

SCOMM

80:4

# FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. HB 88

Revision Date: \_\_\_\_\_ Department Affected: Education  
Title: An Act relating to forgiveness of scholarship loans BRW: Alaska Student Loan Corporation/Student  
Loan Program  
Sponsor: Representative Barnes  
Requestor: Military and Veterans Affairs COMPONENT SERIAL NO. 

|   |   |   |   |
|---|---|---|---|
| 0 | 2 | 1 | 8 |
|---|---|---|---|

Expenditures/Revenues: (Thousands of Dollars)

| OPERATING         | FY 92 | FY 93 | FY 94 | FY 95 | FY 96 | FY 97 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES |       |       |       |       |       |       |
| TRAVEL            |       |       |       |       |       |       |
| CONTRACTUAL       |       |       |       |       |       |       |
| SUPPLIES          |       |       |       |       |       |       |
| EQUIPMENT         |       |       |       |       |       |       |
| LAND & STRUCTURES |       |       |       |       |       |       |
| GRANTS, CLAIMS    |       |       |       |       |       |       |
| MISCELLANEOUS     |       |       |       |       |       |       |
| TOTAL OPERATING   | -0-   | -0-   | -0-   | -0-   | -0-   | -0-   |

|         |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|
| CAPITAL |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|

|                      |      |      |      |      |      |      |
|----------------------|------|------|------|------|------|------|
| REVENUE LOANS BUDGET | 22.2 | 22.4 | 22.7 | 22.9 | 23.1 | 23.4 |
|----------------------|------|------|------|------|------|------|

FUNDING: (Thousands of Dollars)

|               |      |      |      |      |      |      |
|---------------|------|------|------|------|------|------|
| GENERAL FUND  | 22.2 | 22.4 | 22.7 | 22.9 | 23.1 | 23.4 |
| FEDERAL FUNDS |      |      |      |      |      |      |
| OTHER         |      |      |      |      |      |      |
| TOTAL         | 22.2 | 22.4 | 22.7 | 22.9 | 23.1 | 23.4 |

POSITIONS:

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| FULL-TIME |  |  |  |  |  |  |
| PART-TIME |  |  |  |  |  |  |
| TEMPORARY |  |  |  |  |  |  |

Estimate of current year impact: General fund appropriation of \$22.2 to cover forgiven loans.

ANALYSIS: (Attach a separate page if necessary.) Currently only two students from the University of Alaska's main campuses, representing the bill's intended population, have filed for the 100% refund due to call-up to active duty. 35% of all borrowers attend the UA system. Estimate a total of 10 borrowers potentially affected. 10 x \$2,225 (average loan per term with a growth rate of 1%) = \$22.2 necessary

funding for FY 92.

Prepared By: Jane Byers Maynard, Executive Director Phone: 465-2854  
Division: Alaska Commission on Postsecondary Education Date: February 7, 1991

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
Agency: \_\_\_\_\_

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, CMB, & Impacted Agencies

## FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSIONBILL NO. HB 88Revision Date: \_\_\_\_\_ Department Affected: Military & Veterans AffairsTitle: Forgiveness of scholarship loans BRU: \_\_\_\_\_

Component: \_\_\_\_\_

Sponsor: BarnesRequestor: House DMVA

COMPONENT SERIAL NO.

|  |  |  |  |
|--|--|--|--|
|  |  |  |  |
|--|--|--|--|

Expenditures/Revenues: (Thousands of Dollars)

| OPERATING         | FY 92 | FY 93 | FY 94 | FY 95 | FY 96 | FY 97 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | 0     |       |       |       |       |       |
| TRAVEL            |       |       |       |       |       |       |
| CONTRACTUAL       |       |       |       |       |       |       |
| SUPPLIES          |       |       |       |       |       |       |
| EQUIPMENT         |       |       |       |       |       |       |
| LAND & STRUCTURES |       |       |       |       |       |       |
| GRANTS, CLAIMS    |       |       |       |       |       |       |
| MISCELLANEOUS     |       |       |       |       |       |       |
| TOTAL OPERATING   |       |       |       |       |       |       |

|         |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|
| CAPITAL |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|

|         |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|
| REVENUE |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|

FUNDING: (Thousands of Dollars)

|               |   |  |  |  |  |  |
|---------------|---|--|--|--|--|--|
| GENERAL FUND  | 0 |  |  |  |  |  |
| FEDERAL FUNDS |   |  |  |  |  |  |
| OTHER         |   |  |  |  |  |  |
| TOTAL         |   |  |  |  |  |  |

POSITIONS:

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| FULL-TIME |  |  |  |  |  |  |
| PART-TIME |  |  |  |  |  |  |
| TEMPORARY |  |  |  |  |  |  |

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)

No fiscal impact on DMVA

Prepared By: Jeff Morrison, Director Phone: 465-4600Division: Administrative & Support Services Date: February 12, 1991Approved by Commissioner: MG Hugh L. Cox III by J MorrisonAgency: Military & Veterans Affairs Date: Feb 12, 1991

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, &amp; Impacted Agency(ies).



OFFICIAL BUSINESS

# Alaska State Legislature

House of Representatives

REPRESENTATIVE  
**RAMONA L. BARNES**  
DISTRICT 14

ANCHORAGE  
2230 PAXSON  
ANCHORAGE, ALASKA 99504  
(907) 337-7737  
(907) 561-2036  
BOX V  
JUNEAU, ALASKA 99811  
(907) 465-3438

TO: Rep. M. Ivan, Chair  
House Special Committee  
Military and Veterans Affairs

FROM: Rep. Ramona Barnes

DATE: February 7, 1991

RE: HB 88

I have had requests from constituents in Anchorage that the hearing on HB 88 be held over the state teleconferencing network. I would appreciate your consideration of this request.

Also, following is a proposed amendment which would give a priority for processing of the student's next loan application for full term status. This amendment was suggested in an endeavor to encourage the student to return to full-time study soon after their return.

## PROPOSED AMENDMENT

Any individual receiving a forgiveness benefit under the provisions of AS 14.43.120(s) shall also be eligible for priority processing of the next Alaska Student Loan application submitted following their reassignment to duty in Alaska or their return to an inactive military status which would allow for full-time study.



# Alaska State Legislature

House of Representatives

REPRESENTATIVE  
**RAMONA L. BARNES**  
DISTRICT 14

JAN 31 1991

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(907) 561-2036  
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JUNEAU, ALASKA 99811  
(907) 465-3438

TO: All House Members

FROM: Representative Ramona Barnes *Ramona L. Barnes*

DATE: January 31, 1991

RE: HB 88 "An Act relating to the forgiveness of scholarship loans; and providing for an effective date."

I have introduced HB 88 relating to the forgiveness of scholarship loans. This bill would foregive the loan for a student who is unable to complete the term because of serving on active duty with as a member of the United States armed forces. This letter is sent to invite you to co-ponsor this legislation.

This issue has come to light as a result of the war in the Persian Gulf. I have received calls from constituents who have children in college who are members of Guard and/or reserve units. Should these units be activated in the middle of a term, these students would loose credits for that term. Similarly, if a student volunteered for active duty in the middle of a term, they would loose their credits for that term. Under current statutes, the loan utilized for that period would still be owed to the state. I believe it would be unjust to require these students to repay these loans when they were required to leave school to serve on active duty. While I do not believe that many students who are in the middle of a term would volunteer for active duty, the possibility does exist and they should be supported and included in the forgiveness provision also.

Diane Behrends of Post Secondary Education office has advised my office that, to date, they have not had anyone in this situation. The language in the bill restricts the forgiveness clause to those students who are "in good standing" to eliminate the possibility of abuse of the intent of the bill.



OFFICIAL BUSINESS

# Alaska State Legislature

House of Representatives

REPRESENTATIVE  
**RAMONA L. BARNES**  
DISTRICT 14

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JUNEAU, ALASKA 99811  
(907) 465-3438

TO: Rep. Martin Ivan

FROM: Rep. Ramona Barnes *Ramona Barnes*

DATE: January 31, 1991

RE: HB 88 "An Act relating to forgiveness of scholarship loans; and providing for an effective date."

I would appreciate your placing this bill on the agenda as soon as possible. I have attached an amendment which was recommended by Diane Behrends of Post Secondary Education which is more straight forward than the language in the existing bill. Thank you.

7-LS0556D

Ford

2/12/91

## CS FOR HOUSE BILL NO. 88 ( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY

Offered:

Referred:

Sponsor(s): REPRESENTATIVES BARNES, Martin, Mackie, Gonzales, M.A. Miller, Sharp, G. Phillips, Zawacki,  
Taylor, MacLean, C. Davis

## A BILL

## FOR AN ACT ENTITLED

1 "An Act relating to forgiveness of scholarship loans; and providing for an effective date."

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

3 \* Section 1. AS 14.43.120 is amended by adding new subsections to read:

4 (s) A portion of a loan shall be forgiven by the state if, after being enrolled in the course  
5 of study for which the loan was granted, the borrower is a student in good standing and is unable  
6 to complete the school term as a result of serving on active duty as a member of the armed  
7 forces of the United States. The portion of the loan that shall be forgiven by the state is equal  
8 to the amount borrowed by the student for the school term in which the borrower's studies are  
9 terminated.

10 (t) The commission shall give priority in processing the next loan application of a person  
11 who receives forgiveness under (s) of this section.]

12 \* Sec. 2. This Act applies to principal and interest due on a loan entered into on or after July 1, 1990.

13 \* Sec. 3. This Act takes effect immediately under AS 01.10.070(c).