commercial Code (AS 45.01 -
13 AS 45.09) to be valid, binding or effective.

14 Sec. 14.42.260. NONLIABILITY ON BONDS. (a) The members of the
15 board and individuals executing the bonds of the corporation are not
16 liable personally on the bonds or subject to personal liability or
17 accountability by reason of the issuance of the bonds.

18 (b) The bonds issued by the corporation do not constitute an
19 indebtedness or other liability of the state or of a political sub-
20 division of the state, except the corporation, but shall be payable
21 solely from the income and receipts or other funds or property of the
22 corporation. The corporation may not pledge the faith or credit of
23 the state, or of a political subdivision of the state except the
24 corporation, to the payment of a bond and the issuance of a bond by
25 the corporation. Issuance of a bond by the corporation does not
26 directly, indirectly, or contingently obligate the state or a political
27 subdivision of the state to apply money from, or levy or pledge
28 any form of taxation whatever to the payment of the bond.

29 Sec. 14.42.265. UNDERWRITERS. After ~~December 31, 1986~~ ^{December 31, 1986}, the board

1 may select an underwriter only by using a competitive method.

2 Sec. 14.42.270. PLEDGE OF STATE. The state pledges to and
3 agrees with holders of bonds issued by the corporation that the state
4 will not limit or alter the rights and powers vested in the corpora-
5 tion under AS 14.42.100 - 14.42.330 to fulfill the terms of a con-
6 tract made by the corporation with the holders or in any way impair
7 the rights and remedies of the holders until the bonds, together with
8 the interest on them with interest on unpaid installments of interest,
9 and all costs and expenses in connection with an action or proceeding
10 by or on behalf of the holders, are fully met and discharged. The
11 corporation is authorized to include this pledge and agreement of the
12 state in a contract with the holders.

13 Sec. 14.42.280. EXEMPTION FROM TAXATION. The real and personal
14 property of the corporation and its assets, income and receipts are
15 declared to be the property of a political subdivision of the state
16 and devoted to an essential public and governmental function and
17 purpose, and the property, assets, income, receipts, and other in-
18 terests of the corporation are exempt from all taxes and special
19 assessments or the state or a political subdivision of the state,
20 including, municipalities, school districts, public utility districts
21 and other taxing units. All bonds of the corporation are declared to
22 be issued by a political subdivision of the state and for an essential
23 public and governmental purpose, and the bonds, and the interest on
24 them, the income from them and the transfer of the bonds, and all
25 assets, income and receipts pledged to pay or secure the payment of
26 the bonds, or interest on them, are exempt from taxation by or under
27 the authority of the state, except for inheritance and estate taxes
28 and taxes on transfers by or in contemplation of death. Nothing in
29 this section affects or limits an exemption from license fees,

1 property taxes, or excise, income or other taxes provided under other
2 law, nor does it create a tax exemption with respect to the interest
3 of a person, other than the corporation, in property, assets, income,
4 receipts, or other interests.

5 Sec. 14.42.290. BONDS LEGAL INVESTMENTS FOR FIDUCIARIES. The
6 bonds of the corporation are securities in which all public officers
7 and bodies of the state, all municipalities, all insurance companies,
8 associations, and other persons carrying on an insurance business, all
9 banks, bankers, trust companies, savings banks, savings associations,
10 including savings associations and building and loan associations,
11 investment companies and other persons carrying on a banking business,
12 all administrators, guardians, executors, trustees and other fidu-
13 ciaries, and all other persons are authorized to invest in bonds or
14 other obligations of the state, may properly and legally invest funds
15 including capital in their control or belonging to them. Notwith-
16 standing any other provisions of law, the bonds of the corporation are
17 also securities that may be deposited with and may be received by all
18 public officers and bodies of this state and all municipalities for
19 any purpose for which the deposit of bonds or other obligations of the
20 state is now or may hereafter be authorized.

21 Sec. 14.42.310. OPERATION OF CERTAIN STATUTES EXCEPTED. (a)
22 The corporation shall not be considered or constitute (1) a political
23 subdivision of the state as the term is used in AS 37.10.085; (2) a
24 municipality as the term is defined in AS 01.10.060; or (3) except as
25 provided in AS 14.42.190 and 14.42.320, a state agency as the term is
26 used in AS 37; but for all other purposes the corporation constitutes
27 a political subdivision and an instrumentality of the state.

28 (b) The funds, income or receipts of the corporation may not be
29 considered and do not constitute money of the state, nor may real

1 property in which the corporation has an interest be considered land
2 owned in fee by the state or to which the state may become entitled or
3 in any way land belonging to the state, or state land referred to in
4 art. VIII of the Alaska Constitution.

5 Sec. 14.42.320. ANNUAL AUDIT. The financial records of the
6 corporation shall be audited annually by the legislative auditor or by
7 a certified public accountant approved by the legislative auditor.
8 The legislative auditor may prescribe the form and content of the
9 financial records of the corporation and shall have access to these
10 records at any time.

11 Sec. 14.42.330. DEFINITIONS. In AS 14.42.100 - 14.42.330,

12 (1) "board" means the board of directors of the corpo-
13 ration;

14 (2) "corporation" means the Alaska Student Loan Corpora-
15 tion.

16 * Sec. 2. AS 14.43.090(a) is amended to read:

17 (a) There is created a scholarship revolving loan fund. The
18 fund shall be used to make scholarship loans to students selected
19 under AS 14.43.050 - 14.43.160 and to pay the costs of collecting
20 student loans that are in default if those costs are not recovered
21 from the student. Unless the instrument evidencing the scholarship
22 loan has been sold to the Alaska Student Loan Corporation, [ALL]
23 repayments of principal and interest on a scholarship loan [LOANS]
24 shall be paid into the scholarship revolving loan fund. If money
25 estimated to be available [FROM SCHOLARSHIP LOAN REPAYMENTS] is
26 inadequate to fully fund estimated scholarship loans for any fiscal
27 year, additional funding from the general fund may be requested and
28 appropriated for that year.

29 * Sec. 3. AS 14.43.090 is amended by adding a new subsection to read:

1 (d) The student financial aid committee may sell notes and other
2 instruments evidencing scholarship loans to the Alaska Student Loan
3 Corporation. Proceeds from the sale of notes and other instruments
4 shall be deposited in the scholarship revolving loan fund.

5 * Sec. 4. AS 14.43.120(d) is amended to read:

6 (d) scholarship loans may not be made to a student

7 (1) for more than five years of undergraduate study;

8 (2) for more than five years of graduate study;

9 (3) for more than a total of eight years of undergraduate
10 and graduate study;

11 (4) to attend an institution if the default rate on loans
12 made to students to attend the institution exceeds the program default
13 rate by more than 150 percent.

14 * Sec. 5. AS 14.43.255(a) is amended to read:

15 (a) There is created a memorial scholarship revolving loan fund.
16 The fund shall be used to provide educational scholarship loans to
17 students selected under AS 14.43.250 - 14.43.325. Unless the instru-
18 ment evidencing the memorial scholarship loan has been sold to the
19 Alaska Student Loan Corporation, [ALL] repayments of principal on a
20 memorial scholarship loan shall be paid into the memorial scholarship
21 revolving loan fund and shall be used to make new scholarship loans.

22 * Sec. 6. AS 14.43.255 is amended by adding a new subsection to read:

23 (c) The student financial aid committee may sell notes and other
24 instruments evidencing memorial scholarship loans to the Alaska Stu-
25 dent Loan Corporation. Proceeds from the sale of a note or other
26 instrument shall be deposited in the appropriate memorial scholarship
27 loan fund.

28 * Sec. 7. AS 14.43.620 is amended to read:

29 Sec. 14.43.620. TEACHER SCHOLARSHIP REVOLVING LOAN FUND. There

1 is created a teacher scholarship revolving loan fund. The fund shall
2 be used to make scholarship loans to students selected under AS 14.-
3 43.600 - 14.43.700. Unless the instrument evidencing the teacher
4 scholarship loan has been sold to the Alaska Student Loan Corporation,
5 [ALL] repayments of principal and interest on a teacher scholarship
6 loan [LOANS] shall be paid into the teacher scholarship revolving loan
7 fund and shall be used to make new teacher scholarship loans. If
8 estimated funds available [FROM TEACHER SCHOLARSHIP LOAN REPAYMENTS]
9 are inadequate to fully fund estimated teacher scholarship loans for
10 any fiscal year, additional funding from the general fund may be
11 requested and appropriated for that year.

12 * Sec. 8. AS 14.43.620 is amended by adding a new subsection to read:

13 (b) The student financial aid committee may sell notes and other
14 instruments evidencing teacher scholarship loans to the Alaska Student
15 Loan Corporation. Proceeds from the sale of the notes or other in-
16 struments shall be deposited in the teacher scholarship revolving loan
17 fund.

18 * Sec. 9. This Act takes effect immediately in accordance with AS 01.-
19 10.070(c).
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ALASKA COMMISSION ON POSTSECONDARY EDUCATION
ALASKA STUDENT LOAN PROGRAM
ANALYSIS OF LOAN REPAYMENT

YEAR ENDING 6/30	VOLUME OF STUDENT LOANS MADE	LOANS BEGINNING REPAYMENT	CUMULATIVE LOANS IN REPAYMENT	UNADJUSTED REPAYMENT CASH FLOW	REPAYMENT ADJUSTED FOR DEFAULTS	LESS: LOANS FORGIVEN	NET LOAN COLLECTIONS
1972	1,603,158	0	0	0	0	0	0
1973	2,870,384	0	0	0	0	0	0
1974	2,986,176	240,474	240,474	31,142	26,471	4,632	21,839
1975	2,659,807	723,252	1,023,726	132,577	112,691	19,721	92,970
1976	3,382,997	1,640,516	2,654,242	345,032	293,277	51,323	241,953
1977	3,850,507	2,397,227	5,051,470	655,483	557,161	97,503	459,658
1978	4,604,167	2,820,707	7,882,177	1,020,778	867,661	151,841	715,821
1979	6,416,402	3,055,447	10,937,624	1,416,472	1,204,001	210,700	993,301
1980	9,373,949	3,487,061	14,424,685	1,868,063	1,587,853	277,874	1,309,979
1981	15,957,717	4,226,198	18,650,883	2,415,375	2,053,068	359,287	1,693,782
1982	40,559,499	5,460,112	24,110,995	3,122,484	2,654,112	464,470	2,189,642
1983	55,007,395	7,928,727	32,039,722	4,149,291	3,526,897	617,207	2,909,690
1984	62,712,316	14,530,168	46,329,416	5,999,671	5,099,891	892,481	4,207,410
1985	75,075,893	25,140,833	70,696,997	9,154,289	7,781,146	1,361,701	6,419,445
1986	80,675,498	39,602,445	108,728,925	14,000,893	11,968,759	2,094,533	9,874,226
1987	0	53,857,540	160,189,238	20,745,239	17,633,453	3,085,854	14,547,599
1988	0	64,536,012	221,904,542	28,737,653	24,427,005	4,274,726	20,152,279
1989	0	60,798,315	279,647,410	36,215,619	30,783,276	5,387,073	25,396,203
1990	0	48,248,123	324,408,472	42,012,381	35,710,524	6,249,342	29,461,182
1991	0	21,953,895	342,136,169	44,308,199	37,661,967	6,590,845	31,071,125
1992	0	5,535,293	342,211,350	44,317,935	37,670,245	6,592,293	31,077,952
1993	0	1,613,510	335,896,133	43,500,086	36,975,073	6,470,638	30,504,435
1994	0	0	321,365,965	41,618,363	35,375,608	6,190,731	29,184,877
1995	0	0	296,225,132	38,362,510	32,608,133	5,706,423	26,901,710
1996	0	0	256,542,687	33,223,452	28,239,934	4,941,988	23,297,945
1997	0	0	202,685,148	26,248,654	22,311,356	3,904,487	18,406,869
1998	0	0	138,147,136	17,890,945	15,207,303	2,661,278	12,546,025
1999	0	0	77,350,821	10,017,285	8,514,692	1,490,071	7,024,621
2000	0	0	29,102,698	3,768,932	3,203,593	560,629	2,642,964
2001	0	0	7,148,803	925,803	786,932	137,713	649,219
2002	0	0	1,613,510	208,957	177,613	31,082	146,531
2003	0	0	0	0	0	0	0
	367,935,855	367,935,855	3,679,358,550	476,493,765	405,019,700	70,878,448	334,141,253

TIMING OF FIRST LOAN REPAYMENT:

1 YEAR AFTER LOAN IS MADE	0 %
2 YEARS AFTER LOAN IS MADE	15 %
3 YEARS AFTER LOAN IS MADE	22 %
4 YEARS AFTER LOAN IS MADE	35 %
5 YEARS AFTER LOAN IS MADE	21 %
6 YEARS AFTER LOAN IS MADE	5 %
7 YEARS AFTER LOAN IS MADE	2 %

ALASKA COMMISSION ON POSTSECONDARY EDUCATION
ALASKA STUDENT LOAN PROGRAM
SERIES 1986 VARIABLE RATE DEMAND BONDS
ANALYSIS OF AMORTIZATION

YEAR ENDING 6/30	NEW BOND LOANS MADE	EQUITY & RECYCLED LOANS MADE	COLLECTIONS ON PRIOR LOANS †	COLLECTIONS ON NEW BOND LOANS ††	COLLECTIONS ON EQUITY LOANS †‡	OUTSTANDING PRINCIPAL	INTEREST	PRINCIPAL RETIREMENT	ENDING PRINCIPAL BALANCE
1987	40,000,000	42,912,599	14,547,599	0	0	40,000,000	4,000,000	7,635,000	32,365,000
1988	40,000,000	44,030,779	20,152,279	0	0	72,365,000	7,236,500	8,885,000	63,480,000
1989	40,000,000	45,307,660	25,396,203	544,890	584,567	103,480,000	10,348,000	10,870,000	92,610,000
1990	40,000,000	46,680,866	29,461,182	1,888,954	2,041,730	132,610,000	13,261,000	13,450,000	119,160,000
1991	40,000,000	48,097,170	31,071,125	4,504,428	4,902,617	159,160,000	15,916,000	16,465,000	142,695,000
1992	40,000,000	49,527,857	31,077,952	7,882,749	8,661,656	182,695,000	18,269,500	19,825,000	162,870,000
1993	40,000,000	50,934,326	30,504,435	11,442,700	12,724,191	202,870,000	20,287,000	23,450,000	179,420,000
1994	40,000,000	52,253,711	29,184,877	15,075,304	16,983,530	219,420,000	21,942,000	27,050,000	192,370,000
1995	40,000,000	53,401,266	26,901,710	18,707,907	21,373,648	232,370,000	23,237,000	30,345,000	202,025,000
1996	40,000,000	54,309,836	23,297,945	22,340,510	25,888,880	242,025,000	24,202,500	33,015,000	209,010,000
1997	40,000,000	54,986,002	18,406,869	25,973,114	30,527,019	249,010,000	24,901,000	35,020,000	213,990,000
1998	40,000,000	55,486,034	12,546,025	29,605,717	35,278,292	253,990,000	25,399,000	36,545,000	217,445,000
1999	40,000,000	55,856,535	7,024,621	32,693,430	39,542,984	257,445,000	25,744,500	37,660,000	219,785,000
2000	40,000,000	56,131,143	2,642,954	34,981,970	43,014,710	259,785,000	25,978,500	38,530,000	221,255,000
2001	40,000,000	56,361,994	649,219	35,999,099	45,144,176	261,255,000	26,125,500	39,305,000	221,950,000
2002	40,000,000	56,566,545	146,531	36,253,381	46,421,632	261,950,000	26,195,000	40,060,000	221,890,000
2003	40,000,000	56,752,291	0	36,326,033	47,430,258	261,890,000	26,189,000	40,815,000	221,075,000
2004	40,000,000	56,920,303	0	36,326,033	48,266,769	261,075,000	26,107,500	41,565,000	219,510,000
2005	40,000,000	57,068,318	0	36,326,033	48,998,285	259,510,000	25,951,000	42,305,000	217,205,000
2006	40,000,000	57,192,045	0	36,326,033	49,621,511	257,205,000	25,720,500	43,035,000	214,170,000
2007	40,000,000	57,297,588	0	36,326,033	50,138,555	254,170,000	25,417,000	43,750,000	210,420,000
2008	40,000,000	57,381,372	0	36,326,033	50,557,339	250,420,000	25,042,000	44,440,000	205,980,000
2009	40,000,000	57,446,204	0	36,326,033	50,891,171	245,960,000	24,596,000	45,175,000	200,785,000
2010	40,000,000	57,499,011	0	36,326,033	51,156,477	240,785,000	24,078,500	45,905,000	194,880,000

CASH FLOW COVERAGE FACTOR: 1.25
VARIABLE RATE DEMAND BOND INTEREST RATE: 10.00%
DEFAULT RATE ON NEW LOANS: 15.00%

† Collections on Prior Loans are based on 4/17/86 projections.
†† Collections on New Loans reflects Forgiveness on 15% of expected repayments.

ALASKA COMMISSION ON POSTSECONDARY EDUCATION
ALASKA STUDENT LOAN PROGRAM
SERIES 1986 VARIABLE RATE DEMAND BONDS
ANALYSIS OF AMORTIZATION (FUTURE LOANS AT 0%)

YEAR ENDING 6/30	NEW BOND LOANS MADE	EQUITY & RECYCLED LOANS MADE	COLLECTIONS ON PRIOR LOANS †	COLLECTIONS ON NEW BOND LOANS ‡	COLLECTIONS ON EQUITY LOANS ‡	OUTSTANDING PRINCIPAL	INTEREST	PRINCIPAL RETIREMENT	ENDING PRINCIPAL BALANCE
1987	45,000,000	37,912,599	14,547,599	0	0	45,000,000	4,500,000	7,135,000	37,865,000
1988	45,000,000	39,030,779	20,152,279	0	0	82,865,000	8,286,500	7,835,000	75,030,000
1989	45,000,000	40,342,944	25,396,203	705,422	594,319	120,030,000	12,003,000	9,350,000	110,680,000
1990	45,000,000	41,831,480	29,461,182	2,445,462	2,077,836	155,680,000	15,568,000	11,615,000	144,065,000
1991	45,000,000	43,300,487	31,071,125	5,031,487	4,994,376	139,065,000	13,906,500	14,610,000	174,455,000
1992	45,000,000	45,024,450	31,077,952	10,205,102	8,836,096	219,455,000	21,945,500	18,150,000	201,305,000
1993	45,000,000	46,645,137	30,504,435	14,013,857	13,000,345	246,305,000	24,630,500	22,030,000	224,275,000
1994	45,000,000	48,223,146	29,184,877	19,516,667	17,409,100	269,275,000	26,927,500	25,960,000	243,315,000
1995	45,000,000	49,622,038	26,901,710	24,219,481	21,972,348	288,315,000	28,831,500	29,640,000	258,675,000
1996	45,000,000	50,705,635	23,297,945	28,922,293	26,702,097	303,675,000	30,367,500	32,770,000	270,905,000
1997	45,000,000	51,730,074	18,406,849	33,625,104	31,590,601	315,905,000	31,590,500	35,310,000	280,595,000
1998	45,000,000	52,509,021	12,546,025	38,327,916	36,649,579	325,595,000	32,559,500	37,455,000	288,140,000
1999	45,000,000	53,121,077	7,024,621	42,325,306	41,245,149	333,140,000	33,314,000	39,160,000	293,980,000
2000	45,000,000	53,603,318	2,642,964	45,288,078	45,070,276	338,980,000	33,898,000	40,500,000	298,480,000
2001	45,000,000	53,966,614	649,219	46,604,865	47,560,530	343,480,000	34,348,000	41,500,000	301,980,000
2002	45,000,000	54,257,251	146,531	46,934,062	49,204,659	346,980,000	34,698,000	42,330,000	304,650,000
2003	45,000,000	54,526,608	0	47,028,118	50,583,490	349,650,000	34,965,000	43,120,000	306,530,000
2004	45,000,000	54,763,157	0	47,028,118	51,783,039	351,530,000	35,153,000	43,895,000	307,635,000
2005	45,000,000	54,977,318	0	47,028,118	52,059,700	352,635,000	35,263,500	44,645,000	307,990,000
2006	45,000,000	55,170,480	0	47,028,118	53,801,362	352,990,000	35,299,000	45,360,000	307,630,000
2007	45,000,000	55,330,953	0	47,028,118	54,605,835	352,630,000	35,263,000	46,040,000	306,590,000
2008	45,000,000	55,463,959	0	47,028,118	55,279,841	351,590,000	35,159,000	46,685,000	304,905,000
2009	45,000,000	55,574,578	0	47,028,118	55,836,940	349,705,000	34,970,500	47,300,000	302,605,000
2010	45,000,000	55,667,252	0	47,028,118	56,294,634	347,605,000	34,760,500	47,895,000	299,710,000

CASH FLOW COVERAGE FACTOR:

1.25

VARIABLE RATE DEMAND BOND INTEREST RATE:

10.00%

DEFAULT RATE ON NEW LOANS:

15.00%

† Collections on Prior Loans are based on 4/17/86 projections.

‡ Collections on New Loans reflects Forgiveness on 15% of expected repayments.

Original sponsor: Ferguson

1 IN THE SENATE BY THE RULES COMMITTEE

2 CS FOR SENATE BILL NO. 13 (Rules)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to student loans; creating the
7 Alaska Student Loan Corporation; and providing for an
8 effective date."

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

10 * Section 1. AS 14.42 is amended by adding new sections to read:

11 ARTICLE 2. ALASKA STUDENT LOAN CORPORATION.

12 Sec. 14.42.100. CREATION OF ALASKA STUDENT LOAN CORPORATION.

13 There is created the Alaska Student Loan Corporation. The corporation
14 is a public corporation and government instrumentality within the
15 Department of Education but having a legal existence independent of
16 and separate from the state. The corporation may not be terminated as
17 long as it has bonds, notes or other obligations outstanding. Upon
18 termination of the corporation, its rights and property pass to the
19 state.

20 Sec. 14.42.110. PURPOSE OF CORPORATION. The purpose of the
21 corporation is to improve higher educational opportunities of resi-
22 dents of Alaska in accordance with the provisions of this chapter.

23 Sec. 14.42.120. CORPORATION GOVERNING BODY. (a) The corpor-
24 ation shall be governed by a board of directors appointed by the
25 governor consisting of four individuals serving on the Commission on
26 Postsecondary Education pursuant to AS 14.42.015(a)(1) - (2), (4) -
27 (6) and (8), and one member appointed under AS 14.42.015(a)(3).
28 Members of the board serve without compensation but are entitled to
29 per diem and travel expenses as may be authorized by law for boards

1 and commissions.

2 Sec. 14.42.130. MEETING OF THE BOARD. (a) The Board shall
3 elect a chairman from among the membership at its annual meeting each
4 year. A majority of the members constitute a quorum for organizing
5 the board, conducting its business and exercising the powers of the
6 corporation. The board shall meet at the call of its chairman and at
7 such other times as the board may determine in accordance with its
8 regulations.

9 (b) The board may meet and transact business by electronic media
10 if

11 (1) public notice of the time and locations where the
12 meeting will be held by electronic media has been given in the same
13 manner as if the meeting were held in a single location;

14 (2) participants and members of the public in attendance
15 can hear and have the same right to participate in the meeting as if
16 the meeting were conducted in person; and

17 (3) copies of pertinent reference materials, statutes,
18 regulations, and audiovisual materials are reasonably available to
19 participants and the public.

20 (c) A meeting by electronic media as provided in this section
21 has the same legal effect as a meeting in person.

22 (d) For purposes of AS 14.42.100 - 14.42.320 public notice of 24
23 hours or more is adequate notice of a meeting of the board at which
24 the issuance of corporation bonds is authorized.

25 Sec. 14.42.140. MINUTES OF MEETINGS. The board shall keep
26 minutes of each meeting and send a certified copy to the governor and
27 to the Legislative Budget and Audit Committee.

28 Sec. 14.42.150. ADMINISTRATION OF AFFAIRS. The board shall
29 manage the assets and business of the corporation and may prescribe,

1 amend and repeal bylaws and regulations governing the manner in which
2 the business of the corporation is conducted and the manner in which
3 its powers are exercised in accordance with the Administrative Pro-
4 cedure Act (AS 44.62). The board shall delegate supervision of the
5 administration of the corporation to the executive director of the
6 corporation.

7 Sec. 14.42.160. EXECUTIVE DIRECTOR. The corporation shall
8 employ an executive officer, who may not be a member of the board.
9 The executive director shall be the executive officer of the Commis-
10 sion on Postsecondary Education appointed under AS 14.42.040(a).

11 Sec. 14.42.170. EMPLOYMENT OF PERSONNEL. The board may appoint
12 other officers and engage professional and technical advisors as
13 independent contractors. The executive director may hire employees of
14 the corporation and, subject to the approval of the board, engage
15 professional and technical advisors under contract with the corpor-
16 ation. The board shall prescribe the duties and compensation of
17 corporation personnel, including the executive director.

18 Sec. 14.42.190. BUDGET. The operating budget of the corporation
19 is subject to the Executive Budget Act (AS 37.07).

20 Sec. 14.42.200. GENERAL POWERS. In addition to other powers
21 granted in this chapter, the corporation may:

- 22 (1) sue and be sued in its own name;
- 23 (2) adopt an official seal;
- 24 (3) adopt bylaws for the regulation of its affairs and the
25 conduct of its business;
- 26 (4) employ fiscal consultants, attorneys, and such other
27 consultants and employees as may be required in the judgement of the
28 corporation, and fix and pay their compensation from money available
29 to the corporation;

1 (5) make and execute agreements, contracts and other in-
2 struments necessary or convenient in the exercise of the powers and
3 functions of the corporation under this chapter, including contracts
4 with any person, firm, corporation, governmental agency or other
5 entity;

6 (6) receive, administer and comply with the conditions and
7 requirements respecting any appropriation or gift, grant or donation
8 of property or money;

9 (7) acquire real property, or any interest in real prop-
10 erty, in its own name, by purchase, transfer or foreclosure, when the
11 acquisition is necessary or appropriate to protect any loan in which
12 the corporation has an interest; sell, transfer and convey any such
13 property to a buyer; and, if the sale, transfer or conveyance cannot
14 be effected with reasonable promptness or at a reasonable price, rent
15 or lease the property to a tenant pending the sale, transfer or con-
16 veyance;

17 (8) borrow money as provided in this chapter to carry out
18 and effectuate its corporate purposes and issue its obligations as
19 evidence of any such borrowing;

20 (9) include in any borrowing the amounts to pay financing
21 charges, interest on the obligations for a period not exceeding one
22 year after the date on which the corporation estimates funds will
23 otherwise be available to pay the interest, consultant, advisory and
24 legal fees and such other expenses as are necessary or incident to
25 this borrowing;

26 (10) invest or reinvest, subject to its contracts with
27 noteholders and bondholders, any money or funds held by the corpor-
28 ation in any obligations or other securities authorized under AS 37.-
29 10.070(z);

- 1 (11) collect from a borrower amounts owed with respect to a
2 student loan the corporation has purchased or made;
- 3 (12) gather information on loans available to residents of
4 Alaska attending or planning to attend an eligible institution and
5 disseminate the information to reasonably assure that qualified stu-
6 dents are aware of financial resources available to those attending or
7 desiring to attend an eligible institution;
- 8 (13) require an eligible institution or eligible lender to
9 file reports with the corporation as the corporation considers neces-
10 sary for the effective performance of its duties and publish the
11 information from the reports or other sources as the corporation
12 considers necessary;
- 13 (14) service student loans held by the corporation;
- 14 (15) except as specifically prohibited by law, obtain infor-
15 mation from a state agency or instrumentality or other source to
16 verify information submitted by or on behalf of a student applying for
17 or receiving assistance from the corporation;
- 18 (16) make or participate in the making of and purchase or
19 participate in the purchase of student loans;
- 20 (17) contract in advance for the purchase or sale of student
21 loans;
- 22 (18) sell or participate in the sale, either public or
23 private and on terms authorized by the board, of student loans to the
24 Student Loan Marketing Association or to other purchasers;
- 25 (19) collect and pay reasonable fees and charges in connec-
26 tion with the purchase, sale, and servicing of student loans;
- 27 (20) enter into agreements with the federal government
28 (including guaranty agreements and supplemental guaranty agreements as
29 described in the United States Higher Education Act of 1965) as

1 necessary to provide for the receipt by the corporation of administra-
2 tive allowances and other benefits available under the United States
3 Higher Education Act of 1965;

4 (21) enter into contracts with lenders upon terms and con-
5 ditions agreed upon between the corporation and the lenders, which
6 terms and conditions may reflect the requirements of the United States
7 Higher Education Act of 1965;

8 (22) enter into contracts with institutions upon the terms
9 and conditions agreed upon between the corporation and the institu-
10 tions, which terms and conditions may reflect the requirements of the
11 United States Higher Education Act of 1965;

12 (23) administer federal money allotted to the state with
13 respect to insured student loans and related administrative costs and
14 other matters;

15 (24) consent to the modification of the rate of interest,
16 time of payment of an installment of principal or interest, or other
17 terms of a student loan made or purchased by the corporation;

18 (25) procure insurance against any loss in connection with
19 the operation of its programs under this chapter;

20 (26) provide advisory services to borrowers and other parti-
21 cipants in the corporation's programs under this chapter;

22 (27) do all acts and things necessary, convenient or desir-
23 able to carry out the powers expressly granted or necessarily implied
24 in this chapter.

25 Sec. 14.42.210. STUDENT LOAN FUND. (a) The student loan fund
26 is established in the corporation. The student loan fund is a trust
27 fund for the uses and purposes of AS 14.42.100 - 14.42.320. The
28 student loan fund consists of money or assets appropriated or trans-
29 ferred to the corporation and other money or assets deposited in it by

1 the corporation.

2 (b) Money and other assets of the student loan fund may be used
3 to secure bonds of the corporation, or invested in the types of in-
4 vestments under AS 37.10.070(a) or shall be used to make or purchase
5 loans approved under AS 14.43.090 - 14.43.160.

6 Sec. 14.42.220. BONDS OF THE CORPORATION. (a) Subject to (g)
7 of this section, the corporation may borrow money and may issue bonds,
8 including but not limited to bonds on which the principal and interest
9 are payable,

10 (1) exclusively from the income and receipts or other money
11 derived from the loans financed with proceeds of the bonds;

12 (2) exclusively from the income and receipts or other money
13 derived from designated loans whether or not they are financed in
14 whole or in part with the proceeds of the bonds; or

15 (3) from its income and receipts or other assets generally,
16 or a designated part or parts of them.

17 (b) Bonds shall be authorized by resolution of the corporation,
18 and be dated and may not mature more than 20 years from the date of
19 its issue. Bonds shall bear interest at the rate or rates, be in the
20 denominations, be in the form, either coupon or registered, carry the
21 registration privileges, be executed in the manner, be payable in the
22 medium of payment, at the place or places, and be subject to the terms
23 of redemption which the resolution or a subsequent resolution may
24 provide.

25 (c) All bonds, regardless of form or character, shall be nego-
26 tiable instruments for all the purposes of the Uniform Commercial Code
27 (AS 45.01 - AS 45.09).

28 (d) All bonds may be sold at public or private sale in the
29 manner, for the price or prices, and at the time or times which the

1 corporation may determine.

2 (e) Before issuance of any bonds, the corporation shall make
3 provision by agreement or otherwise at least sufficient in the judg-
4 ment of the corporation to pay the principal of and interest on the
5 bonds as they become due and to create and maintain the reserves
6 therefor as the corporation considers necessary or desirable and to
7 meet all obligations in connection with the agreement and all costs
8 necessary to service the bonds unless the agreement provides that the
9 obligations are to be met or costs are to be paid by a party other
10 than the corporation.

11 (f) The superior court shall have jurisdiction to hear and
12 determine suits, actions or proceedings relating to the corporation,
13 including suits, actions or proceedings brought to foreclose or other-
14 wise enforce a mortgage or other security interest or brought by or
15 for the benefit of a holder of its bonds or by a trustee for or other
16 representative of the holders.

17 (g) The corporation may not issue bonds during any fiscal year
18 in an amount greater than \$45,000,000 unless the legislature, by law,
19 approves issuance of a greater amount.

20 (h) The corporation may not issue loans in excess of the total
21 amount of funds expended the previous fiscal year for student loans or
22 the amount appropriated in a fiscal year for student loans, whichever
23 is less.

24 Sec. 14.42.230. TRUST INDENTURES AND TRUST AGREEMENTS. In the
25 discretion of the corporation, an issue of bonds may be secured by a
26 trust indenture or trust agreement between the corporation and a
27 corporate trustee (which may be a trust company, bank, or national
28 banking association, with corporate trust powers, located inside or
29 outside the state) or by a secured loan agreement or other instrument

1 or under a resolution giving powers to a corporate trustee (herein-
2 after in this section referred to as "trust agreement") by means of
3 which the corporation may:

4 (1) make and enter into any and all the covenants and
5 agreements with the trustee or the holders or the bonds which the
6 corporation may determine to be necessary or desirable, including,
7 without limitation, covenants, provisions, limitations and agreements
8 as to:

9 (A) the application, investment, deposit, use and
10 disposition of the proceeds of bonds of the corporation or of
11 money or other property of the corporation or in which it has an
12 interest;

13 (B) the fixing and collection of loan payments and
14 other consideration for, and the other terms to be incorporated
15 in, a student loan;

16 (C) the assignment by the corporation of its rights in
17 a student loan or in a mortgage or other security interest creat-
18 ed with respect to a student loan to a trustee for the benefit of
19 bondholders;

20 (D) the terms and conditions upon which additional
21 bonds of the corporation may be issued;

22 (E) the vesting in a trustee of rights, powers,
23 duties, funds or property in trust for the benefit of bond-
24 holders, including, without limitation, the right to enforce
25 payment, performance and all other rights of the corporation or
26 of the bondholders, under a student loan or a security interest
27 created with respect to a student loan;

28 (2) pledge, mortgage or assign money, agreements, property,
29 or other assets of the corporation either presently in hand or to be

1 received in the future, or both; and

2 (3) provide for any other matters of like or different
3 character which in any way affect the security or protection of the
4 bonds.

5 Sec. 14.42.240. CAPITAL RESERVE FUNDS AND CAPITAL RESERVE FUND
6 REQUIREMENTS. (a) For the purpose of securing one or more issues of
7 its bonds, the corporation may establish one or more special funds,
8 called "capital reserve funds", and shall pay into those capital
9 reserve funds the proceeds of the sale of its bonds and other moneys
10 which may be made available to the corporation from other sources for
11 the purposes of the capital reserve funds. A capital reserve fund may
12 be established only if the corporation determines that the establish-
13 ment of the fund would enhance the marketability of the bonds. Money
14 in a capital reserve fund, except as provided in this section, may be
15 used as required only for (1) the payment of the principal of, and
16 interest on, bonds or of the sinking fund payments with respect to
17 those bonds; (2) the purchase or redemption of the bonds, or (3) the
18 payment or a redemption premium required to be paid when the bonds are
19 redeemed before maturity. However, money in a capital reserve fund
20 may not be withdrawn if the withdrawal would reduce the amount in the
21 capital reserve fund to less than the capital reserve fund require-
22 ment, except for the purpose of making payment, when due, of princi-
23 pal, interest redemption premiums on the bonds, and sinking fund
24 payments when other money of the corporation is not available for the
25 payments. Income or interest earned by, or increment to, a capital
26 reserve fund, from the investment of all or part of the fund, may be
27 transferred by the corporation to other funds or accounts of the
28 corporation if the transfer does not reduce the amount of the capital
29 reserve fund below the capital reserve fund requirement.

1 (b) If the corporation decides to issue bonds secured by a
2 capital reserve fund, the bonds may not be issued if the amount in
3 requirement, unless the corporation, at the time of issuance of the
4 bonds, deposits in the capital reserve fund from the proceeds of the
5 bonds to be issued or from other sources, an amount of which, together
6 with the amount then in the fund, is not less than the capital reserve
7 fund requirement.

8 (c) In computing the amount of a capital reserve fund for the
9 purpose of this section, securities in which all or a portion of the
10 fund is invested shall be valued by a reasonable method established by
11 the corporation by resolution. Valuation shall include the amount of
12 interest earned or accrued as of the date of valuation.

13 (d) The chairman of the corporation shall annually, no later
14 than January 2, certify in writing to the governor and the legislature
15 the amount, of any, required to restore a capital reserve fund to the
16 capital reserve fund requirement. The legislature may appropriate to
17 the corporation the amount certified by the chairman of the corpora-
18 tion. The corporation shall deposit the amounts appropriated under
19 this subsection during a fiscal year in the proper capital reserve
20 fund. Nothing in this section creates a debt or liability of the
21 state.

22 (e) In this section, "capital reserve fund requirement" means
23 the amount required to be on deposit in the capital reserve fund as of
24 the date of computation as determined by resolution of the corpora-
25 tion.

26 (f) The corporation may establish reserve funds, other than
27 capital reserve funds, to secure one or more issues of its bonds. The
28 corporation may deposit in a reserve fund established under this
29 subsection the proceeds of sale of its bonds and other money which may

1 he made available from any other source. A reserve fund established
2 under this subsection must comply with (a) - (c) of this section. The
3 corporation may allow a reserve fund established under this subsection
4 to be depleted without complying with (d) of this section.

5 Sec. 14.42.250. VALIDITY OF PLEDGE. It is the intention of the
6 legislature that a pledge made in respect of bonds shall be valid and
7 binding from the time the pledge is made; that the money or property
8 so pledged and thereafter received by the corporation shall immediate-
9 ly be subject to the lien of the pledge without physical delivery or
10 further act; and that the lien of the pledge shall be valid and bind-
11 ing as against all parties having claims of any kind in tort, contract
12 or otherwise against the corporation irrespective of whether the
13 parties have notice. Neither the resolution, trust agreement nor any
14 other instrument by which a pledge is created need be recorded or
15 filed under the provisions of the Uniform Commercial Code (AS 45.01 -
16 AS 45.09) to be valid, binding or effective against parties.

17 Sec. 14.42.260. NONLIABILITY ON BONDS. (a) Neither the mem-
18 bers of the corporation nor a person executing the bonds are liable
19 personally on the bonds or are subject to personnel liability or
20 accountability by reason of the issuance of the bonds.

21 (b) The bonds issued by the corporation do not constitute an
22 indebtedness or other liability of the state or of a political sub-
23 division of the state, except the corporation, but shall be payable
24 solely from the income and receipts or other funds or property of the
25 corporation. The corporation may not pledge the faith or credit of
26 the state or of a political subdivision of the state (except the
27 corporation) to the payment of a bond and the issuance of a bond by
28 the corporation does not directly or indirectly contingently obligate
29 the state or a political subdivision of the state to apply money from,

1 or levy or pledge any form of taxation whatever to the payment of the
2 bond.

3 Sec. 14.42.270. PLEDGE OF STATE. The state pledges to and
4 agrees with holders of bonds issued under this chapter that the state
5 will not limit or alter the rights and powers vested in the corpor-
6 ation by this chapter to fulfill the terms of a contract made by the
7 corporation with the holders or in any way impair the rights and
8 remedies of the holders until the bonds, together with the interest on
9 them with interest on unpaid installments of interest, and all costs
10 and expenses in connection with an action or proceeding by or on
11 behalf of the holders, are fully met and discharged. The corporation
12 is authorized to include this pledge and agreement of the state in
13 contract with the holders.

14 Sec. 14.42.280. EXEMPTION FROM TAXATION. The real and personal
15 property of this corporation and its assets, income and receipts are
16 declared to be the property of a political subdivision of the state
17 and devoted to an essential public and governmental function and
18 purpose, and the property, assets income, receipts, and other in-
19 terests of the corporation shall be exempt from all taxes and special
20 assessments of the state of a political subdivision of the state,
21 including, without limitation, all borough, cities, municipalities,
22 school districts, public utility districts and other taxing units.
23 All bonds of the corporation are declared to be issued by a political
24 subdivision of the state and for an essential public and governmental
25 purpose and to be public instrumentality, and the bonds, and the
26 interest on them, the income from them and the transfer of the bonds,
27 and all assets, income and receipts pledged to pay or secure the
28 payment of the bonds, or interest on them, shall at all times be
29 exempt from taxation by or under the authority of the state, except

1 for inheritance and estate taxes and taxes on transfers by or in
2 contemplation of death. Nothing in this section affects or limits an
3 exemption from license fees, property taxes, or excise, income or any
4 other taxes provided under any other law, nor does it create a tax
5 exemption with respect to the interest of any business, enterprise or
6 the person, other than the corporation, in any property, assets,
7 income, receipts, or other interest.

8 Sec. 14.42.290. BONDS LEGAL INVESTMENTS FOR FIDUCIARIES. The
9 bonds of the corporation are securities in which all public officers
10 and bodies of the state and all municipalities and municipal sub-
11 divisions, all insurance companies and associations and other persons
12 carrying on a insurance business, all banks, bankers, trust companies,
13 savings banks, savings associations, including savings associations
14 and building and loan associations, investment companies and other
15 persons carrying on a banking business, all administrators, guardians,
16 executors, trustees and other fiduciaries, and all other persons
17 whatsoever who are now or may hereafter be authorized to invest in
18 bonds or other obligations of the state, may properly and legally
19 invest funds including any other provisions of law, the bonds of the
20 corporation are also securities which may be deposited with and may be
21 received by all public officers and bodies of this state and all
22 municipalities and municipal subdivisions for any purpose for which
23 the deposit of bonds or other obligations of the state is now or may
24 hereafter be authorized.

25 Sec. 14.42.310. OPERATION OF CERTAIN STATUTES EXCEPTED. (a)
26 The corporation shall not be considered or constitute (1) a political
27 subdivision of the state as the term is used in AS 37.10.085, (2) a
28 municipal corporation or political subdivision of the state as the
29 terms are used in AS 29, or (3) except as provided in AS 14.42.320, a

1 state agency as the term is used in AS 37, but for all other purposes
2 the corporation constitutes a political subdivision and an instrumen-
3 tality of the state provided in this chapter.

4 (b) The funds, income or receipts of the corporation shall not
5 be considered or constitute money of the state, nor shall real pro-
6 perty in which the corporation has an interest be considered land
7 owned in fee by the state or to which the state may become entitled or
8 in any way lands belonging to the state, or state lands referred to in
9 art. VIII of the Alaska Constitution.

10 Sec. 14.42.320. ANNUAL AUDIT. The corporation shall have its
11 financial records audited annually by the legislative auditor or by a
12 certified public accountant approved by the legislative auditor. The
13 legislative auditor may prescribe the form and content of the finan-
14 cial records of the corporation and shall have access to these records
15 at any time.

16 * Sec. 2. AS 14.43.120(d) is amended to read:

17 (d) scholarship loans may not be made to a student
18 (1) for more than five years of undergraduate study;
19 (2) for more than five years of graduate study;
20 (3) for more than a total of eight years of undergraduate
21 and graduate study;
22 (4) to attend an institution for which the default rate on
23 loans made to students to attend the institution exceeds the program
24 default rate by more than 150 percent.

25 * Sec. 3. Notwithstanding the provisions of AS 14.42.160 enacted by
26 section 1 of this Act, if the executive officer of the Commission on Post-
27 secondary Education does not consent to appointment as executive director
28 of the Alaska Student Loan Corporation in writing filed with the Alaska
29 Student Loan Corporation within 60 days after the effective date of this

1 Act, the Alaska Student Loan Corporation shall take such steps as it con-
2 siders necessary or appropriate to employ an executive director who is not
3 the executive officer of the Commission on Postsecondary Education. If the
4 Alaska Student Loan Corporation employs an executive director under this
5 section who is not the executive officer of the Commission on Postsecondary
6 Education, each time a vacancy occurs in the position of executive direc-
7 tor, the Alaska Student Loan Corporation shall allow the executive officer
8 of the Commission on Postsecondary Education three business days to file a
9 written consent to the provisions of AS 14.42.160. If the executive officer
10 fails to file the written consent within the three business days allowed,
11 the Alaska Student Loan Corporation shall seek an executive director other
12 than the executive officer of the Commission on Postsecondary Education. If
13 the executive officer of the Commission on Postsecondary Education files a
14 written consent described in this section during any of the times described
15 in this section, the provisions of AS 14.42.160 shall thereafter control
16 with respect to the appointment of the executive director of the Alaska
17 Student Loan Corporation.

18 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
19 10.070(c).

Offered: 4/28/86
Referred: Rules

Original sponsor: Ferguson

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 CS FOR SENATE BILL NO. 13 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL
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18 termination of the corporation, its rights and property pass to the
19 state.

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21 corporation is to improve higher educational opportunities of resi-
22 dents of Alaska in accordance with the provisions of this chapter.

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24 ation shall be governed by a board of directors consisting of four
25 individuals serving on the Commission on Postsecondary Education
26 pursuant to AS 14.42.015(a)(1) - (2), (4) - (6) and (8), and one
27 member appointed under AS 14.42.015(a)(3). Members of the board serve
28 without compensation but are entitled to per diem and travel expenses
29 as may be authorized by law for boards and commissions.

1 Sec. 14.42.130. MEETING OF THE BOARD. (a) The Board shall
2 elect a chairman from among the membership at its annual meeting each
3 year. A majority of the members constitute a quorum for organizing
4 the board, conducting its business and exercising the powers of the
5 corporation. The board shall meet at the call of its chairman and at
6 such other times as the board may determine in accordance with its
7 regulations.

8 (b) The board may meet and transact business by electronic media
9 if

10 (1) public notice of the time and locations where the
11 meeting will be held by electronic media has been given in the same
12 manner as if the meeting were held in a single location;

13 (2) participants and members of the public in attendance
14 can hear and have the same right to participate in the meeting as if
15 the meeting were conducted in person; and

16 (3) copies of pertinent reference materials, statutes,
17 regulations, and audiovisual materials are reasonably available to
18 participants and the public.

19 (c) A meeting by electronic media as provided in this section
20 has the same legal effect as a meeting in person.

21 (d) For purposes of AS 14.42.100 - 14.42.320 public notice of 24
22 hours or more is adequate notice of a meeting of the board at which
23 the issuance of corporation bonds is authorized.

24 Sec. 14.42.140. MINUTES OF MEETINGS. The board shall keep
25 minutes of each meeting and send a certified copy to the governor and
26 to the Legislative Budget and Audit Committee.

27 Sec. 14.42.150. ADMINISTRATION OF AFFAIRS. The board shall
28 manage the assets and business of the corporation and may prescribe,
29 amend and repeal bylaws and regulations governing the manner in which

1 the business of the corporation is conducted and the manner in which
2 its powers are exercised in accordance with the Administrative pro-
3 cedure Act (AS 44.62). The board shall delegate supervision of the
4 administration of the corporation to the executive director of the
5 corporation.

6 Sec. 14.42.160. EXECUTIVE DIRECTOR. The corporation shall
7 employ an executive officer, who may not be a member of the board.
8 The executive director shall be the executive officer of the Commis-
9 sion on Postsecondary Education appointed under AS 14.42.040(a).

10 Sec. 14.42.170. EMPLOYMENT OF PERSONNEL. The board may appoint
11 other officers and engage professional and technical advisors as
12 independent contractors. The executive director may hire employees of
13 the corporation and, subject to the approval of the board, engage
14 professional and technical advisors under contract with the corpor-
15 ation. The board shall prescribe the duties and compensation of
16 corporation personnel, including the executive director.

17 Sec. 14.42.190. BUDGET. The operating budget of the corporation
18 is subject to the Executive Budget Act (AS 37.07).

19 Sec. 14.42.200. GENERAL POWERS. In addition to other powers
20 granted in this chapter, the corporation may:

- 21 (1) sue and be sued in its own name;
- 22 (2) adopt an official seal;
- 23 (3) adopt bylaws for the regulatio of its affairs and the
24 conduct of its business;
- 25 (4) employ fiscal consultants, attorneys, and such other
26 consultants and employees as may be required in the judgement of the
27 corporation, and fix and pay their compensation from money available
28 to the corporation;
- 29 (5) make and execute agreements, contracts and other

1 instruments necessary or convenient in the exercise of the powers and
2 functions of the corporation under ~~AS 37.10~~ chapter, including contracts
3 with any person, firm, corporation, governmental agency or other
4 entity;

5 (6) receive, administer and comply with the conditions and
6 requirements respecting any appropriation or gift, grant or donation
7 of property or money;

8 (7) acquire real property, or any interest in real prop-
9 erty, in its own name, by purchase, transfer or foreclosure, when the
10 acquisition is necessary or appropriate to protect any loan in which
11 the corporation has an interest; sell, transfer and convey any such
12 property to a buyer; and, if the sale, transfer or conveyance cannot
13 be effected with reasonable promptness or at a reasonable price, rent
14 or lease the property to a tenant pending the sale, transfer or con-
15 veyance;

16 (8) borrow money as provided in this chapter to carry out
17 and e .ate its corporate purposes and issue its obligations as
18 evidence of any such borrowing;

19 (9) include in any borrowing the amounts to pay financing
20 charges, interest on the obligations for a period not exceeding one
21 year after the date on which the corporation estimates funds will
22 otherwise be available to pay the interest, consultant, advisory and
23 legal fees and such other expenses as are necessary or incident to
24 this borrowing;

25 (10) invest or reinvest, subject to its contracts with
26 noteholders and bondholders, any money or funds held by the corpor-
27 ation in any obligations or other securities authorized under AS 37.-
28 10.070(a);

29 (11) collect from a borrower amounts owed with respect to a

- 1 student loan the corporation has purchased or made;
- 2 (12) gather information on loans available to residents of
3 Alaska attending or planning to attend an eligible institution and
4 disseminate the information to reasonably assure that qualified stu-
5 dents are aware of financial resources available to those attending or
6 desiring to attend an eligible institution;
- 7 (13) require an eligible institution or eligible lender to
8 file reports with the corporation as the corporation considers neces-
9 sary for the effective performance of its duties and publish the
10 information from the reports or other sources as the corporation
11 considers necessary;
- 12 (14) service student loans held by the corporation;
- 13 (15) except as specifically prohibited by law, obtain infor-
14 mation from a state agency or instrumentality or other source to
15 verify information submitted by or on behalf of a student applying for
16 or receiving assistance from the corporation;
- 17 (16) make or participate in the making of and purchase or
18 participate in the purchase of student loans;
- 19 (17) contract in advance for the purchase or sale of student
20 loans;
- 21 (18) sell or participate in the sale, either public or
22 private and on terms authorized by the board, of student loans to the
23 Student Loan Marketing Association or to other purchasers;
- 24 (19) collect and pay reasonable fees and charges in connec-
25 tion with the purchase, sale, and servicing of student loans;
- 26 (20) enter into agreements with the federal government
27 (including guaranty agreements and supplemental guaranty agreements as
28 described in the United States Higher Education Act of 1965) as neces-
29 sary to provide for the receipt by the corporation of administrative

1 allowances and other benefits available under the United States Higher
2 Education Act of 1965;

3 (21) enter into contracts with lenders upon terms and con-
4 ditions agreed upon between the corporation and the lenders, which
5 terms and conditions may reflect the requirements of the United States
6 Higher Education Act of 1965;

7 (22) enter into contracts with institutions upon the terms
8 and conditions agreed upon between the corporation and the institu-
9 tions, which terms and conditions may reflect the requirements of the
10 United States Higher Education Act of 1965;

11 (23) administer federal money allotted to the state with
12 respect to insured student loans and related administrative costs and
13 other matters;

14 (24) consent to the modification of the rate of interest,
15 time of payment of an installment of principal or interest or other
16 terms of a student loan made or purchased by the corporation;

17 (25) procure insurance against any loss in connection with
18 the operation of its programs under this chapter;

19 (26) provide advisory services to borrowers and other parti-
20 cipants in the corporation's programs under this chapter;

21 (27) do all acts and things necessary, convenient or desir-
22 able to carry out the powers expressly granted or necessarily implied
23 in this chapter.

24 Sec. 14.42.210. STUDENT LOAN FUND. (a) The student loan fund
25 is established in the corporation. The student loan fund is a trust
26 fund for the uses and purposes of AS 14.42.100 - 14.42.320. The
27 student loan fund consists of money or assets appropriated or trans-
28 ferred to the corporation and other money or assets deposited in it by
29 the corporation.

1 (b) Money and other assets of the student loan fund may be used
2 to secure bonds of the corporation, or invested in the types of in-
3 vestments under AS 37.10.070(a) or shall be used to make or purchase
4 loans approved under AS 14.43.090 - 14.43.160.

5 Sec. 14.42.220. BONDS OF THE CORPORATION. (a) Subject to (g)
6 of this section, the corporation may borrow money and may issue bonds,
7 including but not limited to bonds on which the principal and interest
8 are payable,

9 (1) exclusively from the income and receipts or other money
10 derived from the loans financed with proceeds of the bonds;

11 (2) exclusively from the income and receipts or other money
12 derived from designated loans whether or not they are financed in
13 whole or in part with the proceeds of the bonds; or

14 (3) from its income and receipts or other assets generally,
15 or a designated part or parts of them.

16 (b) Bonds shall be authorized by resolution of the corporation,
17 and be dated and may not mature more than 20 years from the date of
18 its issue. Bonds shall bear interest at the rate or rates, be in the
19 denominations, be in the form, either coupon or registered, carry the
20 registration privileges, be executed in the manner, be payable in the
21 medium of payment, at the place or places, and be subject to the terms
22 of redemption which the resolution or a subsequent resolution may
23 provide.

24 (c) All bonds, regardless of form or character, shall be nego-
25 tiable instruments for all the purposes of the Uniform Commercial
26 Code (AS 45.01 - AS 45.09).

27 (d) All bonds may be sold at public or private sale in the
28 manner, for the price or prices, and at the time or times which the
29 corporation may determine.

1 (e) Before issuance of any bonds, the corporation shall make
2 provision by agreement or otherwise at least sufficient in the
3 judgment of the corporation to pay the principal of and interest on
4 the bonds as they become due and to create and maintain the reserves
5 therefor as the corporation considers necessary or desirable and to
6 meet all obligations in connection with the agreement and all costs
7 necessary to service the bonds unless the agreement provides that the
8 obligations are to be met or costs are to be paid by a party other
9 than the corporation.

10 (f) The superior court shall have jurisdiction to hear and
11 determine suits, actions or proceedings relating to the corporation,
12 including suits, actions or proceedings brought to foreclose or other-
13 wise enforce a mortgage or other security interest or brought by or
14 for the benefit of a holder of its bonds or by a trustee for or other
15 representative of the holders.

16 (g) The corporation may not issue bonds during any fiscal year
17 in an amount greater than \$45,000,000 unless the legislature, by law,
18 approves issuance of a greater amount.

19 Sec. 14.42.230. TRUST INDENTURES AND TRUST AGREEMENTS. In the
20 discretion of the corporation, an issue of bonds may be secured by a
21 trust indenture or trust agreement between the corporation and a
22 corporate trustee (which may be a trust company, bank, or national
23 banking association, with corporate trust powers, located inside or
24 outside the state) or by a secured loan agreement or other instrument
25 or under a resolution giving powers to a corporate trustee (herein-
26 after in this section referred to as "trust agreement") by means of
27 which the corporation may:

28 (1) make and enter into any and all the covenants and
29 agreements with the trustee or the holders or the bonds which the

1 corporation may determine to be necessary or desirable, including,
2 without limitation, covenants, provisions, limitations and agreements
3 as to:

4 (A) the application, investment, deposit, use and
5 disposition of the proceeds of bonds of the corporation or of
6 money or other property of the corporation or in which it has an
7 interest;

8 (B) the fixing and collection of loan payments and
9 other consideration for, and the other terms to be incorporated
10 in, a student loan;

11 (C) the assignment by the corporation of its rights in
12 a student loan or in a mortgage or other security interest
13 created with respect to a student loan to a trustee for the
14 benefit of bondholders;

15 (D) the terms and conditions upon which additional
16 bonds of the corporation may be issued;

17 (E) the vesting in a trustee of rights, powers,
18 duties, funds or property in trust for the benefit of
19 bondholders, including, without limitation, the right to enforce
20 payment, performance and all other rights of the corporation or
21 of the bondholders, under a student loan or a security interest
22 created with respect to a student loan;

23 (2) pledge, mortgage or assign money, agreements, property,
24 or other assets of the corporation either presently in hand or to be
25 received in the future, or both; and

26 (3) provide for any other matters of like or different
27 character which in any way affect the security or protection of the
28 bonds.

29 Sec. 14.42.240. CAPITAL RESERVE FUNDS AND CAPITAL RESERVE FUND

1 REQUIREMENTS. (a) For the purpose of securing one or more issues of
2 its bonds, the corporation may establish one or more special funds,
3 called "capital reserve funds", and shall pay into those capital
4 reserve funds the proceeds of the sale of its bonds and other moneys
5 which may be made available to the corporation from other sources for
6 the purposes of the capital reserve funds. A capital reserve fund may
7 be established only if the corporation determines that the establish-
8 ment of the fund would enhance the marketability of the bonds. Money
9 in a capital reserve fund, except as provided in this section, may be
10 used as required only for (1) the payment of the principal of, and
11 interest on, bonds or of the sinking fund payments with respect to
12 those bonds; (2) the purchase or redemption of the bonds, or (3) the
13 payment or a redemption premium required to be paid when the bonds are
14 redeemed before maturity. However, money in a capital reserve fund
15 may not be withdrawn if the withdrawal would reduce the amount in the
16 capital reserve fund to less than the capital reserve fund require-
17 ment, except for the purpose of making payment, when due, of princi-
18 pal, interest redemption premiums on the bonds, and sinking fund
19 payments when other money of the corporation is not available for the
20 payments. Income or interest earned by, or increment to, a capital
21 reserve fund, from the investment of all or part of the fund, may be
22 transferred by the corporation to other funds or accounts of the
23 corporation if the transfer does not reduce the amount of the capital
24 reserve fund below the capital reserve fund requirement.

25 (b) If the corporation decides to issue bonds secured by a
26 capital reserve fund, the bonds may not be issued if the amount in
27 requirement, unless the corporation, at the time of issuance of the
28 bonds, deposits in the capital reserve fund from the proceeds of the
29 bonds to be issued or from other sources, an amount of which, together

1 with the amount then in the fund, is not less than the capital reserve
2 fund requirement.

3 (c) In computing the amount of a capital reserve fund for the
4 purpose of this section, securities in which all or a portion of the
5 fund is invested shall be valued by a reasonable method established by
6 the corporation by resolution. Valuation shall include the amount of
7 interest earned or accrued as of the date of valuation.

8 (d) The chairman of the corporation shall annually, no later
9 than January 2, certify in writing to the governor and the legislature
10 the amount, of any, required to restore a capital reserve fund to the
11 capital reserve fund requirement. The legislature may appropriate to
12 the corporation the amount certified by the chairman of the corpora-
13 tion. The corporation shall deposit the amount appropriated under
14 this subsection during a fiscal year in the proper capital reserve
15 fund. Nothing in this section creates a debt or liability of the
16 state.

17 (e) In this section, "capital reserve fund requirement" means
18 the amount required to be on deposit in the capital reserve fund as of
19 the date of computation as determined by resolution of the corpora-
20 tion.

21 (f) The corporation may establish reserve funds, other than
22 capital reserve funds, to secure one or more issues of its bonds. The
23 corporation may deposit in a reserve fund established under this
24 subsection the proceeds of sale of its bonds and other money which may
25 be made available from any other source. A reserve fund established
26 under this subsection must comply with (a) - (c) of this section. The
27 corporation may allow a reserve fund established under this subsection
28 to be depleted without complying with (d) of this section.

29 Sec. 14.42.250. VALIDITY OF PLEDGE. It is the intention of the

1 legislature that a pledge made in respect of bonds shall be valid and
2 binding from the time the pledge is made; that the money or property
3 so pledged and thereafter received by the corporation shall
4 immediately be subject to the lien of the pledge without physical
5 delivery or further act, and that the lien of the pledge shall be
6 valid and binding as against all parties having claims of any kind in
7 tort, contract or otherwise against the corporation irrespective of
8 whether the parties have notice. Neither the resolution, trust agree-
9 ment nor any other instrument by which a pledge is created need be
10 recorded or filed under the provisions of the Uniform Commercial Code
11 (AS 45.01 - AS 45.09) to be valid, binding or effective against
12 parties.

13 Sec. 14.42.260. NONLIABILITY ON BONDS. (a) Neither the mem-
14 bers of the corporation nor a person executing the bonds are liable
15 personally on the bonds or are subject to personnel liability or
16 accountability by reason of the issuance of the bonds.

17 (b) The bonds issued by the corporation do not constitute an
18 indebtedness or other liability of the state or of a political sub-
19 division of the state, except the corporation, but shall be payable
20 solely from the income and receipts or other funds or property of the
21 corporation. The corporation may not pledge the faith or credit of
22 the state or of a political subdivision of the state (except the
23 corporation) to the payment of a bond and the issuance of a bond by
24 the corporation does not directly or indirectly contingently obligate
25 the state or a political subdivision of the state to apply money from,
26 or levy or pledge any form of taxation whatever to the payment of the
27 bond.

28 Sec. 14.42.270. PLEDGE OF STATE. The state pledges to and
29 agrees with holders of bonds issued under this chapter that the state

1 will not limit or alter the rights and powers vested in the corpor-
2 ation by this chapter to fulfill the terms of a contract made by the
3 corporation with the holders or in any way impair the rights and
4 remedies of the holders until the bonds, together with the interest on
5 them with interest on unpaid installments of interest, and all costs
6 and expenses in connection with an action or proceeding by or on
7 behalf of the holders, are fully met and discharged. The corporation
8 is authorized to include this pledge and agreement of the state in
9 contract with the holders.

10 Sec. 14.42.280. EXEMPTION FROM TAXATION. The real and personal
11 property of this corporation and its assets, income and receipts are
12 declared to be the property of a political subdivision of the state
13 and devoted to an essential public and governmental function and
14 purpose, and the property, assets income, receipts, and other in-
15 terests of the corporation shall be exempt from all taxes and special
16 assessments of the state of a political subdivision of the state,
17 including, without limitation, all borough, cities, municipalities,
18 school districts, public utility districts and other taxing units.
19 All bonds of the corporation are declared to be issued by a political
20 subdivision of the state and for an essential public and governmental
21 purpose and to be public instrumentality, and the bonds, and the
22 interest on them, the income from them and the transfer of the bonds,
23 and all assets, income and receipts pledged to pay or secure the
24 payment of the bonds, or interest on them, shall at all times be
25 exempt from taxation by or under the authority of the state, except
26 for inheritance and estate taxes and taxes on transfers by or in
27 contemplation of death. Nothing in this section affects or limits an
28 exemption from license fees, property taxes, or excise, income or any
29 other taxes provided under any other law, nor does it create a tax

1 exemption with respect to the interest of any business, enterprise or
2 the person, other than the corporation, in any property, assets,
3 income, receipts, or other interest.

4 Sec. 14.42.290. BONDS LEGAL INVESTMENTS FOR FIDUCIARIES. The
5 bonds of the corporation are securities in which all public officers
6 and bodies of the state and all municipalities and municipal sub-
7 divisions, all insurance companies and associations and other persons
8 carrying on a insurance business, all banks, bankers, trust companies,
9 savings banks, savings associations, including savings associations
10 and building and loan associations, investment companies and other
11 persons carrying on a banking business, all administrators, guardians,
12 executors, trustees and other fiduciaries, and all other persons
13 whatsoever who are now or may hereafter be authorized to invest in
14 bonds or other obligations of the state, may properly and legally
15 invest funds including any other provisions of law, the bonds of the
16 corporation are also securities which may be deposited with and may be
17 received by all public officers and bodies of this state and all
18 municipalities and municipal subdivisions for any purpose for which
19 the deposit of bonds or other obligations of the state is now or may
20 hereafter be authorized.

21 Sec. 14.42.310. OPERATION OF CERTAIN STATUTES EXCEPTED. (a)
22 The corporation shall not be considered or constitute (1) a political
23 subdivision of the state as the term is used in AS 37.10.085, (2) a
24 municipal corporation or political subdivision of the state as the
25 terms are used in AS 29, or (3) except as provided in AS 14.42.330, a
26 state agency as the term is used in AS 37, but for all other purposes
27 the corporation constitutes a political subdivision and an instrumen-
28 tality of the state provided in this chapter.

29 (b) The funds, income or receipts of the corporation shall not

1 be considered or constitute money of the state, nor shall real pro-
2 perty in which the corporation has an interest be considered land
3 owned in fee by the state or to which the state may become entitled or
4 in any way lands belonging to the state, or state lands referred to in
5 art. VIII of the Alaska Constitution.

6 Sec. 14.42.320. ANNUAL AUDIT. The corporation shall have its
7 financial records audited annually by the legislative auditor or by a
8 certified public accountant approved by the legislative auditor. The
9 legislative auditor may prescribe the form and content of the finan-
10 cial records of the corporation and shall have access to these records
11 at any time.

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

13 (d) scholarship loans may not be made to a student
14 (1) for more than five years of undergraduate study;
15 (2) for more than five years of graduate study;
16 (3) for more than a total of eight years of undergraduate
17 and graduate study;
18 (4) to attend an institution for which the default rate on
19 loans made to students to attend the institution exceeds the program
20 default rate by more than 150 percent.

21 * Sec. 3. Notwithstanding the provisions of AS 14.42.160 enacted by
22 section 1 of this Act, if the executive officer of the Commission on Post-
23 secondary Education does not consent to appointment as executive director
24 of the Alaska Student Loan Corporation in writing filed with the Alaska
25 Student Loan Corporation within 60 days after the effective date of this
26 Act, the Alaska Student Loan Corporation shall take such steps as it con-
27 siders necessary or appropriate to employ on executive director who is not
28 the executive officer of the Commission on Postsecondary Education. If the
29 Alaska Student Loan Corporation employs an executive director under this

1 section who is not the executive officer of the Commission on Postsecondary
2 Education, each time a vacancy occurs in the position of executive direc-
3 tor, the Alaska Student Loan Corporation shall allow the executive officer
4 of the Commission on Postsecondary Education three business days to file a
5 written consent to the provisions of AS 14.42.160. If the executive officer
6 fails to file the written consent within the three business days allowed,
7 the Alaska Student Loan Corporation shall seek an executive director other
8 than the executive officer of the Commission on Postsecondary Education. If
9 the executive officer of the Commission on Postsecondary Education files a
10 written consent described in this section during any of the times described
11 in this section, the provisions of AS 14.42.160 shall thereafter control
12 with respect to the appointment of the executive director of the Alaska
13 Student Loan Corporation.

14 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
15 10.070(c).

Introduced: 1/14/85
Referred: Judiciary and
Finance

Funding Information
General Fund \$20,000,000
Other Funds - 0 -
\$20,000,000

1 IN THE SENATE

BY FERGUSON

2

SENATE BILL NO. 13

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act making a special appropriation to the Office
7 of the Governor for the federal budget impact fund;
8 and providing for an effective date."

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

10 * Section 1. The sum of \$20,000,000 is appropriated from the general
11 fund to the Office of the Governor for the federal budget impact fund.

12 * Sec. 2. The unexpended and unobligated portion of the appropriation
13 made by this Act lapses into the general fund June 30, 1986.

14 * Sec. 3. This Act takes effect on the effective date of an Act enti-
15 tled "An Act establishing a federal budget impact fund; and providing for
16 an effective date."

COMMITTEE REPORT
SENATE

FURTHER:

2/15/55

Date 2/20/55

Mr. President

The Committee on FINANCE considered SB 17

applicability of the scholarship loan program to students attending more than one postsecondary educational institution; etc.

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 (20)
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman _____

Chairman recommendation _____

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB 17
 Title: Re: Scholarship loans to students
 Sponsor: Kerttula
 Requestor: Senate Hess
 Date of Request: 1/16/85

FISCAL DETAIL

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	N.A.	-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	N.A.	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	N.A.	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	N.A.	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

No fiscal impact is associated with this bill

Prepared By: Kerry D. Rome Phone: 465-2854
 Division: Alaska Commission on Postsecondary Education Date: _____

Approved by Commissioner: _____ Date: _____
 Agency: _____

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

7/1/84

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

POSITION STATEMENT ON SB 17

Summary: To qualify for a student loan, a student must enroll full time, that is at least 12 credit hours each term for undergraduate students, and at least nine credit hours each term for graduate students. If a student wishes to enroll in more than one institution and aggregate the credit hours to be full time, the current statute requires that there be a consortium agreement between the institutions.

SB 17 removes the requirement for a formal consortium agreement.

Impact: The result would be negligible. The bill was introduced a year ago in response to problems student loan applicants were incurring when they tried to enroll in both the University of Alaska, Anchorage and Matanuska-Susitna Community College. Since there was no formal consortial agreement, UAA officials would not release loans for these students.

As of January 11, 1985, Matanuska-Susitna Community College and UAA have a consortium agreement. Hence, the problem at which this bill was directed, has been solved.

The bill will not result in students enrolling in a wide variety of institutions and, in effect, getting around program good-standing requirements, because program regulations already exist to address such a situation. (20 AAC 15.040(n) and 20 AAC 15.045(c)). Therefore, the bill successfully removes some unnecessary language in the current statutes and has little program effect.

There is no fiscal impact of the bill.

Position: The Alaska Commission on Postsecondary Education endorses the passage of SB 17.

Introduced: 1/14/85
Referred: Health, Education and
Social Services and
Finance

BY KERTTULA, STURGULEWSKI,
HALFORD, KELLY, FAIKS AND
COGHILL

1 IN THE SENATE

2

SENATE BILL NO. 17

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the applicability of the scholar-
ship loan program to students attending more than one
postsecondary educational institution; and providing
for an effective date."

7

8

9

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

11

* Section 1. AS 14.43.160(2) is amended to read:

12

(2) "full-time student" means an undergraduate or career

13

education student who is enrolled and is in regular attendance at

14

classes for at least 12 semester hours of credit or the equivalent

15

during the semester or a graduate student who is enrolled and is in

16

regular attendance at classes for at least nine semester hours of

17

credit or the equivalent; any combination of semester hours of credit,

18

or the equivalent, aggregating to the requisite number of semester

19

hours and undertaken during a semester at two or more public or pri-

20

rate institutions of higher education [OPERATING UNDER A CONSORTIUM]

21

constitutes full-time student status;

22

* Sec. 2. This Act takes effect immediately in accordance with AS 01.-

23

10.070(c).

ANALYSIS FOR SENATE BILL 17

An Act relating to the applicability of the scholarship loan program to students attending more than one postsecondary educational institution; and providing for an effective date.

In order to qualify for a Postsecondary student loan, a person must take at least 12 units per semester (9 units for graduate students). The student may split this unit load between two institutions and still qualify for a loan if both schools have signed what is known as a "consortium agreement". Essentially, this type of agreement means that each school will give credit for attendance at the other institution.

However, under current law, the Postsecondary Commission can not release the loan funds if a student is attending two schools that do not have "consortium agreement". Passage of this legislation would remove that restriction.

Until recently it was a problem for those students attending both UAA and Mat-Su Community College. Those two schools have now signed a "consortium agreement". According to Dr. Kerry Romesburg, it still remains a problem for those students wishing to attend both UAF and the Tanana Valley Community College.

There is no fiscal impact.

COMMITTEE REPORT
SENATE

FURTHER:

FINANCE

1/14/85

Date

2-7-85

Mr. President

The Committee on HESS considered SB 17

relating to the applicability of the scholarship loan program to students attending more than one postsecondary educational institution; efd.

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

Walter Sturgulowski

Edmund De Vito

Paul A. Freiler

Joe Josephson

MEMBERS HAVING
OTHER RECOMMENDATIONS

Lucretia Schrenk
Chairman

Chairman recommendation

COMMITTEE REPORT
SENATE

FURTHER:

1/29/85

Date 2/12/85

Mr. President

The Committee on FINANCE considered SB 18
establishing "William A. Egan Day" on October 8 of each year.

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

Introduced: 1/14/85
Referred: State Affairs,
Labor and Commerce
and Finance

BY V. FISCHER, HALFORD, STURGULEWSKI,
KELLY, FAIKS, COGHILL, JOSEPHSON AND
KERTTULA

1 IN THE SENATE

2

SENATE BILL NO. 18

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act establishing "William A. Egan Day" on October

7

8 of each year."

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

9 Section 1. AS 44.12 is amended by adding a new section to read:

10

Sec. 44.12.060. WILLIAM A. EGAN DAY. William A. Egan Day is

11

established on October 8 of each year to honor William "Bill" Egan,

12

the first governor of the state of Alaska, for a lifetime of service

13

to the territory and state of Alaska. William A. Egan Day may be

14

observed by suitable observances and exercises by civic groups and the

15

public.

Senator Vic Fischer

(907) 465-4954

Alaska State Legislature
Pouch V • Juneau, Alaska 99811 • (907) 465-4954



February 8, 1985

To: Members, Senate Finance ~~Committee~~
From: Senator Vic Fischer *VF*
Re: Senate Bill 18 - William A. Egan Day

Senate Bill 18 designates October 18 as a holiday in honor of William A. Egan, Alaska's first Governor.

Bill Egan's life reads like Alaska's history book. Born in Valdez in 1914, he graduated from Valdez High School in 1932 and went on to serve in the Territorial House of Representatives in 1941-43 and 1947-51 and in the Territorial Senate from 1953 to 1956.

In 1941 Bill Egan drafted the Statehood Referendum Act and later served as the President of the Constitutional Convention in 1955-56. He was elected Governor of Alaska in 1959-1966 and again in 1971-74.

Bill joined the U.S. Army in 1943 and was elected Mayor of Valdez the same year he was discharged, 1946. He was honored as Alaskan of the Year in 1971 and awarded an Honorary LL.D., from the University of Alaska in 1972.

SB 18 calls for William A. Egan Day to be observed by suitable ceremonies and exercises by civic groups and the public. It does not create a state holiday, nor does it require any expenditure of public funds: something Bill Egan would have supported.

At his death last year, thousands of Alaskans from all over the state and nation joined in ceremonies honoring Bill's lifetime of service to Alaska. SB 18 is a way of assuring that Bill Egan's contribution to building the state he loved is never forgotten.

/gb



Alaska State Senate
William A. Egan Committee

Vic Fischer, Co-Chair
Rick Halford, Co-Chair
Bettye Fahrenkamp
Frank Ferguson
Joe Josephson

Pouch V
Juneau, AK 99811
907-465-4954

January 31, 1985


The Honorable Don Bennett
President of the Senate
Alaska State Legislature
Juneau, Alaska

Dear Mr. President,


Senate Resolution 11, enacted in 1984, established the Senate Special Committee to Commemorate William A. Egan to:

- (1) "initiate a program to collect and conserve the records and memories of Governor Egan's historic role in Alaska's development;
- (2) "investigate the desirability, feasibility, and benefits of creating a William A. Egan School of Public Affairs; and
- (3) "investigate and delineate other appropriate commemoration of William A. Egan."

We herewith submit the committee report required by SR 11. Legislation relating to specific recommendations is being prepared and should be ready for review in the coming weeks.



Senator Vic Fischer
Co-Chair



Senator Rick Halford
Co-Chair

COMMEMORATING WILLIAM A. EGAN

A REPORT TO THE
ALASKA LEGISLATURE

Submitted by:

William A. Egan Senate Special Committee

Senator Vic Fischer, Co-Chair &

Senator Rick Halford, Co-Chair

January 31, 1985

EXECUTIVE SUMMARY

EGAN COMMITTEE: LEGISLATIVE REPORT

INTRODUCTION.

Senate Resolution 11, enacted in 1984, created a Senate Special Committee to commemorate William A. Egan's career of public service to Alaska. Senators Fahrenkamp, Ferguson, Halford, and Josephson were appointed by then Senate President Jay Kerttula as committee members, and Senator Vic Fischer was appointed as the committee chair. The same committee membership continues in the Fourteenth Legislature, with Senators Vic Fischer and Rick Halford appointed as Co-Chairs by Senate President Don Bennett.

The Egan Committee has been asked to investigate three specific areas and to report its findings and recommendations to the Legislature by February 11, 1985. These topics are: (1) development of a program to collect Egan records and memories, including an oral history project, (2) establishment of an Egan School of Public Affairs, and (3) commemoration by statue, bust, or other memorial art form.

SECTION ONE: EGAN RECORDS AND MEMORIES.

The location of Egan's papers, possible repository sites, the oral history component, and committee findings and recommendations are discussed.

Bill Egan's personal papers in about 80 boxes are located in his Anchorage home. Neva Egan is in the process of sorting through these private records. With assistance, she will have them available for removal to a permanent repository by the end of the summer. Governor Egan's public records are located in Juneau at the State Archives. Related papers are scattered in many private collections and depositories.

There are four locations where the Egan papers might be placed in permanent repositories. These are the Alaska Historical Library in Juneau, the main branch of the Municipality of Anchorage's library system that is now under construction, the archives of the University of Alaska, Anchorage, and the archives of the University of Alaska, Fairbanks.

A limited oral history project was begun by the committee to initiate a recording process. Sixteen people who as friends and associates could be expected to provide insight into one or more aspects of his life were interviewed. An additional 60 - 80 interviews would produce a well-rounded Egan oral history. Such an oral history project should be conducted from the repository where the personal papers are located.

The committee recommends that:

1. Egan papers be placed in the University of Alaska, Fairbanks manuscript collections.
2. An appropriation of \$125,000 be made to the University of Alaska, Fairbanks Archives and Manuscripts Department to establish an Egan archival collection and conduct the Egan oral history project.

SECTION TWO: EGAN SCHOOL OF PUBLIC AFFAIRS.

The idea of an Egan School has been developed and refined through the participation of knowledgeable Alaska scholars and practitioners in the public affairs field. This has been accomplished through work papers, interviews, and workshops.

The committee prepared an initial concept paper that was sent out for comment and followed up with some interviews. A more detailed discussion was developed as a result of the comments received and was the basis for a series of workshops held in Anchorage, Fairbanks, and Juneau.

At the workshops, three important ideas were introduced. These were: (a) the creation of a statewide faculty committee appointed by the university president to plan for the school, (b) the introduction of a mission statement via legislation, and (c) the establishment of a foundation to support statewide public affairs activities.

The committee chair made a presentation to the Board of Regents who favored the idea of an Egan School and wanted the university to assume responsibility of the planning effort.

The following approach is contemplated:

1a. A William A. Egan School of Public Affairs is established as living memorial to Bill Egan principally using existing components and resources of the University of Alaska. It will provide continuing education, training, public information, and research. The school would be located on the University of Alaska, Anchorage campus with strong ties to Juneau, Fairbanks, and other parts of the state.

b. The Egan School has its own dean and staff, a statewide focus, a standing advisory council, Alaska-oriented program specializations, cooperative arrangements with other parts of the university, a restructured mid-career program, special training programs, a research emphasis focused in the Institute for Social and Economic Research, and expansive public education programs.

c. The University President appoints a statewide faculty task force to plan the Egan School of Public Affairs.

2. An Egan public affairs endowment or foundation will be established to support and enhance the public affairs activities on all university and community college campuses. The endowment would be supported by a state appropriation, supplemented by private matching funds. An advisory board appointed by the University President and Board of Regents should manage the endowment. Two endowed chairs and various faculty, student, and public service activities are to be supported by the foundation.

SECTION THREE: EGAN STATUE, BUST AND OTHER MEMORIALS.

Proposals to commission a statue in Juneau, place a bust in the Anchorage Egan Convention Center, and reproduce and distribute copies of these memorials to other Alaska communities and institutions are described. An appropriate art selection committee is suggested for each project that would include Mrs. Neva Egan and other family members.

Reproduction and distribution of these memorial pieces would be carried out by the Alaska State Council on the Arts. An executive supervisory committee would be established to coordinate the Egan memorial activities.

The committee intends that these proposals be pursued further by the Egan Committee during 1985. It is currently contemplated that:

1. An executive supervisory committee be established to coordinate the Egan memorial activities.
2. The Juneau Arts and Humanities Council commission a statue of Governor Egan (probable cost: \$100,000).
3. The Municipality of Anchorage select a suitable memorial art work of Bill Egan for the William A. Egan Convention Center (estimated cost: \$100,000). The Convention Center's art selection committee would choose the artist.
4. The Alaska State Council on the Arts reproduce and distribute copies of these Egan memorials, as well as support the activities of the supervisory committee (probable cost: \$30,000).

INTRODUCTION

Senate Resolution 11, enacted in 1984, created a Senate Special Committee to commemorate William A. Egan's career of public service to Alaska. Senators Fahrenkamp, Ferguson, Halford, and Josephson were appointed by then Senate President Jay Kerttula as committee members, and Senator Vic Fischer was appointed as the committee chair. The same membership continues in the Fourteenth Legislature, with Senators Vic Fischer and Rick Halford appointed as co-chairs by Senate President Don Bennett.

Born and raised in the Territory of Alaska, Egan was a longtime member of the territorial legislature and from the beginning of his legislative career an outspoken advocate of statehood. He was a member of the Territorial House of Representatives (1941-1943, 1947-1951), Mayor of Valdez (1946), and Speaker of House of Representatives (1951). As the statehood movement gathered strength and momentum in the 1950s, he was in the forefront of the struggle. As president of the Alaska Constitutional Convention, he exemplified Alaska's coming of age politically, and as a member of the Alaska-Tennessee Plan delegation in Washington, D.C., he effectively pressed the case for statehood, for Alaskans' right to govern themselves. They elected him their first governor and twice returned him to office.

Egan left behind a legacy of high standards of public service and exemplified excellence in Alaska government. The work of the committee is to propose appropriate actions to honor this great Alaska leader and to preserve a full record of Bill Egan's public service and of the times in which he served.

The Egan Committee has been asked to investigate three specific areas and to report its findings and recommendations to the Legislature by February 11, 1985. These topics are: (1) development of a program to collect Egan records and memories, including an oral history project, (2) establishment of an Egan School of Public Affairs, and (3) commemoration by statue, bust, or other memorial art form. The committee report is divided into three sections discussing each topic area.

This report is submitted at this time to satisfy the requirements of Senate Resolution 11.

SECTION ONE:

EGAN RECORDS AND MEMORIES

A good beginning has been made in developing a program to collect "the records and memories" of William A. Egan, a program authorized by Senate Resolution 11. In this resolution, the Senate recognized the high standards of Bill Egan's lifelong public service and stressed the importance of preserving a full record of that service and time in history.

This section of the report describes the location of Egan's papers, assesses possible repository sites, reviews the oral history component, and presents committee findings and recommendations.

Egan Papers. Bill Egan's personal papers, in some 80 boxes of various sizes containing an estimated 75 cubic feet of records, are located in his Anchorage home. An opening of several boxes, at random with Mrs. Egan, revealed the collection includes speeches, inauguration films, promotional tapes urging ratification of the Alaska Constitution, records of the Alaska-Tennessee Plan, a variety of photos, confidential Governor's Office files, personal correspondence, and materials related to Egan's hometown of Valdez and the 1964 earthquake.

The collection would be ready for removal to a permanent repository by the end of next summer. With assistance, Mrs. Egan estimates she will have finished sorting through the papers by that time.

It should be noted that most of the public, as opposed to private, records of Governor Egan are located in Juneau. State Archives' holdings, totaling 182 cubic feet, include speeches, departmental reports, legislative audit reports, proclamations, reading files, and files on such subjects as legislation, extradition, international fisheries, and boards and commissions. Administrative orders of Governor Egan and certain other records remain in the Governor's Office.

Placement of Egan Papers. The committee considers placement of the papers in one repository only the first step -- but a basic, essential step -- in developing the program cited in SR 11. Once permanently placed, the papers would tend to draw in other materials relating to the Egan years. It is believed there is a considerable quantity of such material in private collections inside and outside the state.

There are four locations where the Egan papers might be placed, where they would be handled by professional archivists, kept secure, and made accessible to the public. These are the Alaska Historical Library in Juneau, the main branch of the Municipality of Anchorage's library system which is now under construction and expected to be completed in September 1985, and the archives of the University of Alaska, Anchorage and the archives of the University of Alaska, Fairbanks.

The heads of these facilities have indicated that they regard the Egan papers as an important collection and would like to obtain them. All expressed a willingness to organize and catalog this valuable resource at the earliest time for the public benefit.

Following are descriptions of these facilities:

1. Alaska Historical Library, Juneau. The library, in existence for many decades, is located in the modern State Office Building. Its Alaska/Arctic research section collects and makes available to researchers primary and secondary source materials documenting the history and development of Alaska. Included in the section's extensive holdings are accounts of early voyages and explorations, manuscripts, government documents, maps, photos, and oral history tapes.

Library materials are stored in acid-free boxes and folders and do not circulate. Photocopies can be obtained. Access to materials is through staff. Up to 14 people can be seated comfortably in the research area. Mobile shelving on tracks permits maximum use of space available and can be brought together to safeguard materials. A constant temperature is maintained. The library has no sprinkler system; it relies in emergencies on a local fire station five to ten minutes away.

Phyllis DeMuth has directed the library for more than two decades. She is assisted by another librarian, a librarian assistant, and a clerical person.

The public records of Alaska's territorial governors, obtained on microfilm from the National Archives, are among the library's holdings. Some original records of Governors' A. P. Swineford and John Troy are in the library, as well as the photo collection of Governor George Parks. The library is soon to receive Parks' private papers. A small amount of Egan material is located here.

2. Anchorage Municipal Library, Main Branch. This new structure, now under construction at 36th Avenue and Denali Streets, is expected to be completed this fall. A cylindrical-shaped wing will house the library's extensive Alaskan collection and yet-to-be developed archives and manuscripts collections.

The Library Advisory Board early in 1984 authorized the library to undertake an archives and manuscripts program which will focus on, the collection of materials relevant to the history and development of Southcentral Alaska. Other materials are to be acquired "if they make a significant contribution to the collection on their own merit or supplement data already in the holding of the library".

The new building embodies the latest thinking regarding library design and should be an impressive facility. A halon fire suppression system, climate control system, a security force, and a vault for precious materials will safeguard library holdings. As at the other facilities mentioned above, there will be a restricted area for researchers in the archival unit and limited access to collections.

Keith Revelle, Anchorage municipal librarian, says the staff of the archives and manuscripts collections will, if funds are made available, consist of a professional archivist, archival librarian, and a technician. He says that the library will become the repository for the papers of Senator Ted Stevens and former Anchorage Mayor George Sullivan.

3. University of Alaska, Anchorage. The Archives and Manuscripts Department, established in 1979, is located on the second floor of the Consortium Library in space originally occupied by offices, workrooms, and storerooms. The department now holds some 1,300 cubic feet of records and could accommodate up to 2,400 feet.

The building contains a sprinkler system, and relies on off-campus fire departments in emergencies. Manuscript holdings are stored in acid-free boxes. A fairly constant temperature is maintained, but humidification is a problem. To offset dryness, a number of movable, home-type humidifiers are used.

As in Juneau, standard archival procedures are followed to protect the collections. Documents may not be removed from the premises, but copies will be made for researchers. Up to eight people can be accommodated at one time. Only staff have direct access to collections. Present quarters are considered inadequate, and the department has requested that it be moved to the main floor of the library where it could utilize compact shelving and thereby increase its holding capacity.

Dennis F. Walle has headed the department since its establishment and is archivist and manuscripts curator. He came to Alaska from South Dakota where he was state archivist. The department has a regular staff of a full-time archivist (Walle), a full-time assistant, and a half-time photographer. Part-time student assistants and volunteers are used from time to time.

The department collects records on the history and development of Alaska, focusing primarily on Southcentral Alaska. It currently has more than 200 collections, including the papers of Victor C. Rivers, a territorial legislator and delegate to the Alaska Constitutional Convention, former legislator Genie Chance, former Anchorage Borough Chairman John Asplund, longtime Anchorage resident Lucy Cuddy, human rights activist and legislator Willard Bowman, Richard Tighe Harris, a founder of Juneau, and the records of such organizations as the Alaska Center for the Environment, Alaska Black Caucus, and Anchorage Chamber of Commerce.

4. University of Alaska, Fairbanks. The archives and manuscripts collections in the Alaska and Polar Regions Department were formally established with professional staff in 1965. They are located on the lower level of the Rasmuson Library in new facilities specially constructed to house them.

A 12,000 square foot addition now under construction and scheduled for completion in July will nearly double the existing area and accommodate the library's Alaskan collection, the world's largest collection of Alaska books, periodicals and maps, now located on another level. With the addition, most Alaska materials will be consolidated on one level.

The archives and manuscripts collections, as well as other departmental collections, including rare books and maps which are stored in a vault, are safeguarded by temperature and humidity controls and a sprinkler system and linked directly to the University Fire Department, a block away for quick response in emergencies.

Materials are stored in acid-free boxes, and standard archival procedures are followed, with direct access to the materials denied. Researchers must fill out forms to obtain information and may not take it from the premises. Copies of the documents and photos are available at a nominal cost. Up to 15 people can be seated comfortably in the existing reading area.

Paul H. McCarthy, archivist and head of the Alaska and Polar Regions Department, has been with the program from the beginning in 1965. He, an assistant archivist, two full-time, and one part-time employee oversee the archives and manuscripts collections.

Manuscript holdings -- including photos, microfilm and a large collection of oral history tapes -- documents a wide spectrum of Alaska's social and political history. Particularly strong with regard to political development, they include materials on the Alaska Constitutional Convention and the papers of E.L. (Bob) Bartlett, Nick Begich, Anthony J. Dimond, Mike Gravel, Ernest Gruening, Howard Pollock, and Ralph Rivers, all large collections. Some of them contain a small amount of Egan material.

Computers are now being used to develop inventories and other aids to assist researchers in finding materials in the collections. An oral history program is a regular activity of the department.

Oral History Project. To begin the task of collecting the "memories" as well as the records of Bill Egan, the committee has undertaken a limited oral history project, selecting for interview 16 persons who as friends and associates of Egan could be expected to provide good insight into one or more aspects of his life. Because of the location of staff, much of this initial interviewing was done in Southeastern Alaska. The tapes of these interviews, together with tape logs and brief biographical sketches of the interviewees, will be placed with the Egan papers.

Those interviewed by committee staff in this limited project were:

In Juneau:

Henry Benson, former territorial and state commissioner of labor;
John Dimond, retired Alaska Supreme Court Justice;
Marguerite Doucette, former cook in the Governor's House;
Harold Hansen, former legislator and director of international fisheries;
Katherine Nordale, delegate to the Alaska Constitutional Convention;
June Pilcher, longtime employee in Governor Egan's office;
Hugh J. Wade, first Alaska secretary of state;

In Ketchikan:

William Baker, former newspaper publisher and member of the Alaska Statehood Committee;
R.E. (Bob) Ellis, aviation pioneer and former legislator;
Doris Volzke, Democratic national committeewoman and longtime party worker;
Lew Williams, newspaper publisher, former member of the Alaska Judicial Council;

In Petersburg:

E.J. (Ernie) Haugen, longtime member of the state legislature;

Eldor Lee, delegate to the Alaska Constitutional Convention;
John Longworth, member of the first three state legislatures;

In Fairbanks:

John Butrovich, territorial and state senator, candidate for
Alaska-Tennessee Plan delegation in 1956 and for governor in the first
state election; and
Frank Chapados, member of the first two state legislatures.

Oral history, involving the tape recording of interviews with people knowledgeable on subjects of particular interest, affords insights into the past that may not be gained from other documentary accounts. Such interviews, in contrast with specific historical research, "are intended for the widest possible use, both present and future," says Willa K. Baum, director of the University of California's Regional Oral History Office in Berkeley. "Therefore, the scope of the subjects discussed is usually wider than for specific research. The resulting tapes must be then preserved and processed in such a way as to make them usable and accessible."

The interviews conducted to date by committee staff are just a beginning. There are literally scores of people who can speak knowledgeably about Bill Egan the public servant and individual.

The committee has concluded that the interviewing of an additional 60 to 30 people would produce a well-rounded Egan oral history. In consultation with committee staff, Baum recommended that such an oral history project be conducted from the repository where the personal papers are located. Interviewers must do research on their subject and the papers would be prime research material.

FINDINGS.

In the interest of developing a comprehensive record of the life and public service of the state's first governor, the committee finds that:

1. The Egan papers should be processed and made available for public use at an early date.
2. A sustained effort should be made to broaden the collection, including publicizing the placement of the collection in a particular repository and contacting former state officials and others who had been close to Egan who may have materials of historic value.
3. The collection should be microfilmed and film placed in major repositories around the state, so as to preserve it and share it widely.
4. A long-range, intensive oral history project should be undertaken to gain further insight into Egan the man, and such a project should be centered where his papers are placed, as discussed above.

RECOMMENDATIONS.

The committee recommends that:

1. Repository at Fairbanks. The Egan papers should be placed in the University of Alaska, Fairbanks manuscript collections.

While all four archival facilities investigated are well organized and professionally directed, UAF's Alaska and Polar Regions Department, located in spacious quarters constructed specifically for the purpose of preserving the records of Alaska's past, is the outstanding facility. Its comparatively large staff has had considerable experience in dealing with large manuscript collections such as those of Bartlett, Begich, Dimond, Gravel, Gruening, Pollock and Rivers -- important collections relating to what might be called Alaska's modern political era.

The Egan papers would be a significant, appropriate addition. The department is the only facility of its kind in the state which maintains a professionally staffed oral history program.

2. Appropriation to UAF. The legislature should appropriate \$125,000 to the University of Alaska, Fairbanks, Archives and Manuscripts Department to establish an Egan archival collection and conduct an Egan oral history project.

SECTION TWO:

EGAN SCHOOL OF PUBLIC AFFAIRS

Among its responsibilities, the Egan Committee is charged to "investigate the desirability, feasibility, and benefits of creating a William A. Egan School of Public Affairs." This section recounts the work of the committee toward that goal and presents the findings and recommendations of the committee.

The idea of an Egan School has been developed and refined through the participation of knowledgeable scholars and practitioners in the public affairs field in Alaska. From the beginning, the committee recognized the importance of building upon in-state experience in recommending a plan for a comprehensive statewide public affairs program. This has been accomplished through a series of papers, questionnaires, interviews, workshops, and comments as summarized below.

Outside schools. Initial committee research began with investigation of public affairs programs in other states. Several schools were selected for their size, their quality, and their focus on state and local government. The committee obtained specific information about their programs and advice in setting up new programs.

Concept paper. Based on this preliminary information, the committee prepared a concept paper outlining briefly the case for a public affairs school in Alaska with a statewide focus. The paper was sent to 150 people around the state--to both scholars and practitioners in public affairs--along with a questionnaire asking for replies to specific issues raised in the concept paper.

More than fifty people provided written comments on the concept paper. Responses were very positive, expressing great interest in an Egan School and including many critical ideas and thoughts. Follow-up interviews with members of the academic community and state and local government officials elicited further comments and suggestions.

Discussion paper. As interest in the Egan School idea grew, requests for details increased. A more detailed discussion paper was prepared as a direct outgrowth of the comments received. The paper discussed the need for better coordinated public affairs programs, documented the inadequacy of present programs, described the instructional, research and training components of an Egan School, and proposed alternative models of organization for the school.

Workshops. The discussion paper was the basis for a series of workshops in Anchorage, Fairbanks, and Juneau. The workshops examined the concept of a public affairs program in Alaska and developed specific recommendations for program implementation. Over fifty individuals from the university system, state government, and private non-profit organizations attended these workshops and provided valuable suggestions and comments.

In addition, each workshop produced at least one major new idea that furthered the work of the committee. The Anchorage workshop recommended that the president of the university, in consultation with the chancellors, appoint an internal statewide faculty committee to develop the planning of the Egan School. The Juneau workshop recommended that the Egan Committee prepare a statement of mission for the school for inclusion in Title 14 of the Alaska Statutes. And the Fairbanks workshop suggested an endowed Egan foundation for public affairs as a funding mechanism for statewide public affairs programs in Alaska.

Board of Regents. On November 8, the committee chair appeared before the Educational Policy and Program Committee of the University of Alaska Board of Regents. The chair presented a summary of the committee's work to date for the Board's information. The Educational Committee agreed that the university should assume responsibility for planning an Egan School, and it asked the Egan Committee to pursue the idea of an Egan foundation.

Visit to schools of public affairs. Four public affairs programs in other states were visited in late November. The committee chair visited University of Colorado at Denver's School of Public Affairs, New York University Graduate School of Public Affairs, Hubert H. Humphrey Institute of Public Affairs at the University of Minnesota, and University of Washington's Graduate School of Public Affairs.

Particularly helpful were the comments of Harlan Cleveland, director of the the Humphrey Institute. He stressed the importance of separating a university's public affairs program from the business program, though both programs need to maintain a close working relationship in order to explore issues of common interest, such as public and private sector cooperation. Dr. Cleveland found in his experience that an independent public affairs program is better able to develop and pursue teaching, research and service tasks and missions unique to the public sector.

Committee Papers. During the course of committee research, several papers and summaries were produced and circulated for comment. The heart of the committee's research is contained in the discussion paper (October 13, 1984) and a summary of Egan Committee workshops (November 5, 1984).

The papers and summaries prepared by the Egan Committee and listed below are available upon request. Copies of these papers as well as the committee's files of research, working papers, and information from other universities and state agencies will be made available to the University of Alaska committee appointed to plan the Egan School.

1. "William A. Egan School of Public Affairs: Concept Paper," July 25, 1984.
2. "Egan School of Public Affairs Prospectus, Working Draft," September 13, 1984.
3. "Summary of Concept Paper Comments," September 14, 1984.
4. "Egan School of Public Affairs Discussion Paper," October 18, 1984.
5. "Egan School Workshop Minutes," Anchorage, October 24; Juneau, October 25; Fairbanks, October 31.
6. "Summary of Egan Committee Workshops," November 5, 1984.

FINDINGS.

In the interest of developing a school of public affairs, the committee finds that:

1. In view of the importance of the public and non-profit sectors in Alaska's life and economy, a much greater understanding of public affairs, public values, and public services is called for.
2. There is a great need for increased access to academic instruction in public affairs-related fields at pre-career and mid-career levels.
3. There is a tremendous, unsatisfied demand for rural training programs to teach public sector management to officials and employees of Alaska's small governments.
4. There is a need for a broad program of public outreach and education to increase public understanding of Alaska policy issues.
5. There is a need for continuous, integrated research on short and long term public policy issues of the state.
6. Although components of public affairs instruction exist in the state at UAA, UAF, UAJ, the community colleges, and Rural Education, a comprehensive academic program in public affairs currently does not exist in Alaska.

CONCLUSIONS.

The committee concludes that:

1. Establishment of School. An Egan School of Public Affairs would be a desirable addition at the University of Alaska to serve the growing professional needs of state government, the training needs of local government, the information needs of the public, and the research needs of the public sector, and to constitute a truly living memorial to Bill Egan.
2. University task force. The University of Alaska President, in consultation with the chancellors, would appoint a statewide faculty task force to plan an Egan School of Public Affairs. The task force will recommend initial organization and operational plans to the president, the chancellors, and the Board of Regents.
3. Basic concepts. Based on the committee's research and the experience of other schools of public affairs, the following are suggested elements for the Egan School.
 - a. Statewide scope. The Egan School would be statewide in nature with an administrative base in Anchorage and close program ties to the University of Alaska, Juneau and the University of Alaska, Fairbanks. The overall theme and focus for the school would be on Alaska policies and issues.

b. School structure. The Egan School would have its own dean and administrative staff responsible to the chancellor. The school would develop close working arrangements with the business school and other departments, while remaining structurally and operationally distinct.

c. Advisory council. A standing advisory council would be formed to assist the dean of the Egan School in program development and review. The council would consist of people from outside the university with local and statewide perspective on public affairs. Members of the council could be designated by the Governor, legislative leaders, the Chief Justice of the Alaska Supreme Court, and local government officials. The role of the council would include reporting to the Board of Regents.

d. Program specializations. The Egan School would focus on those public affairs areas that have special Alaska significance including land and resource management, nonprofit management and policy, public/private sector interaction, public finance, and rural self-government.

e. Existing programs. Existing parts of Alaska's public affairs educational resources would be expanded and strengthened in the Egan School through more systematically organized and delivered programs.

1. The university's MPA programs would incorporate existing university resources to broaden the range of study available for comprehensive public affairs education.
2. Concentrations in the graduate degree would be extended by reciprocal agreements with programs in justice studies, social work, and others.
3. Joint appointments would be made between departments where appropriate.
4. The department of political science at the University of Alaska, Anchorage would be part of the same organizational unit as the public administration program.
5. Library holdings need to be expanded.

f. Mid-career student. The MPA degree program of the Egan School would be re-structured to better accommodate the mid-career student.

1. Academic certificate programs would be established in several public affairs concentrations in recognition of the demand for continuing education for practitioners and as a bridge to the graduate degree.
2. More flexible degree completion requirements would be developed for the MPA program.

g. Training certificates. Training certificate programs in the basics of public sector management would be established in the Egan School to serve rural and other small government needs. Joint efforts with the Department of Community and Regional Affairs, the university's Cooperative Extension, the Municipal League, the Alaska Native Leadership Program, and others interested in improving the training of local officials would be coordinated through this training certificate program.

h. Research. Public affairs research activities of the Egan School would be focused in the Institute of Social and Economic Research (ISER), and ISER would be more closely integrated into the university's public affairs program in Anchorage. Joint research efforts with other units of the university would be encouraged. Flexible opportunities for "buying out" teaching and other obligations in order to do research would be developed. Research would be action oriented and be used as teaching tools and classroom examples where possible.

i. Public education. Public education programs in the Egan School would be expanded to include publications, workshops, lectures, seminars, and similar activities in order to increase the public's knowledge of critical issues and help shape policy development.

4. Establishment of Endowment. An endowment would be established in William A. Egan's name to provide the statewide benefits of an enhanced public affairs program at the University of Alaska. Such an endowment would not be used as a substitute for established maintenance levels of support for public affairs faculty and programs.

5. Appropriation to Endowment. The endowment in Egan's name should be funded in part by the legislature and managed in perpetuity within the university system. The endowment would be initiated by a state appropriation, as funds are available, and private supplemental funds should be sought by the university.

6. Endowed chairs. Two endowed chairs would be established through the foundation in order to provide the public sector perspective and academic excellence necessary to a vibrant program.

a. One endowed chair would be established for visiting academic scholars. The infusion of academic excellence and fresh perspective provided by such scholars would benefit students and faculty in the public affairs program.

b. The other chair would be reserved for practitioners in public affairs. Filled by elected or appointed officials for the public sector for short or long term teaching and training, the holder of this chair would provide the experience and perspective of a working official in public affairs.

c. Housed at the University of Alaska, Anchorage, both chairs would rotate to Fairbanks, and Juneau. Holders of the chair would contribute to established courses at the university, teach

special courses and seminars not normally available, assist others with teaching and research, and give public lectures and workshops in their area of expertise, including visits to other parts of the state.

7. Endowment Funded activities. In addition, the endowment would be used to fund the critical activities necessary for a coherent, statewide public affairs educational program including:

- a. Stipends to encourage graduate student participation in teaching, research, public service, and internships in public affairs.
- b. Faculty fellowships to encourage innovative teaching and curriculum development.
- c. Travel grants to allow faculty to bring instruction to larger areas of the state as well as to retain a sense of statewide mission.
- d. Research grants to allow timely study of state issues.
- e. Scholarships to attract and retain academically promising undergraduates.
- f. Public seminars and speaker series to enhance the level of public education on important state issues.
- g. Library holdings to augment the educational and research capacities of the university.

8. Advisory board. An advisory board appointed by the president and Board of Regents would manage the endowment. This advisory board would consist of public officials, faculty, Regents, the school's dean, the chancellor for the school, and others deemed appropriate by the president and the Regents.

SECTION THREE:

EGAN STATUE, BUST AND OTHER MEMORIALS

For thousands of years, leaders and great people have been honored by statues created in their memory. A founding father of Alaska statehood, statesman, and life-long Alaskan, Bill Egan was a man who would be and should be honored by such a permanent memorial.

Senate Resolution 11 charges the committee to "investigate ... the commissioning of a statue to be placed in the state capital, a bust to be located in the William A. Egan Center in Anchorage, and other appropriate memorials." A discussion of the proposed Egan memorials, followed by committee's findings and recommendations is presented below.

Egan Statue. An Egan statue in Juneau has been proposed by the Senate Resolution. The Juneau Arts and Humanities Council is the organization designated by the Juneau community to conduct such projects. A committee nominated and staffed by the Juneau Arts and Humanities Council would be the appropriate group to select the artist and site for such a representative statue.

It is important to assure that the memorial piece is satisfactory to the Egan family. Mrs. Neva Egan and other Egan family members should be requested to participate in the committee's deliberations.

The funding mechanism would be an appropriation to the Juneau Arts and Humanities Council.

Egan Bust. As indicated in the Senate Resolution, the Egan Convention Center is to be the location of a memorial to Bill Egan in Anchorage. An Art Selection Committee for the William A. Egan Convention Center has been created under the Municipality of Anchorage's (MOA) 1% art program. Administered by the Capital Projects office, this program has established art selection committees for each major facility.

The Egan Convention Center Art Selection Committee would be the appropriate body to select the artist for a commemorative work of Governor Egan in this building. As in Juneau, Mrs. Neva Egan and other family members would be asked for their advice in choosing the artist.

Although a bust has been suggested, because of the recently commissioned art works already found in the convention center, the committee and Mrs. Egan may decide that a portrait, statue, photographic display, or other art form may be a more suitable memorial.

The funding mechanism would be an appropriation to the Municipality of Anchorage. The MOA's Capital Projects 1% Art Program would staff and administer the project.

Other Appropriate Memorials. Because Governor Egan had such an instrumental role in the development of the state, and many friends and acquaintances throughout Alaska, other appropriate memorials should be made available to Alaska communities and institutions. With this in mind, the

art form selected in both Juneau and Anchorage to honor Egan should be suitable for reproduction at equivalent or reduced sizes. These reproductions could then be distributed to Alaska's public schools, museums, and other public facilities.

The Alaska State Council on the Arts would be designated as the group responsible for the creation and distribution of the reproductions. This effort would be supported by a supplemental appropriation to the Council.

Special Considerations. Coordination of the memorial program, criteria for selecting the artists, and costs are important issues that affect all program components.

In order to avoid potential duplication and misunderstanding of these separate memorial projects, it would be appropriate to establish an executive supervisory committee. This executive committee would consist of members of the Anchorage convention center art selection committee, the Juneau Egan statue selection committee, and Alaska State Council on the Arts. Mrs. Egan and other family members also would be members of the supervisory committee. This committee would assure that the Egan memorial activities would be pursued in a coordinated and efficient manner.

There has been some concern about whether or not to require the selection of Alaska artists only. Depending upon the art form chosen, there may be only one or two Alaska artists with the ability and experience to do such an important work. It is possible that these artists either may be unavailable or unacceptable. The supervisory committee should be asked to resolve this issue and instruct the sponsoring agencies accordingly before any request for art proposals is made.

Cost estimates for completion of a bronze statue and bust range from \$100,000 to \$200,000. Cost estimates for other art forms and materials are assumed to be no more than this amount. Reproduction expenses will vary widely dependent upon the art medium. An estimate for 300 plaster miniatures of the bust is about \$15,000.

FINDINGS.

In order to accomplish appropriate commemoration of William A. Egan, the committee finds that:

1. Because of his major contributions to the battle for Alaska statehood, and because he laid the foundations for the State of Alaska as its first governor, serving an unprecedented three terms as the chief executive of the state, William A. Egan is indeed an appropriate public servant worthy of commemoration by the creation of a representative statue and bust, or other suitable art work.
2. These commemorative symbols will preserve for posterity an important aspect of state history.
3. Appropriate locations for Egan memorials are available in Anchorage and Juneau, and in other schools, facilities, and museums across the state.

4. Public agencies exist that are experienced, capable, and knowledgeable about completing commemorative art projects.

CONCLUSIONS.

The committee intends that these proposals be pursued further by the Egan Committee during 1985. It is currently contemplated that:

1. Supervisory Committee. An executive supervisory committee should be established to coordinate the Egan memorial activities.

2. Egan Statue. The Juneau Arts and Humanities Council commission a statue of Governor Egan. Cost estimates for a representative statue are \$100,000.

3. Anchorage Convention Center. The Municipality of Anchorage select a suitable memorial art work of Bill Egan for the William A. Egan Convention Center. The Municipality's 1% Art program will staff this effort and the Convention Center's art selection committee will select the artist. Expenditures are expected to be no more than \$100,000.

4. State Arts Council. The Alaska State Council on the Arts reproduce and distribute copies of these Egan memorials to other Alaska institutions and communities. The State Council shall also staff and support the activities of the supervisory committee. These expenses are estimated to be about \$30,000.

COMMITTEE REPORT
SENATE

FURTHER:

FINANCE

1/22/85

Date 28 JAN 1985

Mr. President

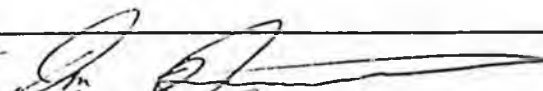
The Committee on L&C considered SB 18
establishing "William A. Egan Day" on October 8 of each year.

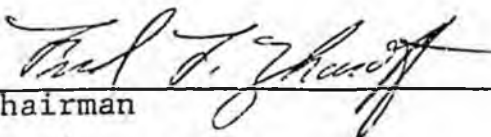
and (a majority of the committee) (the committee) reports it back with
the following recommendations:

- 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

² 
³ Bill Ray
Paul F. Zboroff


Chairman
do pass -
Chairman recommendation

COMMITTEE REPORT
SENATE

FURTHER:

L & C
FINANCE

1/14/85

Date 1/22/85

Mr. President

The Committee on STATE AFFAIRS considered SB 18
establishing "William A. Egan Day" on October 8 of each year.

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

Michael Wood
Edna W. Vines
V. Fischer
Bill Ray

MEMBERS HAVING

OTHER RECOMMENDATIONS

Senator Michael Wood
 Chairman

Chairman recommendation