

ALASKA LEGISLATURE COMMITTEE FILES 1981-1982 8672

1469 SHESS(S) SB 106 - SB 120

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106

COMMITTEE REPORT

SENATE

FURTHER: Finance

1/26/81

Date: _____

Mr. President:

The Committee on HEALTH, EDUCATION & SOCIAL SERVICES has had SB 106

making a special appropriation for the operations of the Alaska Native Child Welfare Task Force

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

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

MEMBERS SIGNING
DO PASS

W. J. ...
Tom Kelly
Charles ...
...

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Charles ...

 CHAIRMAN

POSITION PAPER

SENATE BILL NO. 106

"An Act making a special appropriation for the operations of the Alaska Native Child Welfare Task Force; and providing for an effective date."

The Department of Health and Social Services is in support of Senate Bill No. 106, making a special appropriation for the operation of the Alaska Native Child Welfare Task Force. The Indian Child Welfare Act imposes significant and far-reaching changes in operations for courts, attorneys, and agencies placing children in either foster care or adoption. A task force to study the various issues concerning child welfare services for Alaskan Natives would be very valuable in terms of future planning and policy development. The Department would be pleased to participate in such a task force.

Department of Health and Social Services is in support of Senate Bill No. 106.

RECOMMENDED BY: John R. Pugh
John R. Pugh, Director
Division of Family and
Youth Services

DATE: 2/5/81

APPROVED BY: Helen D. Beirne
Helen D. Beirne
Commissioner

DATE: 2/12/81

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill No. 106
 Title Special appropriation for operations of the Alaska Native Child Welfare Task Force
 Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Department of Health & Social Services
 Program Category Affected _____
 BRU, Program, or Subprogram(s) Affected _____

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Fund Source)	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

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

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

Senate Bill No. 106 has no fiscal impact on the Department of Health and Social Services.

IV. DATE 2/5/81 PREPARED BY [Signature] John R. Pugh, Director
 AGENCY Division of Family & Youth Services
 PHONE: 456-3770
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) [Signature] M&B Approval [Signature] Date 2/5/81

ALASKA NATIVE CHILD WELFARE TASK FORCE

STATEMENT AND GOALS

Statement

The Alaska Native Child Welfare Task Force is a state-wide effort to advocate/assist Alaskan Natives/American Indians to ensure that the intent of the Indian Child Welfare Law is implemented.

1. Monitoring/evaluating child placements.
2. Education.
 - a) Alaskan Natives
 - b) Native Organizations
 - c) Other Agencies involved in child placements
3. Recruiting Native Adoption/Foster Homes.
4. Lobbying for state/federal legislation in the area of child welfare.

Goals

1. Legislative Activity

Keeping up with legislative activity, reporting to Task Force and bringing copies of the various bills for Task Force Members.

2. Training/Education

Developing training for the Regions so they in turn can train communities in their area.

3. Task Force Information

This is the responsibility of all Task Force Members. If you are aware of speakers/agencies to share information with us at our meetings (example - Adoption, Foster Care, Legislator, etc.) submit a written statement to the Chairperson regarding their presentation - what information they'll share with us and also hand outs if possible, or call; but this must be done at least two weeks prior to the meeting date. This will give the Chairperson an opportunity to put it on the agenda. The agenda will be sent out two weeks before the meeting date.

4. Public Relations/Membership Drive

Spreading information about our Task Force (radio spots, television, newspapers, etc.) and recruiting more members.

5. Clearing House of Information

Indian Child Welfare reading materials, books, bibliographies, etc. will be centralized in one location and available for our Task Force members to use.

Briefing Statement

Re: Alaska Native Child Welfare
Task Force

I. The Indian Child Welfare Act

The Indian Child Welfare Act (ICWA), Public Law 95-608, is a federal law enacted by Congress on May 8, 1978. The Act was passed in response to the testimony of many Indian and non-Indian people who were appalled at the extreme number of Indian children who were placed in non-Indian foster and adoptive homes. The testimony revealed that these large number of placements were without regard for preserving the child's identity and culture were a significant cause of the breakdown of Indian families and tribes.

Thereby, the Act was passed to protect the integrity of Indian families and to help ensure that Indian children who are placed in adoptive or foster care homes continue to live in their natural cultural environment. The ICWA establishes national standards which state courts must follow before Indian children can be removed from their parents or Indian custodians.

The overall spirit and intent of the Act is to protect the best interests of Indian children and to promote the stability and security of Indian tribes and families.

Title II of the Indian Child Welfare Act authorizes the Secretary of the Interior to make grants to Indian Tribes and organizations. During the fiscal year 1980, \$5.5 million was appropriated on a national level. Fourteen (14) Native agencies in Alaska received funding for a child and family program for the 1980 ICWA Grant Year, which went from June 1980 to March 31, 1981. The Alaska Native agencies include: the Aleutian -Pribilof Islands Association; the Admiralty Citizens Council, Inc.; the Bristol Bay Native Association; Central Council Tlingit and Haida Indian Tribes of Alaska; Copper River Native Association; Kodiak Area Native Association; Kotzebue IRA Council; Mauneluk Association; Metlakatla Indian Community; North Pacific Rim; Sitka Community Association; Tanana Chiefs Conference and the United Crow Band of Alaska.

II. Alaska State Legislation Concerning the Indian Child Welfare Act

During the Eleventh Legislature - second session (1980), Tlingit and Haida Central Council was instrumental in working with Representative Duncan in formulating House Concurrent Resolution No. 43 to the Alaska State Legislature; and very involved in developing and organizing the joint hearings that pertained to this bill and the Juneau White House Conference on families that was held on February 23, 1980.

The House Concurrent Resolution No. 43 did pass the legislature, thereby, the Alaska Department of Health and Social Services and the court system were to promptly take steps necessary to cooperate in the implementation of the ICWA in Alaska.

The Juneau White House Conference on Families of February 1980, centered around the issues that are impacting the stability and security of families in Juneau. The people who provided testimony spoke to upholding the traditional view of the family, to bringing God back into the home and schools and to getting rid of governmental interference in the family. The written testimony was more liberal in expressing a need to pass such issues as E.P.A., gay rights, freedom to choose abortion, and the acceptance of the "non-Traditional family". A report reflecting the conclusions and recommendations from the hearings was prepared by the Steering Committee Members.

III. The Alaska Native Child Welfare Task Force

In the Fall of 1979 representatives from several Alaska Native Human Services Programs moved to organize an ICWA Task Force. The representatives from these programs participated in the formulation of the Task Force concept and movement towards organization of the group. The Task Force submitted before the 1979 Alaska Federation of Natives Convention a resolution to seek their endorsement and support.

The resolution did pass, whereby, the Alaska Federation of Natives officially sanctioned the Alaska Native Child Welfare Task Force. The Alaska Native Child Welfare Task Force is a state-wide effort to advocate and to assist Alaskan Natives and American Indians in the implementation of the Indian Child Welfare Act, P.L. 95-608. The objectives of the Task Force are:

- (1) To actively participate in the formalization, establishment, and review of policies in order to safeguard the spirit and intent of the Indian Child Welfare Act;
- (2) To serve as an advocate on Indian Child Welfare issues in the community, state and national levels of the government;
- (3) To provide educational and training programs on the ICWA and related subjects to Alaskan Natives, Native Organizations, and other agencies who provide services to Native children and families; and
- (4) To serve as a clearing house of information on the Indian Child Welfare Act and related subject matter, whereby, material, books, films will be available for utilization by the Task Force members.

During this past year (1980) the Task Force membership has been comprised of Cook Inlet Native Association staff and representation from the ICWA grantees who could cover the expenses for staff travel.

Over the past year (1980) the Task Force has assumed an informational sharing focus in respects to addressing issues concerning implementation of the Act in Alaska and the ICWA grant application process.

IV. Development of Senate Bills 105 and 106

During the general Task Force meeting at the 1980 Alaska Federation of Natives Convention in Anchorage, the existing Task Force membership identified the need to formally organize the Task Force and to secure a funding base.

The purpose of organizing the existing Task Force is in order to ensure statewide representation of the Native agencies. And in order to pursue the Task Force objectives there is a need for a funding base from which to work.

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POSITION PAPER
SENATE BILL No. 110

"An Act making a special appropriation to the Department of Transportation and for a senior citizens' building in Chugiak; and providing for an effective date."

The Department of Health and Social Services supports the concept of the State providing general funds for the building of such facilities as senior citizens' centers. It is estimated that over 1400 seniors reside in the Chugiak - Eagle River area.

However, in order to be consistent with the most recent legislation regarding this subject, A.S. 37.05.315 State Grants, it is recommended that Section 1 of the Act be amended to read as follows:

The sum of \$2,700,000 is appropriated from the general fund to the Municipality of Anchorage, under provision contained under A.S. 35.05.315, for the purposes of the design and construction of a senior citizens' building in Chugiak.

Recommended by Elizabeth Muktarian
Elizabeth Muktarian
Director
Division of Adult & Aging Services

Date: 2/9/81

Approved by: Helen D. Beirne
Helen D. Beirne
Commissioner
Department of Health & Social Services

Date: 2/11/81

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill # 110
 Title An Act making a special approp. to the DOT & PF for a Sr. Cts. Diag
 Requested by Chugiak Date 2/3/81

II. FISCAL DETAIL

Agency Affected Department of Health & Social Services
 Program Category Affected Social & Economic Assistance for the aged.
 BRU, Program, or Subprogram(s) Affected Ageing Grants
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-				

FUNDING (Thousands of Dollars)

GENERAL FUND		-0-				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Zero impact

IV. DATE 2/3/81 PREPARED BY Dorothy West
 AGENCY Director of Health & Aging Services
 PHONE 465-3250
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) M&B Approval [Signature] Date 2/5/81

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COMMITTEE REPORT
SENATE

1/29/81

FURTHER: Finance

Date: _____

Mr. President:

HEALTH, EDUCATION AND

The Committee on SOCIAL SERVICES has had SB 119

relating to provision for adequate housing for teachers in the public schools in rural areas

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

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

MEMBERS SIGNING
DO PASS

Tom Keefe

W. J. ...

James ...

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN



ASSOCIATION OF ALASKA SCHOOL BOARDS

SUITE 2, 204 NORTH FRANKLIN STREET • JUNEAU, ALASKA 99801 • PHONE 586 1081

April 30, 1981

Senator Terry Stimson
State Capitol
Pouch V
Juneau, Alaska 99811

Re: CSSB 119 (HESS)

Dear Senator Stimson:

The Association of Alaska School Boards would like to have an opportunity to testify on this Bill. We have attached a proposed amendment of the Bill along with our rationale for the amendment.

Thank you for your time and consideration.

Sincerely,

Robert C. Greene
Executive Secretary

RCG/sam
enclosure

PROPOSED AMENDMENT TO CSSB 119 (HESS)
BY THE ASSOCIATION OF ALASKA SCHOOL BOARDS

AASB OBJECTION TO SECTION 3. AS 14.20.030 AS AMENDED IN
CSSB 119 (HESS)

1. Vagueness, Impracticality and License for Abuse

What section 3. really does is make it nearly impossible for school districts to seek redress for teachers who break their contracts. The language of the bill, as it has been revised, is at best questionable in considering how it would work in the everyday world. The Association of Alaska School Boards is strongly opposed to the added last section of the bill!

The new section states that a teacher's certificate may -NOT- be revoked for breach of contract if the board fails to carry-out the duties outlined in this bill, and be able to prove it.

What this means, in effect, is that a teacher could breach his/her contract at any time, if the district does not have proof (like a document signed by the teacher) that describes "the housing circumstance generally and the specific problems in the specific assignment locations of the (School District)" and also documents how and when the district made a reasonable effort to "assist the (teacher) to secure reasonable housing consistent with community norms as to substance and quality at a reasonable cost (including energy and maintenance costs)."

Trying to define all the ambiguous terms in the Bill in a court of law would establish a lawyers' retirement fund. For example, the words, reasonable, community norms, and assist employees could take years and expend large sums of district money to define and litigate.

2. Simply NOT needed, the Legislature has already provided for review of such cases and protection of teachers rights.

In addition, AASB questions why this section has been added, because the Legislature has already established the Professional Teaching Practices Commission (PTPC) to review such cases. The PTPC is a body composed of a majority of

teachers. Consequently, a teacher who is brought before this body for review, is being judged by his/her peers. Rumors that teacher's certificates have been revoked because the teacher breached contract due to teacher housing problems, is totally erroneous. For conformation of this, full information and verification can be obtained from Dr. Charles W. Craig, Executive Secretary of PTPC (Phone 272-9052). A summary of all teacher contract violation cases that have ever been heard by PTPC is available that documents this.

The PTPC is meeting April 29th and will review this legislation. They will also review past cases on the subject and may take a formal position on the Bill.

Legislators should also note that teachers also have redress in the courts. Thus, claims that teachers need this section for protection are unfounded both on the evidence of past history and the actual sources of review and remedy that are available now.

3. Proposed revision of CSSB 119 (HESS)

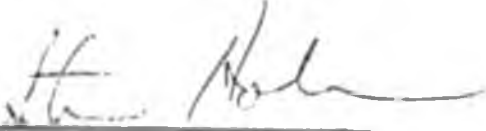
The Association of Alaska School Boards proposes that:

Section 3. amending 14.20.030 , be deleted from the Bill. As a final argument, the Legislature established PTPC as a body of professionals charged with the responsibility to review and police the profession. PTPC, as a professional body, is to establish criteria for ethical and professional performance and contracted obligations and so forth (AS 14.20.450) singling out teacher housing as directive for PTPC, to consider, usurps the power that the Legislature has previously given. In summary, section 3 leads to the question of why have the professionals review and police their own ranks at all.

Department of Education Position Paper on SB-119

The department and the State Board of Education support this bill.

4/9/81
Date


Steve Hole

Policy Studies, Advocates
Copies members files SB 119

Page 4 TUNDRA DEEMS February 14, 1961



The grinning Cheshire Cat done in stained glass took First Place in the Art Division of the Y/K State Fair competition. The glass art work was done by Tory Fries of Bethel. The wood frame around the stained glass won First Place in the Wood Working Division and was created by Keith Matson.

Photo by Eddie Porter

SOUTHWEST REGION SCHOOLS

RENTAL AGREEMENT

WITNESSETH:

In consideration of the covenants herein contained and in reliance upon the presentation of the tenant, the landlord hereby leases the tenant unit _____ in the building known as _____ located in _____, Alaska, to be occupied exclusively as a private residence by the tenant and his immediate family not to exceed _____ persons for a period of _____ month(s) beginning on the _____ day of _____ and ending at 12:00 p.m. on the _____ day of _____, renewable thereafter from month to month by the payment and acceptance of rent, until terminated according to the terms and conditions set forth herein, at the rental rate of \$ _____ per monthly term, payable by payroll deduction during the full term of this lease at _____, Alaska. The tenant specifically agrees that the rental fee of \$ _____ per month shall be deducted from each monthly paycheck.

1. Rent and Term of Lease. The tenant shall have the right to occupy the premises during the period from _____ to the commencement of the term hereof, under and subject to the same terms and conditions as set forth in this rental agreement. The rental during said period shall be pro-rated and payable in advance. All rules and regulations herein provided for, the security deposit agreement herein provided for, and any application for dwelling lease that may be required of the tenant by the landlord, are made a part of this lease and evidence the entire agreement between the landlord and tenant. Although this lease continues from month to month upon payment and acceptance of the rent, this lease shall terminate on the last day of the month in which the spring school term ends unless the landlord grants a written extension, and notice of termination need not be given by the landlord. _____.

2. Payment of Rent and Charges. The rent is payable on pay day of each month without demand or billing, at the landlord's office which is hereby designated as _____ and shall be payable by deduction from the tenant's paycheck. Charges for partial periods of occupancy shall be computed on the basis of 1/30th of the monthly rate for each day. Each month shall be considered as having thirty (30) days for the purpose of rental computation. The tenant further agrees to pay upon demand all charges arising from the tenant's failure to perform his obligations under this agreement and for all damage to the premises resulting from negligence or misuse by the tenant, his family or visitors. The premises shall include the tenant's apartment, public areas used by the tenant, hallways, storage rooms, and any other driveway or parking spaces as assigned, if applicable, for the demised premises. Any rental not collected as due shall be deducted from subsequent paychecks.

3. Utilities. The landlord shall pay for fuel, electricity, water and sewage.

4. The tenant agrees to pay a \$150.00 cleaning/damage deposit to be deducted from the tenant's paycheck at the rate of \$30.00 per month until paid in full. This deduction is in addition to the amount deducted monthly for the rent and is refundable upon termination if the premises are maintained in good and clean condition. The tenant represents that he/she has inspected the premises and is wholly satisfied with the condition thereof. Any deductions in the cleaning/damage deposit will be determined by the Director of Facilities based upon the conditions of the rental unit.

5. Occupancy and Use. The premises shall be used solely as a private dwelling for the tenant and the tenant's immediate family and for no other person beyond ten (10) days, except with the written permission of the landlord. The tenant agrees not to use or permit to be used the premises for unlawful purposes. Tenant and all persons occupying the premises shall comply with all laws and ordinances affecting the use or occupancy of the premises and with all rules and regulations now or hereafter prescribed by the landlord. Upon the payment of all charges and in observance of all terms of this agreement and the rules and regulations, the tenant shall hold and enjoy the use and occupancy of the dwelling free from any disturbance by any act of the landlord, subject to the provision of paragraph 29. The term "members of immediate family" shall include all persons related to the tenant by blood, common ancestry, or adoption, but in no event shall be greater than the number of deductions claimed by the tenant as a dependent for purposes of the Internal Revenue Service.

6. Landlord's Entry. A tenant may not unreasonably withhold consent to the landlord or duly authorized agent, employee or representative of the landlord to enter the dwelling unit in order to inspect the premises, make necessary or agreed to repairs, decorations, alterations, or improvements, supply necessary or agreed services, or exhibit the dwelling unit to prospective or actual purchasers, mortgagees, tenants, workmen or contractors. Upon providing twenty-four (24) hours' notice, the landlord may enter the premises and these rules and regulations shall constitute the tenant's consent to allow the landlord to enter upon such notice being given. THE LANDLORD MAY ENTER THE DWELLING UNIT WITHOUT CONSENT OF THE TENANT IN THE CASE OF ANY EMERGENCY. In the event of the absence of the tenant, the landlord may enter the premises at times reasonably necessary for the purpose outlined herein.

7. Tenant's Maintenance of the Premises. The tenant shall:

(a) Keep that part of the premises that he occupies and uses as clean and safe as the condition of the premises permits;

(b) Dispose from the premises all ashes, rubbish, garbage, and other waste in a clean and safe manner and shall deposit such garbage, rubbish, and other waste in the manner and at stations as prescribed by the landlord and laws, regulations and ordinances governing the use of the premises.

(c) Keep all plumbing fixtures in the premises or used by the tenant as clean as their condition permits:

(d) Use in a reasonable manner all electrical, plumbing, sanitary, heating, furniture and other facilities and appliances including hallways and entrances to the premises:

(e) Not deliberately or negligently destroy, deface, damage, impair, or remove a part of the premises or any furniture located therein or knowingly permit any person to do so:

(f) Assist and cooperate with the landlord in the care and maintenance of the premises and shall report promptly to the landlord's agent any breakage, damage, or need for repair of the dwelling unit, facilities, equipment, or furniture therein. The tenant agrees to pay the landlord a reasonable cost for all repairs to said premises caused by the tenant's own negligence, the negligence of any person occupying the tenant's premises, or improper use of the premises:

(g) Pay the landlord for any damage to the premises or the furniture or appliances as located therein which is beyond reasonable wear and tear:

(h) Lower the noise level in each apartment so that it is kept to a minimum. Undue noise which results in complaints by other tenants in the building may result in a termination of the agreement by the landlord.

(i) Park all vehicles in designated areas. Vehicles include cars, trucks, trailers, bicycles, snow machines, sleds and boats.

(j) Place garbage inside containers and burn all garbage in designated areas. All burning shall be done in a prescribed manner and in the proper area as set forth in these rules and regulations of the landlord.

(k) Clean up after any animals owned by the tenant.

4. Tenant's Use of the Premises. Tenant shall permit no extraordinary combustible material to be kept on the premises and shall use every precaution to prevent fire, and shall permit nothing to be done that might increase the premium rates of insurance. Dry clothes shall be dried only in those areas designated by the landlord. No washing machines or clothes dryers of any type shall be permitted in the dwelling unit and the tenant agrees to use on the premises only the facilities

furnished by the management for said washing and drying of clothes.

9. Alterations by the Tenant. The tenant shall undertake and make no alterations, changes and repairs and remodeling of the premises and equipment without prior written consent of the landlord.

10. Pets, Signs, Electrical Systems. The tenant shall not keep cats, dogs, or other pets, including fish and small cage birds on the premises without the landlord's written consent. The tenant agrees to keep and maintain the furniture, if any, in good condition. The tenant shall not shake, clean, or hang bed clothes, rugs, mops, dust cloths, electrical cords and so forth from the windows or in halls or on roofs. The tenant shall make no electrical connections to any outlet other than those located in his unit and shall in no way modify the electrical system located in his unit.

11. Guests. The tenant's guests shall not be permitted to remain an unreasonable length of time (as proscribed by the landlord) without prior written consent of the landlord. (Refer to Paragraph 5.)

12. Storage. The storage of all household or other personal property outside the dwelling unit shall be in the manner and in areas as proscribed by the landlord. Such areas shall be used solely for storage purposes. Storage of all recreational vehicles including but not limited to boats, camping units, sleds, motor homes and snow machines shall only be in areas designed by the landlord.

13. Absence from the Premises. The tenant shall notify the landlord of any anticipated extended absence from the premises in excess of two (2) days; however, notice shall be given as soon as reasonably possible after the tenant knows his absence will exceed two (2) days. The tenant shall need to make arrangements for safeguarding from freezing, or vandalizing during absences.

14. Assignment-Subletting. The tenant may not sublet his premises or assign the rental agreement to any other person without the landlord's written consent.

15. Increase in Occupancy. Any increase in the number of occupants of the tenant's household (aside from marriage, adoption or birth) without written permission of the landlord shall constitute grounds for cancellation of the lease.

16. Accidents and Personal Injury. The landlord shall not be liable for any loss or damage to person or property in or around said building or by reason of fire, theft, leakage, bursting, or overflow of any drains or pipes, or any other cause, whether it results in damage suffered by the tenant, his family, his agents, his guests, or any other person. The tenant shall

indemnify and save the landlord harmless from such liability unless such liability is the direct result of the landlord's negligence. The landlord shall in no way be responsible for the negligent acts of any other tenant resulting in the loss or damage of any nature whatsoever to the tenant.

17. Tenant's Inspection of Premises. The tenant has inspected the premises and accepts it as in good condition. The tenant has noted any damages of any nature whatsoever on the tenant's damage report and furniture list executed within twelve (12) days after the execution of the agreement. Failure to execute said agreement shall be deemed an acceptance of the premises.

18. Representations and Waivers. If the landlord, the landlord's agent, or manager, have made any representations or promises with respect to any parts of the premises or dwelling unit, they shall not be valid unless reduced to writing and incorporated within the rental agreement. The tenant represents he has inspected the premise and is wholly satisfied therewith. The failure of the landlord to insist in any one or more instances upon strict observance of any one of the terms hereof shall not be considered as a waiver or relinquishment of such terms in any other instance, but the same shall continue in full force and effect. The rights and remedies given to the landlord under these terms are distinct, separate, and cumulative remedies, and no one of them, whether exercised or not, shall be deemed to be an exclusion of any of the others. All of the covenants, representations and agreements herein contained are deemed to be material, and irrespective of the language used, size of print used, or their position in the lease or other lease documents shall be of equal materiality, and the failure to observe any covenant, promise, condition or rule or regulation issued pursuant hereof shall be deemed a material breach of the lease. All representations, warranties, covenants and agreements contained herein shall be binding upon the heirs, executors, and assigns of the landlord and the tenant.

19. Fire and Casualty. If the premises are destroyed by fire or other casualty, the landlord may cause the damage to be repaired and the rent will be abated for such a period of time as the premises remain untenable, but if the premises are destroyed or so damaged that the landlord shall decide it is inadvisable to repair the same, the lease shall come and terminate, the rental shall be adjusted to the date that such fire or casualty occurred on a daily basis as herein provided.

20. Landlord's Agent. The Landlord hereby designates the Superintendent or his designee as its agent for the collection of rents and as a person authorized to manage the premises to act for and on behalf of the Landlord.

21. Tenant's Notice of Termination. The tenant hereby recognizes he is obligated to pay rental for the full term.

22. Tenants Belongings - Abandoned Property. Unless otherwise agreed in writing, on termination of a tenancy including but not limited to a termination after expiration of the rental agreement or by surrender or abandonment of the premises, the tenant has left personal property upon the premises and the landlord deems the property valueless or such little value that the cost of storing and/or disposing of the property would exceed the amount realized from the sale, the landlord may then dispose of the property as the landlord so elects. In all other instances the landlord has the option of either storing the property at the tenant's costs of his expenses or disposing of the property in a reasonable manner. Tenant agrees to the disposition of the abandoned property as set forth in the foregoing section. The landlord shall not be held to respond in damages to any action by the tenant claiming loss by reason of the landlord's decision, destruction, disposition or sale of the property. Abandonment means the tenant has left the dwelling unit and his personal belongings therein and the tenant has been absent for a continuous period of thirty (30) days or longer. In the event that the tenant leaves personal property, the landlord may notify the tenant of the landlord's demand that the property be removed within the dates set out in said written notice (but not less than 15 days after delivery or mailing of the notice at the last known address of the tenant) and if the property is not removed within the time specified, the property may be sold at a public sale provided by law. The landlord may dispose of perishable commodities in any manner he considers fit. The tenant agrees at all times to provide the landlord with local address as well as a forwarding address.

23. Rules and Regulations. The tenant agrees to comply with all the current rules and regulations, together with any subsequent rules and regulations which may be adopted by the landlord for the general benefit of all tenants. Any violation of these rules or any one of them shall be cause for termination of the rental agreement at the option of the landlord.

24. Tenant recognizes that his use and enjoyment of the premises are contingent upon his continued employment with _____ School District. Should tenant's employment with _____ School District cease for any reason or should tenant be placed on the status of suspension with pay, this lease shall be terminated and upon demand from the landlord, tenant shall vacate the premises within forty-eight (48) hours.

25. Tenant recognizes that his use and enjoyment of these premises are incidental to tenant's provision of educational services as an employee of _____ School District and that under Alaska Statute 34.01.330, the Alaska Landlord/Tenant Act does not apply to this lease.

26. A tenant involved in legal action concerning district housing will be required to take personal leave if the legal

action requires the tenant to be absent from assigned duties.

27. Tenant shall not pursue any business on the premises, including babysitting, sales distribution, commercial hunting or fishing without the written permission of the landlord. A violation of this clause shall terminate the lease at the landlord's option. Permission to pursue one type of business shall not be construed as permission to pursue any other type of business. _____.

28. Breach of Agreement. If the tenant shall fail to keep or perform any of the covenants or agreements herein contained or to observe all rules and regulations supplied with this agreement, the landlord may deliver a written notice to the tenant specifying that the lease will terminate twenty (20) days after the receipt of the notice. If the breach is not remedied within ten (10) days, the lease is terminated as provided in the notice. If the breach can be adequately remedied by repairs or payment of damages or replacement of furniture or otherwise accomplished before the dates specified in the notice, the lease will not terminate. In the absence of due care by the tenant, if substantially the same act or omission which constitutes the prior breach for which notice was given recurs within six (6) months, the landlord may terminate the lease upon ten (10) days' written notice specifying the breach and the date of termination of the rental agreement. The tenant agrees that this rental agreement constitutes a continuing demand for rental on each pay day during which it remains in effect. _____.

29. The tenant recognizes that the landlord may assign other persons to reside in the unit as tenants. The fact that tenant may not be sharing the premises with another tenant at the time this lease is executed does not invalidate landlord's right to assign other tenants to the premises if the housing needs for school district employees requires assigning additional tenants to the premises. _____.

30. Should any provision of this lease be declared illegal by an Alaska court, the other provisions shall continue to have full force and effect.

IN WITNESS WHEREOF, the parties have executed this agreement the day and year first above written.

SCHOOL DISTRICT

By _____

Tenant _____

ANNETTE ISLANDS SCHOOL DISTRICT

P.O. BOX 7

METLAKATLA, ALASKA 99926

(907) 886-6332
Supt. Office

(907) 886-4121
Elementary School

(907) 886-6000
Jr. - Sr. High School

February 18, 1981

Dear Legislator:

I am writing about concerns that I have in regards to problems with teacher housing in Alaska rural schools. For example, the past two years since I have been superintendent at the Annette Island School District we have had to hire only single teachers, or at least married teachers with no children, for the last 3-4 job vacancies because living quarters are so limited.

Further housing is so restricted in the Town of Metlakatla that one fifth of our faculty have to live 8 miles out of town, over a very primitive road, in old Coast Guard quarters. We do not get as full service from these teachers as from those who live right in town. Informal surveys show they are in the Classroom preparing less time and they participate considerably less in school -Community activities.

The 1980 Alaska legislature passed Bonding Proposition G to allocate \$1,000,000 toward the construction of teacher housing in Alaska School Districts (see attached). This money has been turned over to the Department of Transportation but nothing has been done with it to date.

It seems to me that a good way to use this \$1,000,000 to help alleviate the teacher housing shortage is to provide each school district with 3-4 housing units. Then the rent money generated from these units could in turn be used to maintain and increase the number of teacher housing units in the District.

We want to keep good teachers in our district and to have them housed so that they are able to contribute to their full potential. I believe that the funds allocated through Proposition G can help us solve our acute housing problems, and would appreciate your response to my suggestion. Also, the legislative intent needs to be clarified because the legislation states "Statewide" teacher housing. Does this mean Anchorage, Ketchikan and other city districts are to be included?

Sincerely,
Annette Islands School District

Larrea Rocheleau
Larrea Rocheleau, Superintendent

March 27, 1981

Senator Terry Stimson
Senate Office
State Capitol Building
Juneau, Alaska 99811

Dear Senator Stimson:

The Bettles Community School Committee wishes to express its support for both SB-119 and SB-23.

SB-119: At the beginning of the 80-81 school year, we were faced with the problem of providing housing for a 3rd teacher. Since the funding for such housing was not available through the district, it fell upon the community to find a solution. The problem was resolved on a temporary basis with no guarantees for the 81-82 school year.

The Department of Transportation restrictions on leasing airport land to individuals for housing plus the fact that all native land is still in trust with the state have only added to the problem. This may make the situation in Bettles unique but it's doubtful.

If competent teachers are to be attracted to the outlying areas, adequate housing has to be available.

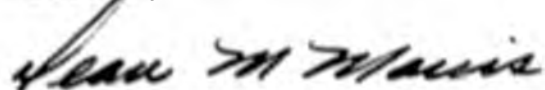
SB-23: Having just reviewed and approved the local site budget for the 81-82 school year, we are acutely aware of the impact inflation is having on educational spending.

While overall budget figures increase, the end result, which should benefit the students, seems to decrease.

An increase in the instructional unit will provide the funding for more and better services and supplies for our children.

Please copy and distribute this letter among your constituents as you see fit or, if you feel that a copy from us will have a greater impact, please contact us.

Sincerely,
Bettles Community School Committee
General Delivery
Bettles, Alaska 99726



Dean M. Morris
Secretary

GALENA CITY SCHOOL DISTRICT

GALENA, ALASKA 99741
PHONE (907) 656-1247 1205

SUPERINTENDENT'S
OFFICE



March 12, 1981

The Honorable Terry Stimson
Alaska Senate
Pouch V
State Capitol
Juneau, Alaska 99811

RE: Senate Bill 176

Dear Senator Stimson:

The School Board for the Galena City School District has directed me to let you know that they support this bill because housing has become a very grave problem and will lead directly to the quality of teachers and education that will be coming out of Alaska and particularly the bush areas.

As you are aware, the Galena City School District has the same housing problems as does the REAA's. Thus, the board would like to be added specifically to this bill and other city districts that have the same housing problems as the REAAs.

We realise that this bill has been referred to committee.

Thank you for your consideration.

Sincerely,

Harry E. Purdy
Harry E. Purdy, Superintendent

HEP/cmj

4/17

Dinner - at John's
Pat Riley - Senate Judiciary
Charles P... - Senate HESS
Don Cl... - Home BLESS
C... - FBI

Karen Kallen
Arliq School
Akiak, Alaska 99552
April 8, 1981

Terry Stimson
Pouch V
Juneau, Alaska 99811

Dear Mr. Stimson:

I am currently teaching in Akiak and have experienced quite a ridiculous situation regarding teacher housing, or, more appropriately, the lack of it. I have just heard that you are introducing a bill concerning this so I'd like to give you an awareness of the general situation in Akiak as well as my extreme one. I hope this gets to you in time to help.

I arrived in Akiak in early November to teach grades 5-7. I had been student teaching at Mikelnguut Elitnaur at in Bethel. I was brought to Akiak to interview with the principal/teacher for the job. Being aware of the housing problems, and, having moved three times in the three months I was in Bethel, I asked about housing. Lillian Iliaban (as a member of the ASB and the village corporation, Kokarmiut's board), Carlton Kuhns, the principal/teacher and Sharon Igou, the village principal all assured me that the houses the corporation was building would be completed "within two-to-three weeks" and that housing would be available for me at that time. Eased on this promise (which I was assured I could count on), I accepted the position in Akiak. I came to Akiak expecting to "rough it" for about three weeks.

I spent the first couple of weeks camping out on my classroom floor. My principal was uncomfortable with this. Since there had been no work done on the corporation houses, he encouraged me to move in with the contract school teacher (as a temporary measure only). I did this. I paid \$175.00 dollars a month for use of a dingy bedroom which remained below freezing temperatures even with the heater going full force. (My dog's dishpan of water would freeze solid in less than twenty minutes.) I remained there until Christmas.

Since nothing had been done on the corporation's houses, I tried to find my own accommodations. I went across-river to check out the old buildings. I found some I thought I could make liveable. I was told I needed Albert Kvamme's permission to fix any of them up. When I asked him for permission, he said he would fix up a storage shed on his property if I would buy a stove (since it was "too cold to work"). So, I spent just over \$100.00 on a stove and stove-pipe and agreed. I was feeling desperate.

By January, nothing had been done there. My stove and pipe just sat. The corporation houses showed some work but many parts were still lacking. At that time, the other elementary teacher and her partner requested that I move in with them. I was promised that I could count on it through May 15, 1981 (our last teaching day). So, I paid \$200.00 a month to live in a tiny room (6'x9') in a building that had no insulation on the floor. Our heat was an Army-Navy wood space heater, when there was wood. Since I didn't have a sno-go or

chainsaw, I was limited as to how I could get a reasonable quantity of wood myself. When I moved in, I had been promised heat. When the heat was out, my roommates just stayed with family (in a warm house). My alternative was the classroom floor. Before the month was out, this teacher's partner decided he really didn't want to share with anyone. I was given a 2½ days notice to move out. I argued for at least a full month since they wanted a month's rent and they went along with it. This gave me 10 days to locate housing.

During the time I had moved in here, the principal/teacher was evicted (because the family was returning; they still haven't returned). He moved into one of the corporation houses. A teaching couple who had been made homeless (by the teacher and her partner I shared with in the preceding paragraph) during Christmas vacation moved into the other house that was built. Neither house was completed at the time. But, they were "liveable". (I understand that they are paying reduced rent until they are finished. They are all satisfied with this agreement.) So, once again, I was left to find housing where there was none.

I was sent on a wild goose chase to get permission from a woman in Kwethluk to fix up a cabin on the far side of the river. I got her permission and began work on the house only to find out that her family sold the property in 1954 and the people who sent me to her knew all the time that she had no claim on the place.

Feeling very frustrated and very desperate, I ordered a wall tent and got permission from the corporation to put it up on some of their land. The next day, they changed their minds. The reason I was given was that it would give Akiak a poor name if the teachers lived in tents. When I asked where I was supposed to live, the mayor and the City Council decided to lease me the jail. (I insisted on a lease because I was tired of people "changing their minds".)

On February 9, 1981, I moved into the Akiak City Jail. This is a plywood structure about 16' square divided into four cells and a main room. There is no insulation on the floor or ceiling as far as I can tell because they were ice coated for several weeks. The heat source is a wood space heater. I was responsible for getting wood. By then, I had had the foresight to acquire a chainsaw and I borrowed a teacher's snow machine. Because it is all plywood and so cramped (16X16 divided is very different from an open room that size), it is a real fire trap. The only way in or out is past the stove. There were no beds, shelves, honey buckets, water buckets etc. I just rented the bare place. So, I proceeded to spend most of my next salary building the needed things (lumber is expensive in the village) and buying the rest from Bethel. Since my lease was signed through the last day of school, I thought I was safe. Not so. I was told in the beginning of March that the City Council had changed its mind and my lease didn't mean anything. After several days of being hassled, I was told that, for the time being, they would let me stay. At that time, I wrote Representative Vaska of my distressing plight. All my anxiety proved warranted; on April 2, 1981, I was once again told that I would have to move by the 15th. At this point, we are at a standstill. I was finally pushed far enough to risk polarizing my position with the village. I sent a letter to the Council informing them that I did not believe anything they said since it seemed no one ever had the authority to tell me the truth. If they wanted to change anything, I told them I expected it to come in proper legal format as I had a legal lease and would sue for breach of contract if I had to. I sent a letter to each of our ASB members appealing them

for help along with a carbon copy of the letter to the City Council. I have gotten no formal response. Rumor has it that I will be left alone for the duration of the lease. Who knows? If I am not, my only option is to camp out (either literally or in the school). There is NO place in Akiak that anyone will rent. If I break my contract on the grounds that I cannot teach if there is no place for me to live, I understand that the District will probably see to it that my teaching certificate is revoked. It does not appear that anything is resolved for next year. Perhaps the corporation will build more houses. Even if they do, it appears likely that they may be under construction for at least half of the school year. It is not my nature to be so cynical. That is what I have learned this year. No doubt, some of it rubs off on my students. How many times can they see you in tears and get "I don't know" to their questions of "Why do they do this" before they start to mistrust? Apparently there are a lot of people in Akiak who want me here. However, they do not hold the political power to do what is necessary for me to return--make sure I have housing I can count on. How does the high rate of teacher turnover affect our children? I think a lot. I was asked every day for my first two months if I was staying. If I went to Bethel, the kids all worried that I wouldn't come back. Should children be burdened with this? They ask because they have gone through several sets of teachers in the past two years. Some of them did not stay the full teaching year. There was a vacancy in November because "no one in their right mind would want to go to Akiak". Why not? The only complaint I have is related to housing. But, it is serious enough so I doubt I'll be back.

I am not the only teacher to suffer housing troubles here. Mine has been the most extreme. Perhaps because I will bend over backwards until I am at the breaking point. The teaching couple that lost their right to a home during Christmas were living in a cold building for \$400.00 a month. In addition, heating oil ran them \$85.00 every 8-10 days depending on how cold it was. That is most of a teacher's salary. For that, the house was never comfortably warm except right next to the stove.

They lost their "right" to the house because the landlord's son is partnered up with another teacher. The landlord got tired of them living in his house. So, he decided he would rent his place to his son's girlfriend. After all, she's a teacher and can pay the expenses. That particular building was shared by five teachers at one point. There are no separate rooms in it. That's very close quarters for non-related strangers (which the teachers were at the beginning of the school year) by anyone's standards, don't you think? There is always the theoretical question of whether that teacher would have "shacked-up" with this guy in the first place had she had a home. That will remain unanswered.

I came to Akiak to teach children. I like the village (except for the politics which affected my ability to live in a set place for any length of time), the people and, especially the children. A teacher needs to be in a good frame of mind to give their "all" to their students. The children here certainly need that much. They are sorely lacking in many skills. Needless to say that, despite however good a job I have done, it would have been substantially better if my energies had been free to devote to my students instead of into housing and politics. All that time was tirg away from the kids. There is never any way to make that up. Many people seem surprised that I put up with so much for so long. It isn't surprising when you realize that the children weren't responsible.

They were the victims even more than I was. That is the saddest thing about this mess. Whatever they missed, is lost. You can never remake a moment. You can only work with what is here now. Those children have lost a lot of moments with a lot of different teachers for the same unnecessary energy drains.

Since there is no room in my classroom for all the books and teaching supplies I shipped here, they sit in stacked cartons. There have been many opportunities for true learning when a child got motivated and there were not materials in the school. I had to know that if I only had time to get all those boxes unpacked, someplace in there was just the right book/material for that child. That is a painful awareness for a teacher. The child is the one that misses out. That is the bottom line.

I am typing this out in a hurry in case it does you any good. There are many details which have been omitted. If this seems a bit disjointed or if I miss my typos, it's because I'm tired of spending so much time on housing. I have lots of schoolwork to do. Once again, I've spent all my after school time on housing. My night will have to go to the readying of materials. Teaching, especially under these conditions, is the better part of a 24-hour a day job. That takes its toll physically too.

If I can answer any questions or give you any better glimpse of teacher housing in the bush, let me know. Better yet, come see for yourself. You are welcome to stay at the Akiak City Jail provided it is still my home.

Thank you for your efforts concerning teacher housing and anything you try to do on homeless teachers' behalf.

Sincerely,

Karen Kallen

MAJOR ADJUSTMENT PROBLEMS OF THE NEW TEACHERS
AS IDENTIFIED BY REAA SUPERINTENDENTS

	Number of Times Mentioned
<u>Community and Location Factors:</u>	
Coping with isolation--the lack of services, social activities, transportation and communication	9
Living in poor, inadequate housing	7
Coping with the high costs of living and travel	2

THE MOST DIFFICULT ADJUSTMENTS AS IDENTIFIED
BY THE NEW TEACHERS

	Number of Times Mentioned
<u>Community and Locational Factors:</u>	
Coping with isolation--the lack of services social activities, transportation and communication	16
Living in poor, inadequate housing	4
Coping with the high costs of living and travel	3

RANDOM PASSAGES ON RURAL HOUSING:

The following passages have been taken from the Doctoral Dissertation by Dr. David Dickerson entitled: "Orientation Needs of Newly Hired Teachers in Rural Alaska:

"In the rural areas, housing is generally in short supply and substandard in comparison to what most teachers are accustomed. Overcrowding is a common situation as two or more families share a single family dwelling. Frequently a family may have to share its quarters with a single teacher. In some instances the teacher(s) may actually have to live in the classroom for an extended period, cooking on a hot plate, using the school toilets, and sleeping on the floor in a sleeping bag.

As most rural communities lack public lodging facilities it often befalls the teacher(s) to accommodate short term "guests." These "quests" are medical and other specialists, school maintenance and administrative personnel, and resource teachers who travel to the villages to perform their duties. Such "guests" must often share the teacher and/or school facilities."

"Forty-seven percent of the 70 respondents indicated they resided in school district housing. Of these, ten percent lived in apartments that were in the school building. Another 21 percent lived in other district owned housing and 16 percent were in units that were leased by the district and sublet to the teacher.

Only ten percent of the new teachers were living in their own house. Twenty-nine percent were renting from private sources and 14 percent indicated some other arrangement. Examples of the other category included living in military facilities or sharing a place with another teacher.

Most of the land in rural Alaska is owned by the government, either federal or state, and by Alaska Natives. There are only a few instances where parcels are for sale. Consequently private home ownership is not an option that is readily available to REAA teachers in most areas. Teachers are for the most part renters."

THE MOST STRIKING FEATURES OF THE COMMUNITY THAT
WERE UNANTICIPATED BY THE NEW TEACHERS

Negative Features	Number of Times Mentioned
That the town was flat and dusty and there were no trees or mountains nearby.	4

The filth and garbage in and around the school and the town.	3
The low quality of housing and lack of conveniences.	3
The complete isolation and lack of communications with the outside.	3
That there was no housing that could be bought to live in.	1
That the teacher housing was such a disgrace.	1
That things were so crude. (Bad language, poor treatment of whites, a lack of knowledge of the world, and the low academic standards)	1
That 1/4 of my freight, including groceries for the year had been stolen before I arrived, and the fact that mail is considered delivered when it is pushed off the plane at the airport.	1
The lack of water in the town.	1
That the town looked like a small town slum. The two groceries looked like houses, not like stores.	1
The total lack of organization in people's lives.	1
The high rate of crime and drug use among young people. Also, the corrupt officials.	1
That there was such a dichotomy between Indians and whites.	1
That non-Natives were excluded from services of the health clinic.	1
The amazingly high cost of living.	<u>1</u>
Total	24

RANDOM COMMENTS ON ADEQUACY OF RURAL TEACHER HOUSING:

On February 24, 1981, Senator Terry Stimson requested information regarding rural teacher turnover from the Rural Education Attendance Areas of the State of Alaska. Below please find excerpts from some of those responding:

"Teacher turnover is, indeed, an important factor in the lack of continuity and other problems which have plagued rural Alaskan schools for years. The absence of adequate housing is certainly a significant factor in teacher turnover."

Aleutian Region School District

"By examining the teaching locations of those sites that experience high turnover it is a fact that these locations have inadequate teacher housing. There is a direct correlation to school sites with inferior teacher housing and high turnover, likewise, stability where adequate housing is provided."

Bering Strait School District

"As you are aware, teaching in a small rural community is a high stress occupation and "burn-out" is a very real hazard. It can occur under the best of conditions but poor working and living conditions certainly are part of total job satisfaction."

Iditarod Area School District

"The reasons for termination, transfers, etc. are given as poor housing or no available housing, personal, positions elsewhere, and pursuing other interests"

The Lake and Peninsula School District

RURAL TEACHER TURNOVER

<u>School District</u>	<u>1977-1978</u>	<u>1978-1979</u>	<u>1979-1980</u>
A	22%	25%	21%
B	33%	37%	34%
C	30%	75%	53%
D	62%	50%	68%
E	0	40%	75%
F	63%	39%	50%
G	39%	28%	30%
H	32%	27%	9%
I		31%	49%
J	22%	16%	34%
K	25%	16%	28%
L	28%	19%	25%
M	23%	23%	15%
N	38%	46%	30%

The above percentages include transfers, terminations, resignations, etc.

INTERESTING RURAL ACCOMMODATIONS:

"Our most bizarre housing dilemma at present is the lady teaching in Akiak who is forced to live in the jail--but she smiles: "They did give me a lease!"

This noteworthy piece of information on rural housing comes from a personal communication to Senator Terry Stinson from Ms. Rose Charles, a teacher at Kilbuck School in Bethel, Alaska.

LKSD Teachers Ratify Contract - Housing Still an Issue

By more than a three to one majority, the teacher-members of the Lower Kuskokwim Education Association have ratified the negotiated contractual agreement with the Lower Kuskokwim School District.

The votes approving the teacher's new three year contract were counted on Tuesday afternoon by Dennis Cline, Connie Sauterbin and Judy Whitaker.

Although approved by a "sizeable" margin, LKEA President Allan Wintersteen noted that there were many comments written on the ballots regarding the last hotly debated during the bargaining talks: that of teacher housing.

While generally pleased at the settlement, Mr. Wintersteen expressed his concern about the scope of the teacher hous-

ing problem that still confronts the two negotiating parties. "We still have a sizeable task before us... that is, to give every teacher their right: adequate accommodations in the villages where they work and live."

Mr. Wintersteen went on to explain that the LKSD understands the problem and will be addressing it in the immediate future. "The school district has already recognized, at the table, that they have a moral and ethical responsibility to provide a decent living space for teachers," he said.

Recognition by the LKSD of that "moral and ethical responsibility" is incorporated in the newly ratified contract. Although no financial agreement or subsidization of teacher housing is included in the pact,

the LKSD has agreed to make a "concerted effort" to help new teachers in the district find proper housing.

Mr. Wintersteen added that the LKEA will be working with the school district to solve those housing problems for new teachers. He said that the LKSD has committed itself to identifying all housing prospects in each village where there are teacher position vacancies.

On their ballots, however, many teachers expressed serious reservations about the school district's ability to deliver on their promise to help the teachers with housing. "Concerted effort," said one teacher, "is a farce! My experience with the administration of this school district dictates that the statement 'will make a concerted effort to find housing' (as per the negotiated agreement) means little or nothing as far as assuring a teacher of a liveable dwelling. A liveable dwelling is not a privilege, but a right that should be afforded to all teachers working in this district."

Another teacher blamed the high staff turnover rate on inadequate housing in the bush. "When you start talking about teacher burn-out, the struggle to attain the necessities for existing is the reason, not school classes or functions."

Mr. Wintersteen said that just about all those who wrote comments on their ballots mentioned the perceived inadequacy of teacher housing in the school district.

He added that he learned from LKSD Business Manager Gene Dodd, that the teachers' March paycheck will probably reflect their retroactive pay increases, from the beginning of the school year, in September.

In addition, he said that since the district is now paying for complete family health coverage, there will be a reimbursement to those teachers who had been paying for their spouses' and childrens' coverage.

Corporate Taxes? Royalties? Off-Shore Leasing? Employment?



Since the petroleum industry is Alaska's greatest source of income,

ARCO Alaska believes

that residents should always be informed about the latest developments. That's why we've created the ARCO Hotline. If you have a question about our role in the oil and gas industry, dial the operator and ask for Zenith-ARCO (Zenith-2726). Your question, along with your name and address, will be recorded. ARCO will quickly respond to your inquiry by mail.

ARCO HOTLINE

Ask ARCO, day or night. It's free! A service of ARCO Alaska Inc.
*In the Anchorage area, dial direct 774-1675

S

B

120

COMMITTEE REPORT
SENATE

1/29/81

FURTHER: Finance

Date: _____

Mr. President:

The Committee on HEALTH, EDUCATION AND SOCIAL SERVICES has had SB 120 amending the undergraduate and graduate scholarship loan program

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

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for SB 120 same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Handwritten signatures]

[Handwritten signature]

CHAIRMAN

APPLICATION FOR AN ALASKA STUDENT LOAN

1981-82



ALASKA STUDENT LOAN PROGRAM
Pouch F - State Office Building
Juneau, Alaska 99811
(907) 465-2962

PLEASE READ CAREFULLY

Before completing this Alaska Student Loan application, detach this page, carefully read the front and back of this page, and retain for future reference. Then see instructions for completing this application on the next page. Do NOT detach the instruction page. It must be sent to the school with the application.

Type or print clearly all information requested.

GENERAL INFORMATION

To be eligible a student must:

1. be an Alaska resident for at least twenty-four months immediately prior to filing;
2. be, or plan to be, a full-time student during the period for which funds are requested;
3. attend a school which is approved or accredited by a national or regional accrediting association or the Alaska Commission on Postsecondary Education;
4. be, or plan to be, enrolled in a career vocational—technical program or an associate, baccalaureate, or graduate degree program;
5. not have had loans under this program for more than six full school years; and
6. reapply for each year a loan is desired. Applications are NOT sent automatically to any borrower, but must be requested on or after January 1st for the following year.

Undergraduate students may borrow up to \$3,000 per school year. Graduate students may borrow up to \$5,000 per academic year. However, no loan may exceed the difference between the estimated cost of education and the estimated income sources for the school year for which the loan is received.

A REVISED APPLICATION must be submitted if there is:

- (a) a change in the school attended for all or any portion of the period for which the loan is awarded.
- (b) a change in the period of attendance for which the borrower originally applied and/or was awarded a loan.
- (c) a change in expenses or funds from other sources.

The Finance Charge (interest) under the Alaska Student Loan Program is 5% simple. All students are eligible to have interest paid on their behalf during qualifying periods. This interest will be paid by either the Federal Government under the Guaranteed Student Loan Program or by the State of Alaska.

APPLICATION DEADLINE

The application deadline for priority processing is May 15. Applications received after May 15 will be processed in monthly lots with priorities assigned in accordance with loan statutes.

FOR YOUR CONSIDERATION

While you are planning your college education, in addition to deciding what school will best meet your needs and goals, you should also plan how you are going to meet your educational expenses.

Since 1971, we have assisted over 18,500 Alaskan residents in achieving their educational ambitions by providing financial assistance. At the same time, we also realize the pitfalls that can await student borrowers who become over-burdened with debt and find repayment a real hardship.

Because of this, we urge students not to borrow any more than is absolutely necessary. Your student loan should be used to supplement other available sources of assistance such as scholarships, grants, work-study programs, parental and family aid, etc.

So that you will be aware of your future financial obligation regarding your Alaska Student Loan(s), the table outlines what your monthly payment would be over a ten (10) year repayment cycle for various total loan amounts borrowed. In addition to the principal which must be repaid, interest accrues during the repayment period at a rate of five percent (5%) per year.

IF YOUR STUDENT LOANS TOTAL	YOUR MONTHLY PAYMENT FOR 120 MONTHS (10 YRS) WOULD BE	TOTAL TO BE REPAYED		
		5% Interest	Principal	Total
\$ 1,000.00	\$ 10.81	\$ 273.20	\$ 1,000.00	\$ 1,273.20
2,000.00	21.21	546.71	2,000.00	2,546.71
3,000.00	31.62	819.40	3,000.00	3,819.40
4,000.00	42.43	1,091.60	4,000.00	5,091.60
5,000.00	53.00	1,363.00	5,000.00	6,363.00
6,000.00	63.64	1,633.60	6,000.00	7,633.60
7,000.00	74.25	1,910.00	7,000.00	8,910.00
8,000.00	84.85	2,182.00	8,000.00	10,182.00
9,000.00	95.46	2,458.20	9,000.00	11,458.20
10,000.00	106.07	2,738.40	10,000.00	12,738.40
15,000.00	159.10	4,080.00	15,000.00	19,080.00
20,000.00	212.13	5,465.00	20,000.00	25,465.00
25,000.00	265.16	6,895.20	25,000.00	31,895.20
30,000.00	318.20	8,368.00	30,000.00	38,368.00

STUDENT BORROWER: DETACH THIS SHEET AND SEE REVERSE SIDE FOR ADDITIONAL INFORMATION

SPECIAL LOAN PROVISIONS

1. Repayment of loan principal and interest may be deferred under certain conditions. These are outlined in loan regulations and are contained in the Promissory Note.
2. Up to 40% of the total loan may be considered a grant if upon completion of course of study, the loan recipient meets Alaska employment and residency criteria of the loan program.

PRIVACY ACT NOTICE

The Privacy Act of 1974 (5 U.S.C. 552a) requires that an agency provide the following notice to each individual whom it asks to supply information:

1. The authority for collecting the requested information is section 428(b) (2) (A) of the Higher Education Act of 1965, as amended (20 U.S.C. 1078(b) (2) (A)). Applicants are advised that participation in the Guaranteed Student Loan Program (GSLP) is voluntary, but the requested information is necessary for participation in the GSLP.
2. The principal purposes of this information are as follows: to verify the identity of the applicant; to determine program eligibility; to permit servicing of the loan; and in the event it is necessary, to locate missing borrowers and collect on delinquent or defaulted loans.
3. The routine uses include the following: the information may be furnished during the life of the loan to holders of this and other loans made to the borrower under the GSLP; to educational institutions in which the borrower is enrolled or is accepted for enrollment; to guarantee agencies; to contractors which assist the U.S. Department of Education in the administration of the GSLP; to Federal or State agencies or private parties who may be able to provide information necessary for the collection of the loan, or to assist in the servicing or collection of the loan.

Section 7 (b) of the Privacy Act of 1974 (5 U.S.C. 522a) requires that when any Federal, State, or local government agency requests an individual to disclose his/her social security number (SSN) that individual must also be advised whether that disclosure is mandatory or voluntary, by what statutory or other authority the number is solicited, and what uses will be made of it.

Disclosure of the applicant's SSN is required as a condition for participation in the GSLP, as the U.S. Dept. of Education has, for several years, consistently required the disclosure of the SSN on application forms and other necessary GSLP documents adopted pursuant to published regulations (45 CFR 177, particularly 45 CFR 177.2(d) and 45 CFR 177.47(b)).

Section 7 (a) (2) of the Privacy Act provides that an agency may continue to require disclosure of an individual's SSN as a condition for the granting of a right, benefit, or privilege provided by law where the agency required the disclosure under statute or regulation prior to January 1, 1975, in order to verify the identity of an individual.

The SSN will be used to verify the identity of the applicant, and as an account number (identifier) throughout the life of the loan in order to record necessary data accurately. As an identifier, the SSN is used in such Program activities as: determining Program eligibility, certifying school attendance and student status, determining eligibility for deferment or repayments, determining eligibility for disability or death claims, and for tracing and collecting in cases of defaulted loans.

RIGHT TO FINANCIAL PRIVACY ACT NOTICE

Under the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401-3421), the U.S. Dept. of Education will have access to financial records in your student loan file maintained by the lender in connection with the administration of the Guaranteed Student Loan Program.

NOTICE

The status of this loan may be reported to a credit bureau. Therefore, in order to maintain a good credit rating, it is to your advantage to comply with all the terms of the loan agreement and to meet your responsibilities as a borrower under this program.



1981-82 INSTRUCTIONS FOR COMPLETING ALASKA STUDENT LOAN APPLICATION

STUDENT BORROWER: DO NOT DETACH THIS PAGE UNTIL THE SCHOOL HAS COMPLETED PART B

ROUTING INSTRUCTIONS:

PART A — TO BE COMPLETED BY STUDENT BORROWER. After completing Part A, forward this page and the four copies (2 white, 1 yellow and 1 blue) of the application to the student financial aid office at the school you will be attending for completion of Part B.

PART B — TO BE COMPLETED BY A SCHOOL OFFICIAL. Under Alaska Statute, applications for the Alaska Student Loan Program must be submitted at the Alaska Student Loan Office on or before May 15 of each year. Applications received after May 15 will not be handled on a priority basis. Therefore, the school is only requested to verify the student borrower's estimated cost of education, any financial aid (if known), and if the student borrower owes a refund on grants or loans previously received at the school in Part B of the application form.

The school is requested to certify the student borrower's enrollment status, academic progress, dependent/independent status, etc. on a form which accompanies each loan check which is sent to the student in care of the student financial aid office at the beginning of each term.

After completing Part B, the School Copy (blue) of the application should be detached and kept in the school records. (The school will also receive an executed copy of the Promissory Note indicating the amount of the loan approved.) The school should forward the remaining three copies (2 white and 1 yellow) and this page to the student.

STUDENT BORROWER: Upon receipt of the application from the school, the Student Copy (yellow) and this page should be detached and retained for your records. The remaining 2 white copies should be taken or sent to: Alaska Student Loan Office, Pouch F, State Office Building, 7th Floor, Juneau, Alaska 99811.

INSTRUCTIONS FOR COMPLETING PART A — THE STUDENT SECTION

Fill in all items 1 through 30 completely—do not leave any space blank. Incomplete, incorrectly completed or illegible applications will be returned to you for clarification.

1. Enter your full legal name.
2. Enter your social security number—do not guess, check your social security card. Please read the Privacy Act Notice on the reverse side of the front page regarding the use of your social security number in connection with a student loan.
3. Enter date of birth. Make sure that the year entered is the year you were born, not the current year.
4. Enter your permanent address. A temporary school or other temporary address is NOT acceptable. If your address does not include a street name or number or post office box for the city and state listed, enter "none". If your permanent address is not in Alaska, attach a separate sheet of explanation.
5. Enter your current mailing address, if different from item 4, above, where you can receive correspondence from the student loan office with regard to this application. If you do not keep us informed of your current mailing address during the application processing period, you risk having your loan delayed or canceled. If your current address is the same as your permanent address, enter "same as above".
6. WRITE IN the name of the State where you are a permanent resident and the date you became a resident. If you are a resident of Alaska DO NOT enter "yes", enter "Alaska". Alaska resident means a person who, except for brief intervals, military service, attendance at an educational institution, or for absence for good cause shown, has resided in Alaska and who has maintained his/her domicile in Alaska for at least two years immediately prior to the date of submission of the application for a student loan; domicile is the true and permanent home of a person from which he/she has no present intention of moving and to which he/she intends to return when away.
If you are a military dependent and your home of record is not Alaska, you must attach a separate sheet of explanation.
7. Enter if you are a U.S. citizen or national. If no, enter your alien type and number.
8. Enter your telephone number where you can normally be reached. If you have no telephone where you can be reached, enter "none".
9. You must provide the name, address, telephone number, and the relationship to you of FOUR (4) references with whom you have periodic contact. If either or both of your parents are deceased and you have no legal guardian, enter the information requested of your closest living relative or a close adult friend. Business or college addresses for references are not acceptable nor is General Delivery or a blank unless an explanation is attached to indicate that no street names or numbers of post office boxes exist for the city and state listed. All of the references listed must live at different addresses.
10. Enter your academic standing for the loan period. If you will be a first year Voc-Tech student, check Freshman or a second year Voc-Tech student, check Sophomore, etc. If during part of the school year you will be an undergraduate student and part of the school year you will be a graduate student, you must complete a separate application for each.
11. Enter if you have applied/will apply for any other student loans from any other source for the loan period. A "yes" answer will not have any bearing on whether or not you will be eligible for a loan under this program, but rather it will help us to determine if the loan granted should be federally reinsured or insured by the State of Alaska only.
12. List ALL student loans you have received in prior years from any source even if any of those loans have been paid in full. Include loans received through the Alaska Student Loan Program, NDSL, FISL and/or USLP loans received from banks, schools, etc. If you have not received any student loan from any source, enter "none".
13. Enter if you have ever defaulted on a federal student loan and, if yes, give details on a separate sheet of paper.
14. Enter whether you are a dependent or independent. A dependent is defined as a person who has lived with his/her parents for more than six (6) weeks in 1980 or plan to in 1981, a person who has been claimed on his/her parent's 1980 tax return or if they plan to in 1981, or a person who has received more than \$1000 worth of support from his/her parents in 1980 or if they plan to in 1981.

SEE REVERSE SIDE FOR FURTHER INSTRUCTIONS

15. Enter the total number of persons who will live with you during the school year who are dependent upon you for at least half of their support. Include dependent spouse, dependent children, and any other dependents. List ages of dependents. If you have no dependents, enter "0".
16. Enter the number of quarters, semester/trimesters or weeks/months in the appropriate space. Examples: If you will be attending a college or university for Fall, Spring and Summer semesters, enter "2" Trimesters/Semesters and "1" Summer. If you will be attending a 10 week Voc-Tech school, enter "2" Weeks and "2" Months. If you do not plan to attend school for consecutive terms during the same school year (such as Fall and Summer, but not Spring semester), you must complete a separate application for each separate term.
17. Check the appropriate box which describes where you will live while attending school.
18. Enter major course of study, i.e., English, history, dentistry, auto mechanics, etc.
19. Enter type of degree (associate, bachelors, masters, doctorate), or if you will be working toward a certificate or diploma.
20. Enter the estimated cost of education during the loan period. Refer to the financial information provided by the school you will be attending. If the estimated costs you list in this section are higher than the costs stated by the school's current school brochure, attach an itemized statement explaining the cost difference.
21. Enter sources of financial aid and other sources to cover your estimated cost of education. In addition to applying for a student loan, it is to your advantage to seek other sources of financial aid such as grants, scholarships, work/study programs, etc. through the financial aid office at the school you will be attending.
22. Enter the beginning and ending dates of attendance for which this loan is requested. The dates entered should agree with the number of terms listed in Item 16. above. Example: If you will be attending the University of Alaska for Fall and Spring semesters, enter From: Mo. "9" Yr. "81" To: Mo. "5" Yr. "82".
23. Enter amount of loan requested for the loan period. The maximum undergraduate loan is \$3,000 and the maximum graduate loan is \$5,000; however, the amount of the loan will not exceed the difference of your estimated cost of education less sources of financial aid (item 20. less item 21.).
24. Enter month and year you anticipate completion of your course of study, i.e., the date you expect to earn the degree, certificate or diploma listed in item 19.
25. List any prior degree(s) or professional certificate(s) you may have received and the date(s) earned. If you have not received any prior degrees or certificates, enter "none".
26. Enter if you will be paying resident, non-resident, or if the school you will be attending is private with no differential in tuition charged. If you will be attending a non-Alaskan school and you will pay resident tuition, you must include an explanation on a separate sheet and include a copy of the written policy of the school which covers this situation. If you will be attending school outside of Alaska and enter that you will pay resident tuition without providing an explanation, your application will not be processed, but will be returned to you for clarification.
27. Enter whether you plan to enroll as a full-time or a part-time student during the loan period. All loans under this program are granted on the basis of full-time attendance and enrollment only. Full-time student means:
 - a) an undergraduate student, not on academic or other probation, who is or will be enrolled in any combination of courses, work experience, research or special studies which the school requires of the student to consider him/her as being engaged in full-time study and which amounts to the equivalent of 12 semester or 12 quarter hours per academic term for institutions utilizing the trimester, semester, or quarter system.
 - b) A graduate student, not on academic or other probation, who is or will be enrolled in any combination of courses, work experience, research or special studies which the school requires of the student to consider him/her as being engaged in full-time study and which amounts to the equivalent of 9 semester or 9 quarter hours per academic term for institutions utilizing the trimester, semester, or quarter system.
 - c) a student enrolled in a career education program for at least 30 clock hours per week and who is pursuing a full-time course of study.
28. Enter whether you have/will apply for WICHE (Western Interstate Commission for Higher Education) and/or SEIG (State Educational Incentive Grant) for the school period. If yes, enter the date(s) you applied/will apply.
29. Enter name and address of the school you will be attending during the loan period.
30. You must sign and date the application (after reading the conditions and authorizations on the reverse side of the application).

INSTRUCTIONS FOR COMPLETING PART B — THE SCHOOL STUDENT FINANCIAL AID SECTION

An authorized school official must complete all shaded areas of the application. Please refer to ROUTING INSTRUCTIONS — PART B above for further information regarding this Section. If you should have any questions regarding what information is required, please contact the Alaska Student Loan Office (907) 465-2962.

The School Copy (blue) of the application should be detached and retained for the school records and the remaining copies and instruction sheet returned to the student borrower.

STUDENT BORROWER: DO NOT DETACH AND KEEP THIS PAGE UNTIL THE SCHOOL HAS COMPLETED PART B OF THE APPLICATION FORM.

ALASKA STUDENT LOAN APPLICATION

This application to be used for the 1981-82 year only. If you will be attending a Voc-Tech school, attendance must begin on or after JULY 1, 1981. If you will be attending a college or university, to be used from Fall 1981 through Summer 1982.

ALASKA STUDENT LOAN PROGRAM, POUCH F, STATE OFFICE BUILDING, JUNEAU, ALASKA 99811

WARNING: The assistance applied for herein may be provided in part by the United States Department of Education and the State of Alaska. Any person who knowingly makes a false or misleading statement on this form shall be subject to prosecution under provision of U.S. Criminal Code and Alaska Statute.

PART A — TO BE COMPLETED BY STUDENT BORROWER. IMPORTANT: READ THE INSTRUCTIONS CAREFULLY. Student Borrower should complete Part A and forward the application to the school for completion of Part B.

1. Student Borrower's Last Name		First Name	Middle Name	2. Social Security no.	3. Date of Birth Mo. Day Yr.
4. Permanent Mailing Address			City or Town	State	Zip Code
5. Current Mailing Address			City or Town	State	Zip Code
6. State of Permanent Residence: Since: Mo. Year		7. Are you a U.S. Citizen or National? Yes <input type="checkbox"/> No <input type="checkbox"/> If no, give Alien Type Number		8. Area Code / Home Telephone Number	
9. References: You must provide four references. They must be of legal age with whom you have periodic contact.					
Parent/Quasi-parent		Other Parent, adult relative or friend at different address		Adult relative or friend at different address	
Name:					
Address:					
City, State:					
Telephone #:					
Relationship to you:					

10. Academic year of study for which this loan applies (check one):
 UNDERGRADUATE: Freshman 1st, Sophomore 2nd, Junior 3rd, Senior 4th, 5th Yr.

11. Will you be applying for student loans from another source for the school period listed in item 22 below? Yes No

12. List all student loans received from any source. Attach separate sheet if necessary.	13. Have you ever defaulted on a federal student loan? Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, give details on a separate sheet
NAME AND LOCATION OF LENDER	DATE & TYPE OF LOAN
	UNPAID BALANCE
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$

16. Number of terms you will attend during year for which loan applies (specify number): Quarters: _____ Trimester/Semester: _____ Summer: _____ If Voc Tech student, specify number of weeks: _____ Months: _____	17. While in school, will you live (check one): With Relatives <input type="checkbox"/> On Campus <input type="checkbox"/> Off Campus <input type="checkbox"/>	18. Major course of study Specify: _____	19. Degree or Certificate being sought (Associate, B.S., M.A., Ph.D., Diploma, etc.): _____
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20. Estimated cost of education for the loan period		21. Financial aid & other resources for loan period	
Institution use only		Institution use only	
Tuition Fees \$	\$	SEOG, SEIG \$	\$
Room & Board \$	\$	Parents, Savings, Etc. \$	\$
Books & Supplies \$	\$	Other Educ. Loans \$	\$
Transportation \$	\$	Other Scholar & Grants \$	\$
Personal \$	\$	WICHE \$	\$
TOTAL \$	\$	TOTAL \$	\$

22. Dates of attendance for which loan is requested: From Mo. Yr. To Mo. Yr.	23. Amount of loan requested \$	24. Estimated date of graduation Mo. Yr.	25. List any prior degrees and details received
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26. Type of tuition you will pay for loan period (see instructions): <input type="checkbox"/> Resident <input type="checkbox"/> Non Resident <input type="checkbox"/> Non Differential	27. Student Status during loan period: Full-time <input type="checkbox"/> Part-time <input type="checkbox"/>	28. Have you/will you apply during the loan period for: WICHE: Yes <input type="checkbox"/> No <input type="checkbox"/> SEIG: Yes <input type="checkbox"/> No <input type="checkbox"/>
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29. Name and address of school you will be attending:
Name: _____ Address: _____

30. My signature below certifies that I have read, understand and agree to the conditions and authorizations stated in the Student Certification and Statement of Educational Purpose printed on the reverse side of this application. I declare under penalty of perjury that the foregoing is true and correct.

Signed: _____ (Signature of Student Borrower) Dated: _____

PART B — TO BE COMPLETED BY SCHOOL. When School Official completes and forwards Part B, the blue copy of the application should be retained for the school records. The instruction sheet, the two white copies and the yellow copy should be sent to the applicant — see instruction sheet for further information.

31. Name and Address of Educational Institution: Name: _____ Address: _____	32. OE School Code: _____	33. School Entity Number: _____
	34. Area Code and Telephone Number: _____	

My signature below certifies that I have read, understand, and agree to the conditions regarding the student named above in the Student Certification Statement printed on the reverse side of this application.

35. Signature of Authorized School Official: _____	36. Print or Type Name and Title: _____	37. Date: _____
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PART C — FOR ALASKA SOCIETY AND OFFICE USE ONLY

Loan Approved: ABLI \$ _____	Application Incomplete: Name: _____	Application Denied: Reason(s): _____	Prior Alaska Student Loans? Yes <input type="checkbox"/> No <input type="checkbox"/>
OSLP \$ _____			If yes, have any entered repayment? Yes <input type="checkbox"/> No <input type="checkbox"/>
Total \$ _____			



ALASKA STUDENT LOAN APPLICATION

This application to be used for the 1981-82 year only. If you will be attending a Voc-Tech school, attendance must begin on or after JULY 1, 1981. If you will be attending a college or university, to be used from Fall 1981 through Summer 1982.

ALASKA STUDENT LOAN PROGRAM, POUCH F, STATE OFFICE BUILDING, JUNEAU, ALASKA 99811

WARNING: The assistance applied for herein may be provided in part by the United States Department of Education and the State of Alaska. Any person who knowingly makes a false or misleading statement on this form shall be subject to prosecution under provision of U.S. Criminal Code and Alaska Statute.

PART A - TO BE COMPLETED BY STUDENT BORROWER "IMPORTANT" READ THE INSTRUCTIONS CAREFULLY. Student Borrower should complete Part A and forward the application to the school for completion of Part B.

1. Student Borrower's Last Name	First Name	Middle Name	2. Social Security no.	3. Date of Birth Mo. Day Yr.
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4. Permanent Mailing Address	City or Town	State	Zip Code
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5. Current Mailing Address	City or Town	State	Zip Code
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6. Dates of Permanent Residence: Since Mo. Year	7. Are you a U.S. Citizen or National? Yes <input type="checkbox"/> No <input type="checkbox"/> If no, give Alien Type Number	8. Area Code: Home Telephone Number
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9. References: You must provide four references. They must be of legal age with whom you have periodic contact.

Parent/Guardian	Other Parent, adult relative or friend (if different address)	Adult relative or friend at different address	Adult relative or friend at different address
Name: _____	_____	_____	_____
Address: _____	_____	_____	_____
City, State: _____	_____	_____	_____
Telephone # (Relationship to you): _____	_____	_____	_____

10. Academic year of study for which this loan applies (check one): UNDERGRADUATE: Freshman _____ Sophomore _____ Junior _____ Senior _____ 5th Yr _____ or GRADUATE YR: 1st _____ 2nd _____ 3rd _____ 4th _____
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11. Will you be applying for student loans from another source for the school period listed in item 22 below: Yes No

12. List all student loans received from any source. Attach separate sheet if necessary.

NAME AND LOCATION OF LENDER	DATE & TYPE OF LOAN	UNPAID BALANCE

13. Have you ever defaulted on a federal student loan?
Yes No
If yes, give details on a separate sheet.

14. Are you (check one - see instructions):
Dependent Independent

15. Enter the total number of your dependents (see instructions):
_____ List ages: _____

16. Number of terms you will attend during year for which loan applies (specify number): Quarters: _____ Trimester/Semester: _____ Summer: _____ If Voc-Tech student, specify number of Weeks: _____ Months: _____	17. While in school, will you live (check one): With Relatives <input type="checkbox"/> On Campus <input type="checkbox"/> Off Campus <input type="checkbox"/>	18. Major course of study. Specify: _____	19. Degree or Certificate being sought (Associate, B.S., M.A., Ph.D., Diploma, etc.): _____
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20. Estimated cost of education for loan period:		21. Financial aid & other sources for loan period:	
Institution use only		Distribution use only:	
Tuition Fees \$	\$	BEOG, SEIG \$	\$
Room & Board \$	\$	Parents, Savings, Etc. \$	\$
Books & Supplies \$	\$	Other Educ. Loans \$	\$
Transportation \$	\$	Other Scholar. & Grants \$	\$
Personal \$	\$	WICHE \$	\$
TOTAL \$	\$	TOTAL \$	\$

22. Dates of attendance for which loan is requested: From Mo. Yr. To Mo. Yr.	23. Amount of loan requested \$	24. Estimated date of graduation Mo. Yr.	25. List any prior degrees and dates received
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26. Type of tuition you will pay for loan period (see instructions): <input type="checkbox"/> Resident <input type="checkbox"/> Non-Resident <input type="checkbox"/> No Differential	27. Student Status during loan period: Full time <input type="checkbox"/> Part time <input type="checkbox"/>	28. Have you/will you apply during the loan period for: WICHE: Yes <input type="checkbox"/> No <input type="checkbox"/> SEIG: Yes <input type="checkbox"/> No <input type="checkbox"/>
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29. Name and address of school you will be attending:
Name _____ Address _____

30. My signature below certifies that I have read, understand and agree to the conditions and authorizations stated in the Student Certification and Statement of Educational Purpose printed on the reverse side of this application. I declare under penalty of perjury that the foregoing is true and correct.

Signer: _____ Date: _____
(Signature of Student Borrower)

PART B - TO BE COMPLETED BY SCHOOL When School Official completes and signs Part B, the blue copy of the application should be returned for the school records. The instruction sheet, the two white copies and the yellow copy should be sent to the applicant - see instruction sheet for further information.

31. Name and Address of Educational Institution: Name _____ Address _____	32. OE School Code	33. School Supply Number
	34. Area Code and Telephone Number	

My signature below certifies that I have read, understand, and agree to the conditions regarding the student named above in the School Certification Statement printed on the reverse side of the application.

35. Signature of Authorized School Official	36. Print or Type Name and Title	37. Date
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PART C - FOR ALASKA STUDENT LOAN OFFICE USE ONLY

Loan Approved	Application Incomplete	Application Denied	Prior Alaska Student Loans?
AMAP \$	Reasons:	Reasons:	Yes <input type="checkbox"/> No <input type="checkbox"/>
OBAP \$			If yes, how many additional requirements?
Total \$			Yes <input type="checkbox"/> No <input type="checkbox"/>

PROBATION POSITIVE

ALASKA STUDENT LOAN APPLICATION

This application to be used for the 1981-82 year only. If you will be attending a Voc-Tech school, attendance must begin on or after JULY 1, 1981. If you will be attending a college or university, to be used from Fall 1981 through Summer 1982.

ALASKA STUDENT LOAN PROGRAM, POUCH F, STATE OFFICE BUILDING, JUNEAU, ALASKA 99811

WARNING: The assistance applied for herein may be provided in part by the United States Department of Education and the State of Alaska. Any person who knowingly makes a false or misleading statement on this form shall be subject to prosecution under provision of U.S. Criminal Code and Alaska Statute.

PART A - TO BE COMPLETED BY STUDENT BORROWER - IMPORTANT! READ THE INSTRUCTIONS CAREFULLY. Student Borrower should complete Part A and forward the application to the school for completion of Part B.

1. Student Borrower's Last Name, First Name, Middle Name, Social Security no, Date of Birth

4. Permanent Mailing Address, City or Town, State, Zip Code

5. Current Mailing Address, City or Town, State, Zip Code

6. State of Permanent Residence, Are you a U.S. Citizen or National? Yes/No, If no, give Alien Number

8. References: You must provide four references. They must be of legal age with whom you have periodic contact. Parent/Guardian, Other Parent, adult relative or friend, Adult relative or friend at different address

9. Academic year of study for which this loan is requested, Undergraduate Freshman, Sophomore, Junior, Senior

10. Have you ever defaulted on a federal student loan? Yes/No

11. Unpaid Balance, DA E & TYPE OF LOAN, NAME AND LOCATION OF LENDER

12. Major course of study, Specify (Associate B.S., M.A., Ph.D. Degree, etc.)

13. Write in school, are you live (check one) On Campus, Off Campus, With Relatives

14. Estimated cost of education for the loan period, Tuition Fees, Room & Board, Books & Supplies, Transportation, Personal, TOTAL

15. Amount of loan requested, From the (see instructions) Federal, State, Other

16. Dates of attendance for which loan is requested, From the (see instructions) Federal, State, Other

17. Student Status during loan period, Have you ever been employed during the loan period?

18. Name and address of educational institution, Address

19. My signature below certifies that I have read, understand and agree to the conditions and purposes stated in the Student Loan Application and Statement of Educational Purpose

20. Signature of Student Borrower, Date

21. Name and address of educational institution, Address

22. Name and address of parent or guardian, Address

23. Name and address of parent or guardian, Address

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Rep. Don Clocksin, Chairman
465-3797

Alaska State Legislature

House of Representatives

Committee on Health, Education & Social Services

Pouch V
State Capitol
Juneau, Alaska 99811

March 1, 1981

Committee substitute for SSHB 32

- 1) Section 4. AS 14.40.763 (i) is amended to read:
(line 24)

(i) If a loan is in default, the commission shall (MAY) notify the borrower (STUDENT) that the repayment of the remaining balance is accelerated and due by sending the borrower (STUDENT) a notice by registered or certified mail.

- 2) Section 5. AS 14.40.763 (j) is amended to read:

(j) A portion of a loan shall be paid on behalf of the borrower by the state if, upon completion of the course of study for which the loan was granted, the borrower spends at least three years employed in the state. The portion of the loan which shall be paid by the state shall be the following percentages of the total loan received plus interest (FOR UP TO 40 PERCENT):

- Up to [40] 50 Percent:*
- 1) two---three years residency, 10 percent;
 - 2) three---four years residency, an additional 10 percent;
 - 3) four--five years residency, an additional 10 percent;
 - 4) ~~over five years~~ residency, an additional 10 percent.
- five - six years*
5) ~~over six years~~ residency, an additional 10 percent.

- 3) Section 6. AS 14.40.763 is amended by adding a new subsection to read:

(o) The provisions of (j) of this section are not applicable after borrower has been taken to court. *insert*

- 4) Section 7. This Act takes effect July 1, 1981.



Official Business

Alaska State Legislature

Senate

Committee on

Health, Education & Social Services

March 13, 1981

Charlie Parr, Chairman
Terry Stinson, Vice-Chairman
Vic Fischer
Tim Kelly
Mike Colletta

Pouch V
State Capitol
Juneau, Alaska 99811

465-4907
465-4908

LETTER OF INTENT
ON
CS FOR SENATE BILL NO. 120

CSSB 120 amends the Student Loan Program by increasing the maximum amount which can be borrowed and the number of years in which loans may be paid. It increases the incentive for the student to remain in the State after graduation (so that the State may profit by its investment) by increasing the loan forgiveness from 40 percent to 50 per cent.

It is the intent of the Committee that the loan forgiveness not wait until the end of the repayment cycle, as is currently the practice, since students cannot perceive these benefits during the first several years. For the loan forgiveness to be a truly effective incentive, benefits should be realized as they are earned.

It is the intent of the Committee that forgiveness benefits be provided to the borrower in the form of annual refunds as eligibility is established. Under this policy the borrower remaining in the State will get 10 percent loan forgiveness at the end of each year.

The above loan forgiveness policy can be handled by administrative action, and no legislation is required.

Charles H. Parr, Chairman

Members of Senate HESS
February 11, 1981
Page 2

4. How does our state loan program compare with the programs of other states?

Response. A separate comparison sheet is attached. This sheet highlights the differences between our program and the federal Guaranteed Student Loan Program.

5. What is the average indebtedness of a graduating student?

Response. This figure changes upward each year, due to the increased costs and the increased maximum to be borrowed. For the current year, the average (based upon a median) is:

Undergraduate:	\$5,150
Graduate:	\$7,550

Another issue which was raised was the possibility of a state scholarship program. I am working on a draft which I will have to you shortly. If there are other questions or further information which you would like, please let me know.

Enclosures

A Comparison of the
Alaska State Student Loan Program
and the Federal Loan Program

The most common student loan program available in states other than Alaska is the federal Guaranteed Student Loan (GSL) Program. The terms are dictated by federal regulation and are essentially the same as for the Federally Insured Student Loan Program.

<u>Terms</u>	<u>Alaska</u>	<u>GSL</u>
1. Maximum Loan		
(a.) Undergraduate	\$ 3,000	\$2,500 or \$3,000
(b.) Graduate	\$ 5,000	\$5,000
2. Interest Rate	5%	9%
3. Maximum Indebtedness		
(a.) Undergraduate	\$3,000	\$12,500 or \$15,000
(b.) Graduate	\$20,000	\$25,000
4. Grace Period	12 months	6 months
5. Cancellation Provisions	up to 40%	None
6. Need Test	None	Required until 1979 and to be reinstated for 1981 or 82
7. Full-time attendance required	Yes	No

4/11/81

SB 120 file

SENATE BILL 120 (Amending the undergraduate and graduate scholarship loan program)

1-29-81 Introduced by Senators Sturgulewski, Kerttula, Stimson and Dankworth
Ref: Senate Health, Education and Social Services and Finance

3-16-81 S. HESS recommends bill be replaced with Committee Substitute and reported it back with 3 'do pass' recommendations and attached new fiscal note and letter of intent

Summary- Raises the maximum amount that can be borrowed for undergraduate loans from \$3,000 to \$5,000 and for graduate loans from \$5,000 to \$7,000 for eligible students. Also, amends loan conditions from 6 years to 8 years the number of years over which loans may be paid; increases the loan forgiveness by the State from 40% to 50% and decreases the residency requirement from 3 years to 2 years. Section 5 of the Committee Substitute repeals existing statute language regarding Student Eligibility and strengthens the residency requirement.

Note: House Bill 32 (SSHB 32) is presently being considered by the House Finance Committee.

HB 32 increases limits for undergraduate loans to \$6,000; graduate loans to \$8,500; changes 'default clause' language; residency requirements remain at 3 years; but does not contain new eligibility section.

HB 32 introduced 2-11-81 by Rep. Gardiner, Miller, et al
Ref: House HESS, Finance

3-6-81 H. HESS reported bill out with Committee Substitute and 3 'do pass' and 2 'do not pass unless am' recommendations

Offered By Senator Sturgulewski
April 21 1981



Official Business

Alaska State Legislature

Senate

Committee on

Health, Education & Social Services

March 13, 1981

Charlie Parr, Chairman
Terry Stimson, Vice-Chairman
Vic Fischer
Tim Kelly
Mike Colletta

Pouch V
State Capitol
Juneau, Alaska 99801
465-4907
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LETTER OF INTENT
ON
CS FOR SENATE BILL NO. 120

CSSB 120 amends the Student Loan Program by increasing the maximum amount which can be borrowed and the number of years in which loans may be paid. It increases the incentive for the student to remain in the State after graduation (so that the State may profit by its investment) by increasing the loan forgiveness from 40 percent to 50 per cent.

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The above loan forgiveness policy can be handled by administrative action, and no legislation is required.



Charles H. Parr, Chairman

Alaska Student Loan Program

Fact Sheet

1. Total Loans 1971-72 through 1979-80:

Undergraduate	16,359	\$ 30.4 million
Graduate	<u>2,210</u>	<u>7.4 million</u>
Total	18,569	\$ 37.8 million

2. Current Year

(1980-81, as of 1/14/81): 5,880 loans \$ 16.0 million

3. Percent Loans In-State/Out-of-State (1979-80):

	<u>In-State</u>	<u>Out-of-State</u>
Undergraduate	36.1 (43.5)	63.9 (56.5)
Graduate	12.3 (19.0)	87.7 (81.0)

4. Loan Collections (per month average):

1974-75	\$ 19,623
1975-76	38,794
1976-77	95,122
1977-78	99,321
1978-79	115,970
1979-80	133,620
1980-81 (est.)	170,000

5. Loan Cancellations (per month average):

1974-75	\$ 59
1975-76	3,686
1976-77	5,396
1977-78	26,192
1978-79	37,165
1979-80	34,125
1980-81 (est.)	45,000

6. Past Due and Default Loans

Past Due	October		November		December		January	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
31-60 days	484	1,171,102	478	1,032,186	547	1,174,413	508	1,053,685
61-90	204	451,853	268	649,596	288	585,991	295	585,775
91-120	180	505,039	178	389,083	188	463,252	193	385,664
120+	878	1,981,084	909	2,038,126	954	2,096,983	927	2,154,220
TOTAL	1,746	4,109,078	1,833	4,108,991	1,977	4,320,639	1,923	4,179,344
Default Rate	11.2%		11.2%		11.3%		11.3%	

7. Current Year (as of 1/14/81)

	<u>In-State</u>	<u>Out-of-State</u>	<u>Total</u>
Freshman	864 (46.0)	1,014 (54.0)	1,878
Sophomore	512 (41.1)	734 (58.9)	1,246
Junior	399 (41.0)	575 (59.0)	974
Senior	327 (46.0)	384 (54.0)	711
Vocational	173 (40.9)	256 (59.1)	423
Sub-Total	2,275 (43.5)	2,957 (56.5)	5,232
Graduate	123 (19.0)	525 (81.0)	648
TOTAL	2,398 (40.8)	3,482 (58.2)	5,880

8. Raising Loan Limits

Undergraduate	\$2,500	\$4,500	\$5,000
Graduate	\$6,000	\$7,500	\$7,000
1981-82 Cost	\$1,575,700	\$3,619,600	\$4,041,704

9. Other Issues

- a. Adding a section which states that if a person allows the loan to become default (120+ days past due), all cancellation benefits are forfeited.
- b. Providing additional cancellation for in-state attendance, for example, an additional 5% per year of attendance, for up to a maximum of 2%.
- c. Providing additional cancellation for maintaining a "B" grade average for undergraduates, for example, an additional 5% upon graduation.
- d. Providing grant provisions for Alaskan borrowers age 60 and over.

10. Sample Costs:

a. Single Student College-Approved Budgets (1980-81)

	<u>Undergraduate</u>	<u>Graduate</u>
University of Alaska, Anchorage	\$5,922	\$8,500
University of Alaska, Fairbanks	3,814	5,684
University of Washington	5,654	7,120
Gonzaga University	7,010	7,940
Western Washington University	6,280	7,890
University of Oregon	6,940	8,120
University of Colorado	8,150	9,540
Stanford University	9,800	11,250

b. Tuition and/or Required Fees (1980-81)

	<u>Undergraduate</u>	<u>Graduate</u>
University of Alaska, Fairbanks	\$ 562	\$ 792
University of Arizona*	2,500	2,500
University of Colorado*	3,584	3,752
University of Hawaii	480	582
University of Idaho*	1,990	2,000
University of Oregon*	3,431	2,433
University of Washington*	2,394	2,736

*Non-resident

Copies made

STATE OF ALASKA THE LEGISLATURE

POUCH V STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 27, 1981

SUBJECT: Student Loan Durational Residency
Requirements
(Work Order 12-0661)

TO: Senator Charles Parr

FROM: *LHA* Linn H. Asper
Legislative Counsel

This work order was assigned to Valerie Tehan, Legislative Legal Extern, and she has prepared the attached memorandum which I am forwarding for your information. I have reviewed her work and believe that she has done a good job responding to your inquiry. Considerable uncertainty will continue in regard to durational residency requirements of all kinds until Zobel II is decided by the U.S. Supreme Court, and even then we may not have all the answers about other kinds of residency requirements. The only sure way to avoid a constitutional challenge to the residency requirements of the student loan programs is to eliminate them, or at least reduce them drastically. It would seem to be premature to do this by legislat'ion until you know how Zobel II comes out.

If you require further information, please let us know.

LHA:blg

Enclosure

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 27, 1981

SUBJECT: Student Loan Residency Requirement
(Work Order Number 12-0661)

TO: Linn H. Asper
Legislative Counsel

FROM: Valerie Tehan
Legislative Legal Extern

Senator Parr has asked if there are any constitutional problems with the residency requirements of the student loan program. This question is directed at the two-year residency requirement for scholarship loans and tuition grants established in AS 14.40.751 - 14.40.806. AS 14.40.840 makes this same two-year residency requirement applicable to the Memorial Scholarships Revolving Loan Fund.

Besides the durational residency requirement, the "selection criteria" for loans set out in AS 14.40.767 raises an additional problem by awarding eligibility "points" for varying lengths of residence.

Equal Protection (Alaska approach)

Durational residency requirements are typically analyzed under the equal protection clause of the Fourteenth Amendment of the U.S. Constitution and the constitutional right to travel. The relationship between these two constitutional protections is that a durational residency requirement does not treat equally those individuals who have recently exercised their constitutional right to travel or migrate and those who have not.

The law in this area is presently in flux. The latest Alaska cases on durational residency requirements were Williams v. Zobel, 619 P.2d 422, the tax exemption case (Zobel IV) and Williams v. Zobel, 619 P.2d 488, the permanent fund dividend

case (Zobel II). Zobel II is now on appeal to the U.S. Supreme Court.

The Alaska Supreme Court has indicated that it will no longer automatically use a "strict scrutiny" analysis to require a "compelling state interest" for all durational residency requirements. Where the right of interstate migration is involved, the Court will now "balance the nature and extent of the infringement on this right caused by the classification against the state's purpose in enacting the statute and the fairness and substantiality of the relationship between that purpose and the classification". Using this test, the Court, in Zobel I, found the state income tax exemption scheme which favored residents in proportion to the number of years in residence unconstitutional. By analogy, this would cast doubt on the validity of the scholarship loan two-year residency requirement and on the "selection criteria" set forth in AS 14.40.767 which awards eligibility points to students according to the number of years in residence. On the other hand, Zobel II applied the same test and found that the Alaska Permanent Fund Dividend distribution scheme which distributes Permanent Fund earnings according to length of residence, did not "penalize" the right of interstate migration and does not violate the equal protection clause. However, the U.S. Supreme Court will have the final word on this case.

Equal Protection (Federal approach)

In the federal courts it now appears that laws which deny or restrict certain benefits to new residents will only be subjected to "strict scrutiny" when they deny "basic necessities of life" or some "fundamental political right". Memorial Hospital v. Maricopa County, 415 U.S. 250, 259. For our purposes, the most useful U.S. Supreme Court case is Vlandis v. Kline, 412 U.S. 441, in which the Court noted in dictum that eligibility for reduced tuition at a state university could be premised on a durational residency requirement. In support of its conclusion, the Court cited Starr v. Malkerson, 326 F. Supp. 234, 238, in which a three judge district court had concluded that the university could condition payment of in-state tuition on a one-year durational requirement, and specifically rejected the use of the "strict scrutiny" equal protection analysis.

In Zobel II the Court noted that decisions of the U.S. Supreme Court dealing with durational residency requirements established that such requirements are constitutionally permissible in certain cases, either as an element of proof that one is a bona fide resident or for other legitimate state interests. However, the Court added that "it has never been questioned that durational residency requirements, when valid, must be reasonable in length". (Emphasis added)

Justice Dimond noted in his dissenting opinion in Zobel II:

In my view, the underlying premise of the United States Supreme Court in these cases is that while durational residency requirements may be imposed for legitimate purposes, once the durational requirement is fulfilled, it is not permissible beyond that point for a state to allocate its resources or benefits on the basis of length of residency. If such treatment were permissible the requirement that durational residency periods be reasonable and limited in scope would lose most of its meaning.

Conclusion

Durational residency requirements have been the subject of attack in recent years. They are clearly viewed with suspicion by state and federal courts. Since case law on the subject is changing all the time, it is difficult to predict how any one statute will be viewed. However, it does appear that courts have recognized a state's desire to require residency for certain purposes. Durational residency requirements are likely to be viewed favorably if they are "reasonable" in length, (courts have said that one year is not "excessively long") and established for the purpose of establishing "bona fide residence" along with other criteria. Courts have indicated that the argument that older residents have "contributed more to the state" i.e., through taxes, et cetera, is not an acceptable rationale for establishing durational residency requirements.

The Alaska statutes in question are susceptible to attack. The two-year requirement may be considered "excessive" for the purpose of establishing "bona fide residence". The accumulation of eligibility points based on years in residence over and above the two-year minimum is arguably invalid under the test used in Zobel I to invalidate the income tax exemption statute.

VT:ljb

SB120

Section 7:

Section 7 is the forgiveness provision. The old language calls for persons to be employed in the state for at least three years to qualify for forgiveness.

The new language is resides in the state. I got an informal opinion from Tam Cook who says that resides in the state would probably be construed to mean the same as is a resident of and therefore the sections can be read to mean that all one has to do to qualify for the forgiveness is to maintain Alaska as a residence. I'm sure you are familiar with the whole tricky residency question.

The intent of the forgiveness provisions is to encourage people to stay in the state and work here, thus the state reaps the benefits of the education garnered by the educated.

Therefore, the question is: Does the state want to replace employment with residency which would in fact make it easy for persons to just maintain residency here but go and work elsewhere. When you consider that there could be up to around \$20,000 at stake for a borrower, that's a pretty positive incentive to put up with the inconvenience of maintaining a residence in a state in which you're not physically residing.

The argument for changing the language has mostly been offered by persons concerned with women's issues, i.e., one can go through school and take a couple of years off to raise a family, etc.

If the policy decision is to retain the existing language of employed in the state, there should be an exception made for persons fulfilling a military obligation outside of the state.

The House version does not address the eligibility of students. In the Senate HESS version a student must have been a resident of the state for at least two years to qualify for a loan. The current language only requires simple residency.

Question: does the state want to tighten up the eligibility requirements to insure that people just don't wander up here and take out a loan to go to school on. (This was a big concern in Senate HESS).

Alaska State Legislature

SENATOR
TERRY STIMSON
POUCH V
JUNEAU, ALASKA 99811

WHILE IN ANCHORAGE
1810 E STREET
ANCHORAGE, ALASKA 99501

Senate

TO: Senator Arliss Sturguiewski
FROM: Senator Terry Stimson
SUBJECT: House CS for CS for Senat Bill Number 120 (HESS)
DATE: June 12, 1981

I appreciate your asking my opinion with regard to the House Committee Substitute for Senate Bill 120. If I could have reached you before yesterday's floor session I would have relayed to you that while the House Committee Substitute has a few changes I could have lived without, on the whole it would have been an acceptable change from current statutes with regard to student loans.

Now that a Free Conference Committee has been called let me take a few moments and mention some changes that I would prefer to see in the final bill:

Section 1: While a figure of \$5,000 would be acceptable, I personally would prefer the amount to be \$6,000. Given the increase in the cost of tuition, etc., and given the number of academic programs that students must travel "outside" for, I truly believe \$6,000 in any one school year for an undergraduate is reasonable.

Likes House sub

Section 2: No changes, therefore the language is acceptable.

Section 3: While defining "good standing" will prove tricky I do not believe it is beyond the reach of the Commission. As for the added language, in principle it seems to sharpen the legislation.

*There was
? About
this in
H Floor
Action
ie. "good
standing"
should
be defined
by school.*

Section 4: While the net effect of the language is the same--- a total of eight years of loans---I find the specificity of the House language more desirable. The additional language places reasonable time limits to secure the specified degrees and would seek to guarantee that students make timely progress toward receiving their degree(s).

Section 5: I am accepting of the House language as it provides flexibility to the repayment of the loan which may prove desirable to many students and their parents.

Section 6: I also find this language desirable in that it will provide timely notification of delinquent accounts and hopefully trim the default rate for the program.

Section 7: I definitely like the change the House has made by inserting "resides in the state for" in place of "employed for at least two years in the state." This allows the opportunity for those who wish to "better" themselves by completing a University program and who do not enroll in a program to seek employment in a new or different field, the opportunity to take advantage of the state loan program. This would prove to be a most beneficial clause for women and I strongly support its inclusion in the final bill.

As for the difference in the amount of the loan that will be paid by the state, I prefer a fifty percent total but I can live with forty percent.

+ RETROACTIVE PROVISION

Section 8: I favor the new language in this section.

Section 9: I totally disagree with this new language. With the understanding that many students must travel outside of Alaska for certain degree programs (i.e. medical professions, legal professions, etc.), I question whether or not this section might prove to be discriminatory in nature. If we are going to give special incentives for Alaskan students to attend Alaskan institutions then let's pass a tuition waiver to affect all institutions or simply lower tuition in the State University system. I would like to see this section stricken from the final bill.

Section 10: I have no argument with the language in this new section.

Sections 5 and 6 of the Senate HESS Committee Substitute for SB 120 were omitted from the Hous. version. I would have no problem with them appearing in the final bill as I feel they enhance the language of the loan program. I frankly favor the retroactive nature of Section 6.

+ ADDITIONAL 10%

I look forward to discussing the above with you soon.



Official Business

Alaska State Legislature

Senate

Committee on

Health, Education & Social Services

Charlie Parr, Chairman
Terry Stinson, Vice-Chairman
Vic. Fischer
Tim Kelly
Mike Colletta

Pouch V
State Capitol
Juneau, Alaska 99811

465-4907
465-4908

CS SB 120 (HESS)

#1 Sections 1, 2, and 3 of the bill are okay.

#2 New section: AS 14.40.763(j) is amended to read:

(j) A portion of a loan shall be paid on behalf of the borrower by the state if, upon completion of the course of study for which the loan was granted, the borrower spends at least two (THREE) years employed in the state. The portion of the loan which shall be paid by the state shall be the following percentages of the total loan received plus interest for up to a total of 50 (40) per cent:

- (1) one - two (TWO - THREE) years residency, 10 per cent;
- (2) two - three (THREE - FOUR) years residency, an additional 10 per cent;
- (3) three - four (FOUR - FIVE) years residency, an additional 10 per cent;
- (4) four - five (OVER FIVE) years residency, an additional 10 per cent;
- (5) over five years residency, an additional 10 per cent.

#3 We need some language to tighten up the two year residency requirement, so that residency is for actual time spent in the state. Please draft some language and then Kerry Romesburg and Charlie Parr can review it with you. Phone Rocky at 465-4908 when you have some language drafted. Thank-you.

Copies made

STATE OF ALASKA THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 461 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 27, 1981

SUBJECT: Student Loan Durational Residency Requirements
(Work Order 12-0661)

TO: Senator Charles Parr

FROM: *LHA* Linn H. Asper
Legislative Counsel

This work order was assigned to Valerie Tehan, Legislative Legal Extern, and she has prepared the attached memorandum which I am forwarding for your information. I have reviewed her work and believe that she has done a good job responding to your inquiry. Considerable uncertainty will continue in regard to durational residency requirements of all kinds until Zobel II is decided by the U.S. Supreme Court, and even then we may not have all the answers about other kinds of residency requirements. The only sure way to avoid a constitutional challenge to the residency requirements of the student loan programs is to eliminate them, or at least reduce them drastically. It would seem to be premature to do this by legislation until you know how Zobel II comes out.

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LHA:blg

Enclosure

STATE OF ALASKA
THE LEGISLATURE

POUCH Y. STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 27, 1981

SUBJECT: Student Loan Residency Requirement
(Work Order Number 12-0661)

TO: Linn H. Asper
Legislative Counsel

FROM: Valerie Tehan
Legislative Legal Extern

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In Zobel II the Court noted that decisions of the U.S. Supreme Court dealing with durational residency requirements established that such requirements are constitutionally permissible in certain cases, either as an element of proof that one is a bona fide resident or for other legitimate state interests. However, the Court added that "it has never been questioned that durational residency requirements, when valid, must be reasonable in length". (Emphasis added)

Justice Dimond noted in his dissenting opinion in Zobel II:

In my view, the underlying premise of the United States Supreme Court in these cases is that while durational residency requirements may be imposed for legitimate purposes, once the durational requirement is fulfilled, it is not permissible beyond that point for a state to allocate its resources or benefits on the basis of length of residency. If such treatment were permissible the requirement that durational residency periods be reasonable and limited in scope would lose most of its meaning.

Conclusion

Durational residency requirements have been the subject of attack in recent years. They are clearly viewed with suspicion by state and federal courts. Since case law on the subject is changing all the time, it is difficult to predict how any one statute will be viewed. However, it does appear that courts have recognized a state's desire to require residency for certain purposes. Durational residency requirements are likely to be viewed favorably if they are "reasonable" in length, (courts have said that one year is not "excessively long") and established for the purpose of establishing "bona fide residence" along with other criteria. Courts have indicated that the argument that older residents have "contributed more to the state" i.e., through taxes, et cetera, is not an acceptable rationale for establishing durational residency requirements.

The Alaska statutes in question are susceptible to attack. The two-year requirement may be considered "excessive" for the purpose of establishing "bona fide residence". The accumulation of eligibility points based on years in residence over and above the two-year minimum is arguably invalid under the test used in Zobel I to invalidate the income tax exemption statute.

VT:ljb

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSB 120
 Title Amending Scholarship Loan Program
 Requested by Senate HESS Date 3/16/81

II. FISCAL DETAIL

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

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC	N.A.	4,691.7	5,723.6	6,669.8	7,979.9	9,687.5
TOTAL	N.A.	4,691.7	5,723.6	6,669.8	7,979.9	9,687.5

FUNDING (Thousands of Dollars)

GENERAL FUND	N.A.	4,691.7	5,723.6	6,669.8	7,979.9	9,687.5
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
PROGRAM RECEIPTS		(650.0)	(713.1)	(855.7)	(1,026.9)	(1,232.2)

POSITIONS

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

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

Fiscal impact of raising limits is based upon the following assumptions:

- current mix of 1:2 graduate, 892 undergraduate will continue
- current borrowing pattern will continue with slight increase upward, i.e.

Undergraduate:	27.5% \$ 50-\$1,950	Graduate:	46.5% \$ 50-\$4,950
	29.3% \$2,000-\$2,950		53.5% \$5,000
	41.2% \$3,000		
- of those borrowing the maximum, if maximums are increased:

Undergraduate:	50% \$5,000	Graduate:	55% \$7,000
	40% \$3,500-\$4,950		25% \$6,000-\$6,950
	10% \$3,000-\$3,450		20% \$5,000-\$5,950
- increased cancellation, plus immediate return will add \$600,000 to \$1,300,000 per year over the next five years.

IV. DATE March 16, 1981 PREPARED BY Kerry D. Romberg
 AGENCY Commission on Postsecondary Education
 Original: Legislative Finance PHONE 465-2836
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

MEMORANDUM

State of Alaska

TO

Peggy Shows
Collections Specialist
Alaska Commission on Postsecondary
Education
Division of Student Financial Aid

DATE: November 21, 1980

FILE NO: A66-049-81

TELEPHONE NO:

FROM

WILSON L. CONDON
ATTORNEY GENERAL

SUBJECT: Student Loan Bankruptcy
Procedures

By: Amy J. Stephson
Assistant Attorney General
Anchorage - AGO

You have asked several questions regarding the collectability of student loan payments when the debtor files for bankruptcy. These questions are (1) under what circumstances are student loan payments not dischargeable in bankruptcy and what action need the Division of Student Financial Aid take in this regard; (2) how does the filing of a bankruptcy petition affect any lawsuit the division may file or plan to file against the debtor; and (3) how do Chapter 13 cases come about and what is the division's role with regard to plans of arrangement submitted by the debtor. We will answer these questions in turn.

(1) Generally, a straight bankruptcy action (Chapter 7 of the Bankruptcy Code) serves to discharge the debtor from his debts. Certain exceptions, however, to discharge are set out in 11 U.S.C. 523. With regard to student loans, 11 U.S.C. 523(a)(8) provides that a discharge in a straight bankruptcy does not discharge an individual debtor from any debt

(B) for an educational loan made, insured, or guaranteed by a governmental unit, or made under any program funded in whole or in part by a governmental unit or a nonprofit institution of higher education, unless-

(A) such loan first became due before five years (exclusive of any applicable suspension of the repayment period) before the date of the filing of the petition; or

(B) excepting such debt from discharge under this paragraph will impose an undue hardship on the debtor and the debtor's dependents.

Under this provision, student loan debts to the division are not dischargeable if the date the first payment on the loan was due in within 5 years, exclusive of repayment suspension periods, of the date the bankruptcy petition is filed. If

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November 21, 1980

the first payment was due before 5 years before the date of filing, exclusive of repayment suspension, the loan debt is dischargeable.

In those cases where the due date meets the 5 year requirement set forth above, the exception from discharge is self-executing, i.e., we are not required to file a complaint to determine the nondischargeability of the debt. Thus, if the Division's proof of claim establishes that the first loan payment was due within 5 years of the bankruptcy petition date, the loan debt is automatically nondischargeable unless and until the debtor comes forward and objects to the nondischarge for some reason. Although the "Discharge of Debtor" orders issued by the bankruptcy court may appear to state that our student loan debts have been discharged, that is not in fact what the order says or means. Rather, as you can see on the attached copy of one of these orders, the order only releases the debtor from "dischargeable debts," not from any and all debts.

To apply the above theory to practice, the proofs of claim which you are submitting in bankruptcy cases should set forth the date on which the first loan payment was due and owing and any suspension of repayment period so as to establish whether or not the 5 year requirement is met. You should also note the maturity date of the loan and of course include the amount owing and the other loan information you have been including. Upon receipt of the "Discharge of Debtor" order, you may then seek to collect the loan if the 5 year requirement is met. If the 5 year requirement is not met, that order acts to discharge the student's debt and you might as well write the loan off unless the debtor voluntarily agrees to pay it despite the discharge.

(2) With regard to lawsuits against borrowers who have filed in bankruptcy, the general rule is that the division cannot commence or continue any legal proceedings against the borrower who has filed in bankruptcy until the bankruptcy case is closed or dismissed or a discharge is granted or denied. 11 U.S.C. 542(c)(2). This is because an automatic "stay" is issued upon the filing of a bankruptcy petition which prohibits creditors in most circumstances from commencing or continuing collection actions against the debtor until the bankruptcy case has been resolved. Thus if the borrower's debt is nondischargeable as discussed above and you have received a "Discharge of Debtor" notice, or a

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notice that the bankruptcy case has been dismissed or closed, you may at that time institute suit against the debtor or continue with a suit that was filed before the bankruptcy petition was filed. You may not, however, do anything before the discharge order is entered by the court or the bankruptcy case is dismissed or closed.

(3) Chapter 13 of the new bankruptcy code (11 U.S.C. §§1301-1330) basically sets out a scheme whereby individuals with regular income set up a plan to pay all or part of their debts from future earnings while under the protection of the bankruptcy court. The plan must comply with a variety of requirements but for your purposes, the significant thing is that you need not and indeed cannot accept or reject the plan. Rather, it is the court that decides whether or not a particular plan will be accepted and confirmed. 11 U.S.C. §1324. What the division can do, however, is to object to a particular plan if it believes that the plan does not comply with the law. 11 U.S.C. §1324. Thus in chapter 13 cases, the division should receive a copy of the plan and notice of the date of the confirmation hearing and if it is not satisfied with the plan, it should contact our office to see if a valid objection can be made.

It should also be noted that in Chapter 13 cases, a student loan debt can be discharged if the debtor's plan makes some provision for payment of the loan and the debtor completes payment under the plan. 11 U.S.C. §1328(a). Under other circumstances, however, the loan debt may be non-dischargeable. 11 U.S.C. §1328(b) and (c). In Chapter 13 cases, therefore, an individual determination will have to be made as to whether the student loan debt is dischargeable or not and thus whether it is permissible for the division to sue the debtor in state court.

One other note concerning Chapter 13 cases: the division should file a proof of claim as it does in any bankruptcy case, including in it the information concerning date of first payment, maturity date and suspension period, if any. You may use the bankruptcy court chapter 13 forms or your own forms; if you use your own form, however, do not make reference to nondischargeability under 11 U.S.C. §523(a)(8) since that provision is not necessarily applicable in chapter 13 cases as was discussed above.

I hope that this memorandum answers your questions and that bankruptcy is a bit less of a puzzle to you. Please do not hesitate to contact us if you have any further questions or problems.

AJS/jmo
Encl:

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Revisor's note. — Chapter 30, SLA 1967, is from the Model Compact for Education.

Sec. 14.40.720. Execution of Compact by governor. Upon ratification and approval of the Compact for Education by 10 or more of the eligible party jurisdictions, including the State of Alaska, the governor shall execute the Compact on behalf of the state and perform other acts requisite to its formal ratification and promulgation. (§ 1 ch 108 SLA 1966)

Sec. 14.40.730. Members of the commission. (a) One of the commission members shall be the governor; one shall be the state commissioner of education; two shall be members of the state legislature selected by its respective houses and serving in such manner as the legislature may determine; one shall be the president of the state Board of Education; and two shall be appointed at large by and serve at the pleasure of the governor.

(b) The terms of office of the at-large members shall be four years; provided, however, that the first members shall be appointed as follows: one for two years, and one for four years. Each member shall hold office until his successor is appointed and qualified.

(c) The legislative and at-large members of the commission shall not receive compensation for their services, but they shall receive the travel expenses and per diem provided by AS 39.20.180 (2). (§ 1 ch 108 SLA 1966)

Article 9. Scholarship Loans and Tuition Grants.

Section	Section
751. Loan and tuition funds created	773. [Repealed]
753. Financial aid committee	775. Tuition grants
754. Applications	781. Limitation on grants
757. Administration of program	785. Conditions of grants
759. Undergraduate loans	791. Eligibility of students
761. Graduate loans	795. Application and certification
763. Conditions of loans	801. Fiscal and business management practices
765. Eligibility of students	805. Definitions
767. Selection criteria	
769. [Discrimination prohibited]	
771. Enforceability of certain contracts with minors	

Repeal of former article. — Section 2, ch. 96, SLA 1971 repealed former Article 9, entitled "Scholarship Grants and Loans." The former article consisted of §§ 14.40.730

— 14.40.849, and derived from ch. 112, SLA 1969, and ch. 239, SLA 1970. Former AS 14.40.850 had been previously repealed by § 14, ch. 239, SLA 1970.

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Article 9. Scholarship Loans and Tuition Grants.

Section

- 751. Loan and tuition funds created
- 752. Financial aid committee
- 754. Applications
- 757. Administration of program
- 759. Undergraduate loans
- 761. Graduate loans
- 762. Conditions of loans
- 764. Eligibility of students
- 767. Selection criteria
- 769. Discrimination prohibited
- 771. Enforceability of certain contracts with minors

Section

- 772. (Repealed)
- 775. Tuition grants
- 781. Limitation on grants
- 785. Conditions of grants
- 791. Eligibility of students
- 795. Application and certification
- 801. Fiscal and business management practices
- 805. Definitions

Repeal of former article. — Section 2, ch. 98, SLA 1971 repealed former Article 9, entitled "Scholarship Grants and Loans." The former article consisted of §§ 14.40.720

— 14.40.849, and derived from ch. 112, SLA 1965, and ch. 290, SLA 1970. Former AS 14.40.850 had been previously repealed by § 14, ch. 280, SLA 1970.

Sec. 14.40.751. Loan and tuition funds created. (a) There is created a scholarship revolving loan fund. The fund shall be used to make scholarship loans to students selected under §§ 751 — 806 of this chapter. All repayments of principal and interest on scholarship loans shall be paid into the scholarship revolving loan fund and shall be used to make new scholarship loans. If estimated funds available from scholarship loan repayments are inadequate to fully fund estimated scholarship loans for any fiscal year, additional funding from the general fund may be requested and appropriated for that year.

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

(c) On March 1 of each fiscal year, if there is a balance of appropriated but unobligated funds in the tuition grant fund created under (b) of this section, that sum shall be automatically transferred to the scholarship revolving loan fund created under (a) of this section to make additional scholarship loans during that fiscal year. (§ 1 ch 98 SLA 1971; am § 1 ch 156 SLA 1972; am §§ 1, 2 ch 136 SLA 1974; am § 1 ch 136 SLA 1975)

Effect of amendments. — The 1972 amendment, effective July 1, 1972, designated the former section as subsection (a) and added subsection (b). In subsection (a), the amendment substituted "806" for "773" in the second sentence.

The 1974 amendment deleted "as an account in the general fund" from the end of the first sentence of subsection (a), added the third and fourth sentences of that subsection, and added subsection (c).

The 1975 amendment, effective June 8, 1975, and retroactive to February 3, 1975, substituted "unobligated" for "unexpended" in subsection (c).

Editor's note. — Section 2, ch. 98, SLA 1971, provides: "Sec. 1 of this Act takes effect on July 1, 1971, or on the date the Alaska Higher Education Commission is required from making payments under the provisions of AS 14.40.900, whichever date is earlier. Sec. 2 of this Act takes effect on July 1, 1972."

AS 14.40.900, referred to in this note, was repealed by § 2, ch. 98, SLA 1971.

Legislative committee report. — For report on ch. 98, SLA 1971 (CSND 418 [Finance]) see 1971 House Journal, p. 935.

Sec. 14.40.753. Financial aid committee. (a) The student financial aid committee is composed of the members of the Alaska Commission on Postsecondary Education. The commission may delegate its functions under §§ 751 — 806 of this chapter to a committee of its members, with augmented membership as the commission considers appropriate. The executive officer of the commission is the executive secretary of the committee. The Alaska Commission on Postsecondary Education shall administer the program established by §§ 751 — 806 of this chapter.

(b) Members of the committee serve without compensation but are entitled to per diem and travel expenses authorized by law for boards and commissions.

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(c) The committee shall make an annual report reviewing the work of the committee to the governor, the legislature and the private colleges and universities where students receiving tuition grants are enrolled.

(d) The committee shall meet at least once a year. The meetings shall be held at the call of the chairman or upon petition by two members. (§ 1 ch 98 SLA 1971; am § 2 ch 156 SLA 1972; am § 5 ch 78 SLA 1974; am § 3 ch 186 SLA 1974)

Reviser's note (1974). — The amendments of AS 14.40.755(a) by § 5, ch. 78, SLA 1974 and § 2, ch. 156, SLA 1974, are in conflict, the first act rewriting the subsection to provide that the Alaska Commission on Postsecondary Education will act as the financial aid committee, the second act changing the name and term of members of the existing financial aid selection committee. It is considered, on the basis of the legislative history, apparent legislative intent, and later effective date of the first act, that the re-enactment by ch. 78, SLA 1974 should prevail.

Effect of amendments. — The 1972 amendment inserted "and tuition grant" in the first sentence of subsection (a).

The first 1974 amendment rewrote subsection (a).

Sec. 14.40.755. Applications. (a) Applications shall be submitted to the executive secretary of the committee.

(b) A person whose loan or grant application is not recommended or presented to the committee by the executive secretary may appeal to the committee through the chairman of the committee and the committee shall consider the application. (§ 1 ch 98 SLA 1971; am § 3 ch 156 SLA 1972; am § 4 ch 126 SLA 1974)

Effect of amendments. — The 1972 amendment inserted "loan or grant" near the beginning of subsection (b).

The 1974 amendment substituted "may

The second 1974 amendment, in subsection (a), substituted "student financial aid committee" for "student loan and tuition grant selection committee" in the first sentence, added language beginning "for a staggered four-year term" to the end of the fourth sentence, substituted "in the" for "shall act as" in the sixth sentence, and substituted "programs established by §§ 751 — 806 of this chapter" for "program established by this chapter" in the seventh sentence. The amendment also deleted "selection" preceding "committee" in subsection (b) and in the first sentence of subsection (d), and rewrote subsection (c).

appeal to the committee" for "may appeal to the selection committee" in subsection (b).

Sec. 14.40.757. Administration of program. The executive secretary shall administer the programs subject to review by the committee and in accordance with the regulations prescribed by the committee. The promulgation of these regulations is subject to the Administrative Procedure Act (AS 44.62), and a summary of the regulations shall be distributed to each applicant. (§ 1 ch 98 SLA 1971; am § 5 ch 126 SLA 1974)

Effect of amendment. — The 1974 amendment substituted "programs" for "program," and "in accordance with the regulations prescribed by the committee"

for "such regulations as the committee may prescribe" in the first sentence and added the second sentence.

Sec. 14.40.759. Undergraduate loans. The committee may make a loan, not to exceed \$2,500 in any one school year, to an undergraduate student eligible under § 765 of this chapter. (§ 1 ch 98 SLA 1971; am 5 6 ch 186 SLA 1974)

Effect of amendment. — The 1974 "committee" near the beginning of the amendment deleted "selection" preceding section.

Sec. 14.40.761. Graduate loans. The committee may make a loan, not to exceed \$5,000 in any one school year, to a graduate student who is eligible under § 765 of this chapter and is pursuing an advanced degree. (§ 1 ch 98 SLA 1971; am § 7 ch 186 SLA 1974)

Effect of amendment. — The 1974 "committee" near the beginning of the amendment deleted "selection" preceding section.

Sec. 14.40.763. Conditions of loans. (a) Proceeds from scholarship loans may only be used for books, tuition and required fees, and for room and board.

(b) The loans may only be used to attend a career education program approved by the Department of Education or a college or university accredited by the accreditation association for the region in which the college or university is located.

(c) To maintain a loan the student must continue to be enrolled as a full-time student in good standing in a career education program, college or university designated under (b) of this section.

(d) Scholarship loans may not be made to a student for more than six years.

(e) Loans are noninterest bearing while a student is enrolled under (c) of this section or is fulfilling required military service.

(f) Interest on a loan given under §§ 751 — 806 of this chapter is at the rate of five per cent a year.

(g) Repayment of a loan shall commence within one year after a student terminates his studies or required military service, and shall be fully repaid within a period of six years; in cases of hardship, the committee may extend repayment of a loan for an additional five years.

(h) Security may not be required for the loans; however, provision shall be made for payment of attorney fees and costs of court if either or both are incurred in collection of the amount owed on the loan.

(i) If a loan is in default, the commission may notify the student that repayment of the remaining balance is accelerated and due by sending the student a notice by registered or certified mail.

(j) A portion of a loan shall be considered a grant if, upon completion of the course of study for which the loan was granted, the grantee spends at least two years employed in the state. The portion of the loan

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which shall be regarded as a grant shall be the following percentages of the total loan received plus accrued interest:

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|----------------------------------|-------------|
| (1) two — three years residency | 10 per cent |
| (2) three — four years residency | 20 per cent |
| (3) four — five years residency | 30 per cent |
| (4) over five years residency | 40 per cent |

(§ 1 ch 98 SLA 1971; am § 4 ch 156 SLA 1972; am § 6 ch 78 SLA 1974; am § 8 ch 136 SLA 1974)

Revisor's note (1971). — In ch. 98, SLA 1971, AS 14.40.765 (j) (2) read "four — five years . . ." This was a typographical error occurring for the first time in the enrolled version of the bill (CSHB 415 [Finance am 8]) and has been corrected here.

Effect of amendments. — The 1972

amendment substituted "806" for "773" in subsection (f).

The first 1974 amendment substituted "commission" for "Department of Education" in subsection (i).

The second 1974 amendment added "a year" to the end of subsection (f).

Sec. 14.40.765. Eligibility of students. A student may apply for a scholarship loan if

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

(A) enrolled as a full-time student in a career education or associate or baccalaureate or graduate degree program; or

(B) a graduate of a high school, or scheduled for graduation from a high school within six months, with sufficient credits to be admitted to a career education program or to an accredited college or university. (§ 1 ch 98 SLA 1971)

Sec. 14.40.767. Selection criteria. In selecting from among the eligible students those students who will be awarded loans the selection committee shall take into consideration the following items:

- (1) the student's financial needs;
- (2) entering freshmen who are graduates of Alaska high schools or who are graduates of a high school outside the state if their Alaskan residency has been continuous;
- (3) personal recommendations from the student's instructors, employers, and others familiar with his abilities;
- (4) the student's record of achievement. (§ 1 ch 94 SLA 1971)

Sec. 14.40.769. Discrimination prohibited. The student loan program shall be carried out without regard to the race, creed, sex, color, ancestry, national origin, or membership in fraternal or political organizations of the student applying for the loan. (§ 1 ch 98 SLA 1971)

Sec. 14.40.771. Enforceability of certain contracts with minors. A written obligation entered into by a minor at least 16 years of age, evidencing a loan or other assistance received by him from any person for the purpose of furthering his education in a career education program or an institution of higher learning, is enforceable against the

minor with the same effect as if he were, at the time of its execution, 19 years of age, if the person making the loan has in his records before making the loan a certification from the institution that the minor is enrolled in the institution or has been accepted for enrollment. (§ 1 ch 98 SLA 1971)

Sec. 14.40.773. Definitions.

Repealed by § 6 ch 156 SLA 1972, effective July 1, 1972.

Editor's note. — The repealed section derived from § 1 ch. 98, SLA 1971.

Sec. 14.40.776. Tuition grants. (a) The executive secretary of the committee shall award a tuition grant to a student in an amount up to the difference between (1) the cost, in a city where there is both a four-year state university and a four-year private university or in a city where there is both a two-year state community college and a two-year private college, for the operation of the state institution on a full-time student per academic year basis, and (2) the tuition or fees paid by the student at the state institution in those locations, but in no case may the amount exceed \$1,850. The tuition grant paid to a full-time student may not be in an amount that would result in a student paying less in tuition or fees at a private college or university than would be required for a similar enrollment at the state institution in the same city. The grant is to be applied by the student toward his tuition at the private university or college in which he enrolls.

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

(c) The computation under (a) of this section shall be made by the executive secretary. He shall publish the accounting procedures employed in making the computation, including, but not limited to, the time period on which the computation is based and the cost figures used. This cost data shall be made available for information purposes to the officers or administrators of the state institution whose cost of operations is the basis for the computation and to the officers or administrators of the private colleges and universities in which students receiving tuition grants are enrolled. A committee consisting of a qualified member of the staff of the division of budget and management of the Department of Administration designated by the commissioner, a qualified member of the staff of the Legislative Budget and Audit Committee designated by its chairman of the committee, and one other specially qualified person in the field of accounting, business management or institutional finance appointed by the governor, shall review, and may hear an appeal from, the determination of the computation by the executive secretary. No officer, administrator, or

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other member of the staff of a state institution whose cost of operations is under review or an officer, administrator, or other member of the staff of the private colleges or universities in which students receiving tuition grants are enrolled may be a member of that committee. (§ 5 ch 156 SLA 1972; am §§ 9, 10 ch 136 SLA 1974; am § 2 ch 136 SLA 1975)

Effect of amendments. — The 1974 amendment, in subsection (a), deleted "selection" preceding "committee" near the beginning of the first sentence, inserted "or fees" in item (2) of that sentence, inserted the present third sentence, and substituted "grant" for "amount" in the

present fourth sentence. The amendment also added subsection (c).

The 1975 amendment, effective July 1, 1975, deleted "be" following "but in no case may" and substituted "\$1,850" for "\$1,400" in the first sentence of subsection (a).

Sec. 14.40.781. Limitation on grants. (a) No grants may be made under § 776 of this chapter for any portion of tuition which would otherwise be paid under the terms of a federal grant program.

(b) The amount of the maximum tuition grant under § 776 of this chapter that may be awarded to a student who is also the recipient of a federal grant for tuition is computed according to the formula G equals P minus S minus F , in which

(1) G = the grant awarded, which in no case may exceed \$1,850.

(2) P = the tuition and fees charged by the private college or university in which the student is enrolled;

(3) S = the fee or tuition paid by a student at the state institution in the same city where the private college or university is located;

(4) F = the amount of any federal grant for tuition or fees the student may receive.

(c) Private universities and colleges in which students receiving tuition grants are enrolled may not use the income from those grants for instruction either sectarian in religion or partisan in politics. (§ 5 ch 156 SLA 1972; am § 11 ch 136 SLA 1974; am § 3 ch 136 SLA 1975)

Effect of amendments. — The 1974 amendment added subsections (b) and (c). The 1975 amendment, effective July 1,

1975, substituted "\$1,850" for "\$1,400" at the end of paragraph (1) of subsection (b).

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

(b) Before any funds for tuition grants are disbursed, the commissioner of administration and the executive secretary of the committee shall assure themselves that at least 65 per cent of the annual audited total operating revenues of a private university or college in

which students receiving tuition grants are enrolled is derived from the sources of income other than tuition grants. Determination of the required 65 per cent revenue to be derived from sources of income other than tuition grants shall be made by the commissioner and the executive secretary as of May 1, based on the audit for the immediately preceding fiscal year.

(c) No private university or college in which students receiving tuition grants are enrolled may grant remission of tuition to any student unless at least 65 per cent of its annual audited total operating revenues is derived from sources of income other than tuition grants. The 65 per cent revenue required to be derived from sources of income other than tuition grants shall apply as of May 1, based on the audit for the immediately preceding fiscal year.

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

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

(f) For the purposes of (c) and (d) of this section, a scholarship in the amount of tuition, or in the amount of tuition not covered by a tuition grant, is neither a "remission of tuition" nor a "contractual agreement under the terms of which a student covered by the contract pays less than the published tuition" as those terms are used in (c) and (d) of this section.

(g) It is the intention of the legislature that the tuition grant income be used solely for the support of the academic or instructional program. A private college or university in which students receiving tuition grants are enrolled may not use the income derived from the tuition grant for

- (1) construction or capital improvement costs and consequent debt service
- (2) expenditures for research and public service unrelated to curriculum, instruction or academic program;
- (3) fund-raising and general development costs;
- (4) intercollegiate athletics;
- (5) the support of auxiliary services, including but not limited to food services, dormitories, residence halls, or other forms of student or faculty housing; or
- (6) other extracurricular student activities or services. (0 5 ch 156 SLA 1972; am 05 12 — 14 ch 136 SLA 1974)

Effect of amendment. — The 1974 amendment made such changes in subsections (d) and (e) as to make a detailed comparison impracticable and added subsections (f) and (g).

Legislative committee report. — For report on ch. 136, SLA 1973 (CNS) and on FCU, see 1973 House Journal, p. 1697.

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Sec. 14.40.791. Eligibility of students. A student may apply for a grant under § 776 of this chapter if

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

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

(B) enrolled as a full-time or part-time student in an associate, baccalaureate or graduate degree program. (§ 5 ch 156 SLA 1972)

Sec. 14.40.796. Application and certification. Application for tuition grants must be submitted to the executive secretary. The application deadline for a school year shall be determined by the executive secretary. The executive secretary may award grants only after the institution of higher education has certified that the student has enrolled in a full-time or part-time course of study in an associate, baccalaureate or graduate degree program. The executive secretary shall determine the appropriate formula for awarding tuition grants to part-time students. He shall be guided by the provisions of § 776 of this chapter in making that determination: the difference between (1) the cost of operation for the state institution per semester credit hour and (2) the fee paid by the student at the state institution per semester credit hour, but not to exceed an appropriate portion of \$1,850. The tuition grant paid to a part-time student may not be in an amount that would result in a student paying less in tuition or fees at a private college or university than would be required for a similar enrollment at the state institution in the same city. (§ 5 ch 156 SLA 1972; am § 15 ch 136 SLA 1974; am § 4 ch 136 SLA 1975)

Effect of amendments. — The 1974 amendment substituted "executive secretary" for "selection committee" in the second and fourth sentences, deleted "of the selection committee" following "executive secretary" in the third sentence, divided the former fourth sentence into the

fourth and fifth sentences by substituting "He" for "and the committee" at the beginning of the fifth sentence, and added the sixth sentence.

The 1975 amendment, effective July 1, 1975, substituted "\$1,850" for "\$1,000" at the end of the fifth sentence.

Sec. 14.40.801. Fiscal and business management practices. (a) The executive secretary may decline to award tuition grants under § 776 of this chapter to students attending an institution if he finds that the fiscal and business management practices of the institution are inadequate in comparison with the practices of similar institutions. However, an institution whose fiscal and business management practices are found inadequate as reflected in an annual audit conducted according to auditing standards applicable to an institution of higher education by a certified public accounting firm of the institution's selection may appeal the determination of the executive secretary to the same committee appointed under § 776(c) of this chapter.

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

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

(d) Before any funds for tuition grants are disbursed, the executive secretary of the committee shall determine that no student is receiving a grant to pay for courses of study or academic programs leading to an undergraduate or graduate degree that are unnecessarily duplicated at each of the institutions under a consortium. (§ 5 ch 156 SLA 1972; am § 7 ch 78 SLA 1974; am § 16, 17 ch 136 SLA 1974)

Effect of amendments. — The first 1974 amendment substituted "commission" for "Legislative Council" in subsection (c).

The second 1974 amendment, in subsection (a), inserted the language beginning "as reflected in an annual audit" and ending "institution's selection" and substituted "same committee appointed under § 776(c) of this chapter" for "selection committee through the chairman

of the committee." The amendment also in subsection (d), deleted "the commissioner of administration and" preceding "the executive secretary" and "selection" preceding "committee" and substituted the language beginning "courses of study" and ending "a consortium" for "a required course or courses in his area of study that are offered under the consortium."

Sec. 14.40.806. Definitions. In §§ 751 — 806 of this chapter

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

(2) "full-time student" means a student who is enrolled and is in regular attendance at classes for at least 12 semester hours of credit during the semester, any combination of 12 or more semester hours of credit undertaken during a semester at two or more public or private institutions of higher education operating under a consortium constitutes full-time student status;

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

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

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

(6) "commission" means the Alaska Commission on Postsecondary Education;