

ALASKA LEGISLATIVE COMMITTEE FILED 2004

2342 SHESS SB 189 - SB 210

2342

It is thus obvious if this bill were passed then statutory law would be completely consistent with common law or court decision.

You will hear from the optometrists that they cannot get their people in to see the ophthalmologist immediately. But, what they do not tell you is that there is a city call schedule in both Fairbanks and Anchorage with an ophthalmologist available 24 hours a day to see people and all that has to be done is to call the emergency rooms to get the name of the ophthalmologist for that week, and that patient can be seen the same day. They have not told you that there are now new ophthalmologists that have started practice in the state and that more often than not they can get their people in with one of them the same day.

You will also hear from the optometrist that this bill will seriously restrict them, that this is a restraint of trade, that this bill is designed by the ophthalmologists to bring them more income. This simply is not true. The criteria of referral written into this bill are what is called the LeMoine criteria. This is what is taught in the schools of optometry as indications for referral to a competent medical doctor. This is even in their textbooks: "The Optometric Profession" by Hirsch and Wick. Why, then, are they opposed to this type of legislation when it merely reiterates in law what is considered by the textbooks of optometry as a standard of optometric practice?

The reason is economics, which is tied together very closely with a national attempt to change the standards of optometric practice, as well as public and governmental image. This is done by legislative "drug bills" and advertising. The essence of the court's decision in the Timothy Steele case was that optometrists, and schools of optometry (compared to Ophthalmology) will not be allowed to set their own standards as to what they can and cannot do. The court's decision recognized that optometrists are not sufficiently trained to make the same kinds of decisions that ophthalmologist M.D.'s can, and should make, in situations similar to that presented in Timothy's case. See Tables I, Ia, Ib

ECONOMICS AND PRACTICE?

Table 3⁵ shows the substantial number of public dollars which are expended for eye care. A total of approximately \$4,135 million dollars were spent in 1975 for vision care services.⁶ The national consumer spending for ophthalmic surgery is not listed. This would make the total ophthalmologic dollar spent on eye care far greater than the optometric dollar. If optometrists are allowed to expand the scope of their practice through the use of diagnostic drugs, the price of the basic eye examination would undoubtedly rise. Proposed national health care legislation can be expected to impact heavily upon these figures. For example, if the Kennedy-Mills National Health Insurance proposal were to include coverage of sight correction services, total spending for these services would rise by 21% or \$866 million dollars per year. It is obvious that there will be considerable effort by optometrists to ensure their fullest possible participation in this program. The economic stakes are very high.⁷ This makes it very clear why optometry has put on an aggressive nationally organized push to legislate themselves into a better position to compete for this consumer dollar. Even though optometrists in the State of Alaska suggest that this is not an "economic issue"---it is. The optometric opposition to this bill is due to continued effort toward the national optometric goal of attempting to become primary eye care providers.

This image change is being sold to the public by a sophisticated national advertising campaign. This multi-million dollar campaign is funded by the national optometric organization through dues and special assessments. They are trying to sell themselves as "your family doctor of optometry...the one to see and keep seeing". Calling themselves family doctors in the opinion of the ophthalmologists is misleading since they are not medical doctors as are the family practitioner or family doctor. These adds are occurring on national T.V., radio and magazines; such as, The Ladies Home Journal, Better Homes and Gardens, etc. Adds that show stethoscopes hanging around the neck of the optometrist is also misleading, as the general public associates the medical doctor with the stethoscope. One article in the Anchorage Times even referred to a group of optometrists as physicians and the word ophthalmologist was used. (see supporting documents)

Let us examine the basis for supporting the Lemoine criteria. In an article "How the General Practitioner can Determine The Need for Ophthalmologic Referral", it was shown that by history (listening to the patient's story), visual acuity and external examination by hand-held flashlight, most of the initial clues to eye disease are determined, 85% in fact.

Examination Elements That Indicated Ophthalmologic
Disease in 716 Patients.

History	255	(35.6%)
Visual Acuity	198	(27.7%)
External Examination by Hand- Held Flashlight	157	(21.9%)
Refraction	4	(.6%)
Tonometry	69	(9.6%)
Slit Lamp	23	(3.2%)
Undilated Fundus	9	(1.3%)
Dilated Fundus	1	(.1%)
	716	100%

All of the Lemoine criteria of referral are symptoms of disease and require no instrumentation except for two: looking at the optic disk through an undilated pupil and checking the "K" readings on a keratometer. No eye drops are needed, since the optic disc is in the posterior pole of the eye and simply putting the small aperture disk in place on the ophthalmoscope even the smallest pupil can be seen through. It is obvious from this article that detection of 99% of all eye disease is possible without dilation. All of these examining techniques can be done by the optometrist at this time in the State of Alaska.

In sum, to both the conscientious physician and the conscientious optometrist the need for referral of a patient to an ophthalmologist is usually obvious through the application of history, visual acuity, and external examination by hand-held flashlight, and does not require sophisticated instruments.

Most importantly, do not dilate the pupil. Routine tonometry according to established standards and viewing the fundus oculi through the undilated pupil are the additional needed methods. The use of mydriatic drugs to dilate the pupil risks precipitating acute narrow angle glaucoma by a 9:1 ratio over uncovering any hidden disease process.

By now you have heard from the optometrists that there is another law suit filed against an Anchorage optometrist. They also state that if they could dilate the pupil to look in that the law suit would not have been filed. Well, the optometrist dilated Timothy Steele's pupil and still a law suit was filed and was won by Timothy Steele. The falacy of this statement by the optometrists is clear in light of Judge Fitzgerald's decision and the article on what people need ophthalmologic referral.

If this bill were passed, it would clear up once and for all through statutory law that what is already clear through common law and optometric textbooks. Judge James M. Fitzgerald clearly states this in his decision:

"I conclude that competent optometric practice required that Timothy's parents be notified and that the child be referred. The failure to inform and refer was not a 'judgement call' but a violation of the governing principles of professional standards.

Optometrists are trained to recognize symptoms of many diseases which may be discovered by eye examination. They are not permitted under recognized optometric standards to undertake a definite diagnosis, but recognize this as the responsibility of a medical doctor. Obviously, it is foreseeable that failure to refer to a qualified medical practitioner, when required to do so, will result in delay of diagnosis and the institution of treatment; so it proved to be in Timothy's case. At the time the referral was finally made to an ophthalmologist, it was too late. Time had run out, and the only thing that could be done was to remove the eye.

I conclude that the plaintiff is entitled to recover in this action from the United States for the loss of Timothy's right eye.

DATED at Anchorage, Alaska, this 20th day of October, 1978."

ss: James M. Fitzgerald

United States District Judge

Thank you for your time and the opportunity to present the views endorsed
by the State Ophthalmologic Association.

May 4, 1983

The Honorable Joe Josephson
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Josephson,

I am writing to you one more time in regard to SB 189, relating to the use of prescription drugs by optometrists.

I am sending a letter by Dr. John Casto of West Virginia. You may recall that West Virginia is one of the states where optometrists use therapeutic drugs. Dr. Casto's letter is an update on the Board of Optometry's post facto report to the legislature. The Board requires all doctors who use drugs (183 out of the 260 O.D.s in the state) to keep a log of: 1) Name of patient treated, 2) Disease treated, 3) Drug used 4) Side effects and 5) Number of miles saved by the patient by non-referral.

Dr. Casto mentioned by phone that there have been several allegations by physicians of misdiagnosis and mis-treatment by optometrists. The Board sent letters of inquiry by certified mail to the involved physicians. To date, none of the letters were ever answered.

I trust that you'll find this information helpful.

Dear Doctor Demske:

Thank you for your note and the copy of the letter from Dr. Casto of West Virginia. I will keep these your thoughts in mind as we proceed with our study of SB 189.

Sincerely,
John Demske, O.D.
JOHN DEMSKE, O.D.
PO Box 528
Bethel, AK.

WEST VIRGINIA BOARD OF OPTOMETRY

JOHN E. CASTO, O.D.

SECRETARY-TREASURER

WEST VIRGINIA BOARD OF OPTOMETRY

511 SIXTH AVE.

P.O. BOX 710

ST. ALBANS, W.VA. 25177

April 27, 1983



The Honorable Warren R. McFay
President, Senate of West Virginia
State Capitol Building
Charleston, West Virginia 25305

The Honorable Clyde H. See, Jr.
Speaker, West Virginia House of Delegates
State Capitol Building
Charleston, West Virginia 25305

RE: Report on Enrolled H.B. 1005 of 1976

Dear President McFay and Speaker See:

The purpose of this letter is to report to each of you and your respective bodies on the Enrolled H.B. 1005 enacted on February 20, 1976 by the Sixty-Second Session of the West Virginia Legislature. As you may recall, this law updated the statutory definition of "optometry" to include, among other things, the limited use of drugs prescribable for the human eye for both diagnosis and treatment, under carefully prescribed certification authority delegated to the West Virginia Board of Optometry. This Board has endeavored continuously and faithfully to both certify and monitor the use of drugs by optometrists practicing under the regulation of this law.

Recent information compiled from the one hundred eighty-three (183) West Virginia registered optometrists now certified by this Board for drug usage is as follows:

1. A total of seventy-four (74) different drugs prescribable for the human eye have been employed by those West Virginia certified optometrists since the law was enacted.

2. Over one hundred thousand (100,000) individual patients have been seen by these optometrists and conditions such as infections or allergic conjunctivitis, corneal abrasions, and blepharitis (granular eye lids) have been treated by those certified in the completion. This does not include the use of topical anesthetics used routinely by most of these optometrists in performing tonometry (glaucoma test). It is estimated that some one and one quarter million (1,250,000) patients have been administered a topical anesthetic for this testing procedure.

WEST VIRGINIA BOARD OF OPTOMETRY

JOHN E. CASTO, O.D.

SECRETARY-TREASURER

WEST VIRGINIA BOARD OF OPTOMETRY

511 SIXTH AVE.

P.O. BOX 710

ST. ALBANS, W.VA. 25177



The Honorable Warren R. McGraw

The Honorable Clyde M. See, Jr.

January 25, 1983

Page 2

3. The distance those patients, who otherwise would have had to travel to geographical locations other than those of the treating optometrists for treatment by appropriate medical specialties to whom they formerly were referred, would have been required to travel is nearly one million eight hundred thousand miles (1,800,000).

4. Fifty-three (53) different pathological conditions have been diagnosed and treated by these West Virginia certified optometrists.

These 183 West Virginia optometrists who have been certified in every county of the state are now, faithfully and well, providing updated eye health care benefits to the people of West Virginia.

It should be additionally noted that there has been no report to this Board of any unusual adverse drug reaction to patients where drugs were administered.

Please be advised that this Board is quite aware of the full responsibility placed upon it by the legislature in the enactment of this law. This data was compiled in a continuing effort to support the trust which has been reposed in us. Each of you are encouraged to call upon this Board for any additional information which may be helpful.

Sincerely yours,

John E. Casto, O.D.
Secretary-Treasurer
West Virginia Board of Optometry

S B

1977

STATE OF ALASKA
FISCAL NOTE

Revision Date _____, 1983

I. REQUEST

Bill/Resolution No.: SB 197
 Title: An Act Re: Scholarship Loans
 Sponsor: Senator Josephson
 Requestor: Senate HESS

II. FISCAL DETAIL

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

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

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Kerry D. Romesburg Phone: 465-2854
 Division: Commission on Postsecondary Education Date: 3/24/83

Approved by Commissioner: _____ Date: _____
 Department: _____

Distribution:

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

3/8/83


IV. ANALYSIS

- a. Raising interest from 5% to 8%

FY 84	\$	-0-	FY 87	\$	372.5
FY 85		-0-	FY 88		1,562.8
FY 86		93.5	FY 89		3,210.2

- b. Application deadline would have some impact, but this cannot be determined.
- c. Restriction on vocational loans would have a fiscal impact, but only if the designated committee chose to impose the restrictions -- hence no fiscal impact is assumed -- it could be as much as \$2,600,000 in FY 84.

Suggested Addition to Proposed Loan Legislation

 AS 14.43.120(k)(2) is amended to read:

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

*This is not a
good commercial
for the program!*

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: SB 197 Date on Bill: 3-22-83
 Title: An Act relating to Scholarship Loans
 Sponsor: Senator Josephson
 Requestor: Senate HESS

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86
Capital	N.A.	0	0	(93.5)
Operating				
Total	N.A.	0	0	(93.5)

b. Revenues:

Revenue				93.5
---------	--	--	--	------

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

N.A.

3. Assumptions:

a. Raising interest from 5% to 8%.

FY 84	0	FY 87	\$ 372.5
FY 85	0	FY 88	1,562.8
FY 86	\$ 93.5	FY 89	3,210.2

b. Application deadline would have some impact, but this cannot be determined.

c. Restriction on vocational loans would have a fiscal impact, but only if the designated committee chose to impose the restrictions - hence no fiscal impact is

4. Disclaimer: assumed -- it could be as much as \$2,600,000 in FY 84.
 This statement has not been reviewed by the OMB in the Office of the Governor. It therefore does not represent the final estimate of fiscal impact.

Prepared By: Kerry D. Pomesburg Phone: 465-2854
 Division: Postsecondary Education Commission Date: 3/23/83

Approved by Commissioner: _____ Date: _____
 Department: _____

5. Distribution:

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

2/15/83

Alaska Student Loan Parent Committee

After spending several meetings learning about the Alaska Student Loan Program and meeting with various legislators, the parent group has emerged with positive feelings about the new Alaska Student Loan Program booklet which has been developed for wide spread distribution. The credibility of the program is good and the Post Secondary Commission has been responsive in organizing information. Several legislators have also been open, helpful and generous in their time with this group. We congratulate the Alaska State Legislature for giving us the best student loan program in the nation.

Our committee stance is decidedly positive and within that process, we have developed some general statements)

1. We encourage strong parental involvement in the Educational State Loan Program. Certainly, it should be stressed that the loan is payable and there is a strong responsibility to complete repayment promptly.
2. Actuarial studies are requested that can show us how the loan monies can become "a revolving fund". We want this program to become a solvent fund.
3. The Alaska Student Loan Fund should not be discriminatory in any way. In other words, it must not be tied to "need". The way the formula acts now is giving support to all Alaskans.
4. Our concern is not just with the present group of young students but also with the generations to come.
5. We urge that the present facts on loan defaults and fraudulent use of the loans be published. It is important that the public understand that there is a full time staff following through on default loans and that 93 court cases have been decided in favor of the state. We believe that the media be fully utilized in dealing with misconceptions on present use of the loan funds and that a positive educational campaign be established.
6. We believe that the dispersement of the loans be tightened and that educational institutions use a standardized procedure.
7. We urge a local office be established in Anchorage to allay the frustration when obtaining information about individual loans.

STATE OF ALASKA

AUDIT DIVISION
POUCH W
JUNEAU, ALASKA 99811

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

February 3, 1983

Kerry D. Romesburg
Executive Director
Postsecondary Education Commission
Pouch F
Juneau, AK 99811

Dear Mr. Romesburg:

The Legislative Budget and Audit Committee is concerned with certain "loopholes" that exist in current regulations governing loans made under the State's Scholarship Loan Program. In particular, the Committee is concerned that students may enroll for classes, receive their loans, and then subsequently withdraw from classes or school without receiving some sort of penalty or sanction.

For example, consider the following situation. Having received a \$3,000 student loan for his first semester of college, a student attends registration and enrolls for 12 semester credit hours. He then reports to the appropriate college personnel and receives his loan proceeds, less that portion retained by the college to cover tuition fees. Subsequent to registration, the student withdraws from school. At this point he may or may not be eligible for a complete or partial refund of tuition fees, depending on how far along he is in the semester. In any event, the student withdraws from school and retains funds that were intended to be used for tuition, books, room and board, but that now can be used any way he sees fit. Under current regulations, the ex-student is required to notify the Postsecondary Education Commission of his withdrawal from school, but there is no provision for any type of sanction - rather, the loan will still be due for payment at 5% over 10 years.

The Committee believes that situations similar to that described above do occur, and perhaps with some frequency. This is of concern to us because it was never the intention of the Alaska student loan program to provide low-interest, long-term loans for any purpose other than education.

Kerry D. Romesburg
February 3, 1983
Page 2

Therefore, it is this Committee's recommendation that the Postsecondary Education Commission develop regulations and modify promissory note language to make students who lose their good standing without showing good cause (as defined in 20AAC 15.085(16)) subject to sanctions. Specifically, the Committee recommends that these sanctions involve escalation of loan payments, loss of any forgiveness payments that may otherwise have been provided under AS 14.43.120(j), and increased interest rates in line with market values.

We believe it is necessary to develop and implement such sanctions as soon as possible, and look forward to your response in this regard.

Sincerely,



Bob Bettisworth
Chairman
Legislative Budget
and Audit Committee

SEC. 4 OF SB197

~~ALASKA STUDENT LOAN PROGRAM~~
~~Proposed Regulation Change~~
~~(December, 1982)~~

Proposed Change

Amend ~~20 AAC 15.025~~ to read:
Section 14.43.120

~~20 AAC 15.025~~. Priority Ranking of applicants. (a) Upon receipt of a completed application for collegiate study, an applicant will be assigned priority points based upon the schedule set out in part (b) of this section.

(b) Each applicant for a loan for collegiate attendance will be assigned priority points based upon student status and state of attendance, according to the following schedule:

- (1) student status (during loan period):
 - (A) continuing undergraduate or graduate students with existing Alaska student loans for the previous school year or term . . . 6 points
 - (B) remaining senior students 5 points
 - (C) remaining junior students 4 points
 - (D) remaining sophomore students 3 points
 - (E) remaining freshman students 2 points
 - (F) remaining graduate students 1 point
- (2) students attending colleges or universities in Alaska . . 1 point

November 1st

(c) Completed applications for collegiate study will be grouped according to those received by ~~February 15th~~ and then in monthly lots thereafter and will be processed in that monthly grouping according to priority point accumulation. Those applicants receiving the highest priority point accumulation within a grouping will be processed first and those receiving the lowest priority point accumulation within a grouping will be processed last. In the case of equal point accumulation within a group, priority will be based upon the earliest date of receipt of the completed application.

(d) Completed applications for non-collegiate study will be processed in the order of receipt of the application in the loan office.

Discussion

Loans are currently processed upon a first-come first-served basis. This has worked fine up until now, however, as funds tighten and demand increases, this method may lead to inequity. The proposed priority system is based largely upon what the legislature had established in AS 14.40.767. That which is omitted is the point assignment for Alaska residence and longevity. (The Attorney General has agreed with the Address contention that such a system would be unconstitutional.)

It should be noted that all other things being equal, a loan will be awarded for in-state attendance before out-of-state.

Also - You need to consider the effective date of the bill. Section 3 should have an effective date of July 1, 1983 for all loans awarded for 1984-85 or later. (Otherwise we create an impossible criterion for the 1983-84 school year.)
The other sections can be effective immediately - it will require amending current promissory notes (for 8% interest), but that is all.

Introduced: 3/22/83
Referred: Health, Education and
Social Services and
Finance

*84-85 2/24/83
Subjective date
amended by
system adopted
by regulations
language addressed
or repeal:
14.43.130*

1 IN THE SENATE

BY JOSEPHSON

2 SENATE BILL NO. 197

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the scholarship loan program."

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

8 * Section 1. AS 14.43.120(c) is amended to read:

9 (c) To maintain a loan the student must continue to be enrolled
10 as a full-time student in good standing or as a part-time student in
11 good standing in more than one institution for a total number of
12 hours or credits equivalent to a full-time student in a career educa-
13 tion program, college or university designated under (b) of this
14 section. The commission shall adopt regulations defining "good stand-
15 ing" for purposes of this subsection.

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

17 (f) Interest on a loan made [GIVEN] under AS 14.43.090 - 14.43.-
18 160 is at the rate of eight [FIVE] percent a year.

19 * Sec. 3. AS 14.43.125 is amended by adding a new subsection to read:

20 (c) An application for a scholarship loan must be filed no later
21 than January 1 of the year for which the application is made.

22 * Sec. 4. AS 14.43.130 ~~is amended to read:~~ *Repealed*

23 Sec. 14.43.130. SELECTION CRITERIA. (a) The selection commit-
24 tee shall grant loans based on total point accumulations under the
25 subsection with priority going to those applicants with the highest
26 point accumulations [, EXCEPT AS PROVIDED IN (b) OF THIS SECTION FOR
27 LOAN APPLICATIONS COMPLETED BEFORE MAY 15 OF EACH YEAR]. Points shall
28 be awarded to applicants based upon student status and continuous
29 Alaskan residency, according to the following schedule:

*This section
unamended.*

1 (1) student status:

2 (A) continuing undergraduate and graduate students
3 with existing Alaska scholarship loans 4 points

4 (B) continuing undergraduate and graduate students
5 without existing Alaska scholarship loans 3 points

6 (C) freshmen 2 points

7 (D) new graduate students without existing Alaska
8 scholarship loans 1 point

9 (2) continuous Alaskan residency:

10 (A) students with continuous Alaskan residency of 10
11 years or more 3 points

12 (B) students with continuous Alaskan residency of at
13 least 5 years and less than 10 years 2 points

14 (C) students with continuous Alaskan residency of more
15 than 2 years and less than 5 years 1 point

16 (3) students attending Alaska colleges or universities
17 1 point

18 (b) In awarding loans the selection committee shall award loans
19 to applicants based upon the earliest date of completed applications
20 if

21 [(1)] the applicant has accumulated at least 5 points under
22 (a) of this section [; AND

23 (2) THE APPLICANT HAS FILED A COMPLETED APPLICATION NOT
24 LATER THAN MAY 15 OF THE YEAR FOR WHICH THE LOAN IS REQUESTED].

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

26 Sec. 14.43.150. LIMITS ON CAREER EDUCATION LOANS. (a) The
27 committee may not approve more than 100 scholarship loans for students
28 in a career education program in a single vocational field each year
29 unless a three member panel consisting of the executive director of

1 the Alaska commission on postsecondary education, the commissioner of
2 commerce and economic development, and the commissioner of labor
3 certify to the commission on postsecondary education that there is an
4 anticipated need in the state within the following decade requiring
5 the training of more than 75 students each year in that vocational
6 field.

7 (b) If certification is made to the commission on postsecondary
8 education as specified in (a) of this section, the committee may
9 approve loans in excess of 100 each year only to the extent recom-
10 mended by the panel under (a) of this section.

ALASKA STATE LEGISLATURE

INTERIM OFFICE:
P.O. BOX 81435
FAIRBANKS, ALASKA 99708

IN SESSION:
POUCH V
JUNEAU, ALASKA 99811
(907) 465-4830/4841



CHAIRMAN
1983 INTERIOR DELEGATION

MEMBER
TRANSPORTATION
HEALTH, EDUCATION AND SOCIAL SERVICES
LABOR SUBCOMMITTEE
JOINT OIL AND GAS
RURAL EDUCATION ATTENDANCE AREAS

Representative Mike Davis
House District 19

MEMORANDUM

To: Nancy Dietrich
From: Rep. Mike Davis
Date: March 23, 1983
Re: Senate Bill 197

Dear Nancy,

I am pleased that Sen. Josephson's scholarship loan bill includes provisions for students attending more than one school. I hope that the enclosed back-up materials are helpful for you.



University of Alaska, Juneau

11120 Glacier Highway

Juneau, Alaska

99801

(907) 789-2101

To: Chancellor Paradise

FEB 15 1983

From: Dianne Schmitt, Financial Aid Officer *DS*

Chancellor

Date: February 15, 1983

University of Alaska, Juneau

RE: LEGISLATION REGARDING THE ALASKA STUDENT LOAN PROGRAM

Senate Bill # 118 reduces the time a student must be in the state before applying for a loan, but also limits loans to students who apply before graduation from high school. The one year residency requirement (reduced from two years) will put a stop to litigation in that area. However, the requirement for all loan applicants to apply while still in high school will be a detriment to the spirit of the loan program and establish a new justification for litigation.

As the UAJ Financial Aid Officer, I must oppose this bill for several reasons. 1) It is sometimes difficult for high school students to decide if they want to go to college. I know there will be many young people who will neglect to fill out the application before high school graduation and later decide to go to college. This bill is asking all seventeen year old students in Alaska to decide their life goal without experiencing life beyond the academic setting. 2) Many students do not consciously choose a career path until several years after high school and after many life experiences. This bill would not afford this type of student the same opportunity as that provided for students who begin college shortly after high school. 3) Many students wait several years after graduation from a baccalaureate program before pursuing graduate study. This bill does not mention graduate study; therefore, I am assuming that it could also be interpreted to eliminate loans for post-baccalaureate students.

House Bill # 56 asks for the loan interest rate to be raised to 7% and for the loan to be limited to the cost of tuition, room and board. This bill is acceptable.

House Bill # 174 says that a student may attend classes at two institutions to accumulate the 12 credits required for the loan program. This bill is acceptable and also beneficial to many of the students in Southeast Alaska.



TANANA VALLEY COMMUNITY COLLEGE
Fairbanks, Alaska 99701

February 17, 1983

Representative Mike Davis
P.O. Box 81435
College, Alaska 99708

Dear Mike:

In regards to HB 174, Tanana Valley Community College supports the bill relative to students who "in total" are enrolled in 12 credits or more which makes them a full-time student within the system.

Sincerely,

Rodney Enos
Campus President

RE/dac



Alaska Statewide Student Association

P.O. BOX 548
DOUGLAS, ALASKA 99824

REPRESENTING STUDENTS OF THE UNIVERSITY OF ALASKA STATEWIDE SYSTEM

ASSA requests that the following section be added to SPONSOR
SUBSTITUTE FOR HOUSE BILL 56:

AS 14.43.120(c) is amended to read:

(c) To maintain a loan the student must continue to be enrolled as a full-time student in good standing or as a part-time student in good standing in more than one institution for a total number of credits equivalent to a full-time student in a career education program, college, or university designated under (b) of this section. The commission shall adopt regulations defining "good standing" for purposes of this subsection.

At present, students enrolled at both UAF and TVCC, UAA and ACC, or Sitka CC and Sheldon Jackson may not receive scholarship loans unless they have a total of twelve credit hours at one or the other institution. This amendment would allow these perfectly legitimate, full-time students to be eligible for the loans.

Thank you.

Mike Davis Office
Pouch V
Juneau, Alaska 99811
ATTN: Jonathan Sperber

January 20, 1983

Mr. Sperber:

Enclosed is my appeal for the Alaska Student Loan Program to reinstate my student loan which was denied for spring semester, 1983. Also attached are copies of forms that support my appeal. Please look these over and give me any help you can.

Much Appreciation...

Kathleen M. Smoyer

KATHLEEN M. SMOYER

P.O. Box 2652

Fairbanks, Alaska 99707

(907) 456-7250



UNIVERSITY OF ALASKA, FAIRBANKS
Fairbanks, Alaska 99701

Smoyer, Kathleen

We are sorry to inform you that you are academically ineligible to receive the following financial aid at the University of Alaska-Fairbanks for the coming semester for the reason listed below:

TYPE OF AID

- | | |
|--|--|
| <input type="checkbox"/> Pell Grant | <input checked="" type="checkbox"/> Alaska Student Loan |
| <input type="checkbox"/> UAF Scholarship/Grant | <input type="checkbox"/> State Educational Incentive Grant |
| <input type="checkbox"/> McIntosh Estate Grant | <input type="checkbox"/> Tuition/Fee Waiver |
| <input type="checkbox"/> Alaska Native Scholarship | <input type="checkbox"/> BIA Grant-In-Aid |
| <input type="checkbox"/> State Room Scholarship | <input type="checkbox"/> Guaranteed Student Loan |
| <input type="checkbox"/> Athletic Grant | <input type="checkbox"/> _____ |

REASON

- You were admitted/readmitted on academic probation.
- You did not meet program requirements for continued eligibility. (Since there are different requirements for various programs, you may be eligible for one type of aid and ineligible for another.)
- You received incomplete or deferred grade(s). These must be removed within 60 days after Registration or the aid will be cancelled.

Please contact our office in writing at least one week prior to Registration if you feel that an error has been made.

Sincerely,

Ida Greiner
Director, Financial Aid

UNIVERSITY OF ALASKA

OFFICIAL GRADE REPORT FOR FALL 82
COLLEGE OF ARTS & SCIENCES

SMOYER KATHLEEN M
574-34-9200

12/29/82

COURSE NUMBER	COURSE TITLE	CREDITS	GRADE
J-B 102 001	BROADCASTING AND SOCIETY	3.0	A
J-B 203 001	BASIC PHOTOGRAPHY	3.0	B
J-B 215 001	AUDIO PRODUCTION	3.0	A
MUS 151MF 001	CLASS LESSONS - VOICE	1.0	B
MUS 161N 101	PRIVATE LESSONS - PERCUSSION	2.0	F
TOTAL		12.0	

EXPLANATION OF GRADING	
GRADE	POINTS PER HOUR
A SUPERIOR	4
B ABOVE AVERAGE	3
C AVERAGE	2
D LOWEST PASSING GRADE	1
F FAILURE	0
AU AUDIT	0
P PASSING	0
S SATISFACTORY	0
DF DEFERRED	0
I INCOMPLETE	0
WF WITHDREW PASSING	0
WF WITHDREW FAILING	0
NS GRADE NOT SUBMITTED	0
W WITHDRAW	0

SMOYER KATHLEEN M
P O BOX 2652
FAIRBANKS

AK 99707

ADVISOR - D GOTTEHRER
MAJOR - JOUR CLASS LEVEL - JUNR
HRS ATT HRS ERN HRS GPA PTS GPA
SEMESTER 12.0 10.0 12.0 36.0 3.00
UA CUM 12.0 10.0 12.0 36.0 3.00

TANANA VALLEY COMMUNITY COLLEGE

OFFICIAL GRADE REPORT FOR FALL 82
TANANA VALLEY COMM COLLEGE

SMOYER KATHLEEN M
574-34-9200

01/15/83

COURSE NUMBER	COURSE TITLE	CREDITS	GRADE
D M 183AT 901	CLASSICAL BALLET, BEG I	1.0	P
O O 146 902	FUNDAMENTALS DATA PROCESSING	3.0	A
TOTAL		4.0	

EXPLANATION OF GRADING	
GRADE	POINTS PER HOUR
A SUPERIOR	4
B ABOVE AVERAGE	3
C AVERAGE	2
D LOWEST PASSING GRADE	1
F FAILURE	0
AU AUDIT	0
P PASSING	0
DF DEFERRED	0
I INCOMPLETE	0
NS GRADE NOT SUBMITTED	0
W WITHDRAW	0
NCR NO CREDIT RECEIVED	0
GEN CONTINUING EDUCATION UNIT	0

SMOYER KATHLEEN M
PO BOX 2652
FAIRBANKS

AK 99707

CLASS LEVEL - UCS
HRS ATT HRS ERN HRS GPA PTS GPA
SEMESTER 4.0 4.0 3.0 12.0 4.00
UA CUM 4.0 4.0 3.0 12.0 4.00
TOT CUM 4.0 4.0 3.0 12.0 4.00

SMOYER KATHLEEN M
574-34-9200

COLLEGE OF ARTS & SCIENCES
SPRING 83

12/29/82

FREN 102	001	ELEMENTARY FRENCH II	5.0	0910-1010AM	MWF	GRUN	302	24473
				0940-1040AM	TR	GRUN	302	
J-B 303	001	INTERMEDIATE PHOTOGRAPHY	3.0	0400-0600PM	R	BUNL	014	27651
J-B 316	001	TELEVISION PRODUCTIONS	3.0	0150-0350PM	M	BUNL	15	27715
				0130-0530PM	W	KUAC		
J-B 400	001	ADVANCED MEDIA PRACTICUM	3.0	0100-0200PM	T	BUNL	14	27839
MUS 123 X	001	APPRECIATION OF MUSIC	3.0	0700-1000PM	W	MUS	309	31496
MUS 151MF	001	CLASS LESSONS - VOICE	1.0	HOURS	ARR			31763
MUS 161N	001	PRIVATE LESSONS - PERCUSSION	2.0	HOURS	ARR			32123

SMOYER KATHLEEN M
P O BOX 2652
FAIRBANKS

AK 99707

20.0 ADVISOR- D GOTTEHRER
MAJOR- JOUR CLASS LEVEL- JUNR

**University of Alaska
STATEMENT OF FEES**

Date Registered 1-19-83
1/15

SPRING 1983

Name EMMER KATHLEEN H U. of A. ID Number 571-31-0000 Birth Date 01/11/60
LAST FIRST

Residency ALASKA-RESIDENT Type 2 Major EDUC Campus FITCHBURG CAMPUS

Phone _____

- FEES

Type of Fee	Code No.	Amount
Meal Ticket		
Residence Hall		
Graduate Fee Hours		
Credit Hour Fee Hours <u>20</u>	<u>DM</u>	<u>300</u>
Non-Resident Tuition Yes () No (M)		
Health Insurance Premium		
Health Center Fee <u>100</u>		
Campus Activity Fee	<u>AP</u>	<u>24</u>
Parking Fee		
Music Fee	<u>100</u>	<u>25</u>
	<u>63</u>	<u>75</u>
Material/Lab Fee <u>Ch-Fee</u>	<u>77</u>	<u>20</u>
TVCC Material Fee		
Deferred Payment Charge		
Late Registration Charge	<u>11</u>	<u>12.00</u>

AS
Assessor

Total Fees 457.00 (SC)

SCHOLARSHIP AND OTHER CREDITS

Description	*Account Number	Amount
1 005000 -	00000 0774 103010	00000 <u>50</u>
2		
3		
4		
5		

*Must be an FAS no. or an Agency ARID

Total Scholarships 50.00

Net Fee Due 407.00

Total Deferred Payment or (check requested) _____

Cash Received or (disbursed) 407.00

DEFERRED PAYMENT SCHEDULE

Date Due	Amount
1	
2	
3	

CHECK REQUEST MADE

_____ ()

MEMO

Cash _____
 Checks _____
 Total 415.00
 Net Fee Due 407.00
 Overpayment 20.00
 Change 134.00

Fee Statement Auditor

By _____

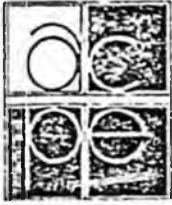
SIGNATURE OF STUDENT

CURRENT MAILING ADDRESS

Cashier

No.

I agree to pay in advance, cash noted above and to pay remaining sum in accordance with the deferred payment schedule until the total principal sum of this obligation has been discharged. Although no interest accrues, I understand, and agree, that in the event of default of payment of any installment upon the date due, a further service charge will be charged against me, and that if I continue in default longer than five (5) days, I will surrender any meal



ALASKA STUDENT LOAN PROGRAM
REQUEST FOR WAIVER OF GOOD STANDING
 Requirements (20 AAC 15.040)

A. Student: <u>Kathleen M. Smoyer</u>		Social Security Number <u>574-34-9200</u>	
Current Mailing Address: Street <u>P.O. Box 2652</u>		City <u>Fairbanks</u>	State <u>Alaska</u>
Institution <u>University of Alaska - Fairbanks</u>		Zip Code <u>99707</u>	

B. I hereby request, for the reasons stated below, waiver of the good standing requirement for an Alaska Student Loan, as provided for in 20 AAC 15.040 (j), (k), and (l).

C. My loan was denied because of my failure to (please check):

1. maintain a cumulative C.P.A. of 2.0, undergraduate, or 3.0, graduate

2. maintain a term G.P.A. of 1.5, and/or

3. successfully complete a full-time student load the last term I borrowed under this program.

D. Reason for request (please check):

Medical disability

Death in the immediate family

Administrative error

Duress

Record upon which ineligibility is based is from an attendance period five or more years in the past

Other (Please explain)

Explanation attached.

E. Detailed explanation. Attach a detailed explanation of your justification for a waiver. Be specific. If you are appealing on a grade point average basis, include what your cumulative average is and how you have performed in the last couple of years (by term). If you are appealing for less than full-time attendance, include how many hours you did complete, how many you failed to successfully complete, and explain. If you are offering a time argument, include why you feel you are now more prepared for school than you were when you established your "ineligible" record. Include documentation. Transcripts may be required, doctor's certification will be required, evidence of administrative error will need verification.

F. SIGNATURE: My signature below certifies that in the absence of a Notary Public or other official authorized to administer an oath, I personally certify under penalty of perjury that the foregoing and accompanying documentation are true.*

Signed <u>Kathleen M. Smoyer</u>	Date <u>Jan 19, 1983</u>
Location: (City and State) <u>Fairbanks, Alaska</u>	

G. Keep one copy for your files, give one copy to your Financial Aid Office, and mail original to:

Alaska Commission on Postsecondary Education
 Division of Student Financial Aid
 Pouch FP
 400 Willoughby Avenue
 Juneau, Alaska 99811

* Under AS 09.63.020(h), a person who makes false sworn certification which he does not believe to be true, under penalty of perjury is guilty of perjury.

Alaska Student Loan Program
Pouch FP, 400 Willoughby
Juneau, Alaska 99811
ATTN: Director

January 19, 1983

This is to appeal the loss of my Alaska Student Loan for spring semester, 1983. It was denied on the grounds that I no longer meet the eligibility requirements. Fall semester, 1982 I took 12 credits at the University of Alaska-Fairbanks, earned 10 of those credits, for a semester GPA of 3.0. I also took 4 credits at T.V.C.C., earned those 4 credits, for a semester GPA of 4.0. I therefore, earned a total of 14 credits for the fall semester of 1982, with my total GPA being somewhere between 3.0 and 4.0

When I went to see the UAF Financial Aid officer, the explanation was I did not complete 12 credits to be classified as a full time student and therefore, could not receive my A.S.L.P. loan this semester. They stated UAF and T.V.C.C. are different and the credit I earn at T.V.C.C. does not count. It is true that I registered at two different places and received two separate grade reports. However, I paid only one tuition (that at UAF). This implies to me they are part of the same system.

With some research, I found that this division between UAF and T.V.C.C. is fairly recent and was told that notices of this were sent to all students, though I never received one. When I called the A.S.L.P. office in Juneau, I was told that they could do nothing unless the UAF Financial Aid office authorized me to receive the check. But when I went to Financial Aid they told me

they (UAF) didn't have the power to change the decision but that A.S.L.P. did. All I have encountered so far is this type of beaurocratic run-around and it is most confusing to me as a student. So I went to see George Winford (advisor and head of UAF Journalism department) who, by the way, supports my appeal. He informed me I could have my T.V.C.C. classes transfered to my UAF transcript, which I have done. It will now show that I have completed 14 credits for the fall semester of 1982.

Under Borrower's Responsibilities on my promissory note it states:

I must maintain good standing, as defined for this program, in order to receive disbursement of my loan under the Alaska Student Loan Program. Good standing is defined as enrolling and completing at least a full-time student load while maintaining a grade-point-average of at least a "C" for an undergraduate or "B" for a graduate student.

It is my interpretation that I did comply with this regulation as worded in Item #8 of promissory note signed 9/7/82, and as my transcript will show.

I have had to borrow the money to pay my fees for this semester but must pay that person back and have no money on which to live. I am an earnest college student and I need my A.S.L.P. loan to continue ry education. Therefore, I request that you reinstate my Alaska Student Loan for the spring semester of 1983 on the grounds that I did meet the requirements: completion of 14 credits at a 3.0+ GPA in fall of 1982.

Please review my appeal and let me know immediately of your decision.

Thank you very much for your consideration...

KATHLEEN M. SMOYER (574-34-9200)

A STUDENT LOAN IS A SERIOUS LEGAL OBLIGATION. IT IS EXTREMELY IMPORTANT THAT YOU UNDERSTAND YOUR RIGHTS AND RESPONSIBILITIES. WHEN YOU, THE STUDENT BORROWER, SIGN THE REVERSE SIDE OF THIS NOTE IT MEANS THAT (1) YOU UNDERSTAND YOUR RIGHTS AND RESPONSIBILITIES, AND THAT (2) YOU AGREE TO HONOR THEM.

BORROWER'S RIGHTS:

1. The lender must provide me a copy of the completed Promissory Note no later than the time the loan is disbursed and by retaining the Borrower's Copy of this note, I indicate that this right has been fulfilled. The lender must return the original Promissory Note to me when I have paid the loan in full.
2. My yearly and cumulative maximum Alaska Student Loan amounts are:

Category of Borrower	Annual Loan Limit	Aggregate Loan Limit
Undergraduate student	\$6,000	May receive loans up to 5 undergraduate academic school years. May receive loans up to 5 graduate academic school years. (Total years may not exceed 8)
Graduate student	\$7,000	
3. I am not required to provide security for this loan. The lender may require an endorser to sign the Promissory Note only if an endorsement is necessary — because I am under sixteen years of age — to make the Promissory Note a binding obligation under State law.
4. Each loan check must be payable to me. The lender will mail the check to me in care of the Student Financial Aid Office at the school I will be attending and the check will require my endorsement.
5. I have a right to a 12 month "grace period" before the repayment period begins. The grace period starts the first day after I leave school or cease to attend an eligible educational institution on a full-time basis. My first payment will be due no later than the first of the thirteenth month after I leave school or cease to attend school on a full-time basis.
6. The lender is to provide me with a repayment schedule before the repayment period begins. The provisions of this schedule must conform to the provisions under REPAYMENT in the Promissory Note.
7. I will repay this loan in monthly installments within 10 years of the date of commencing repayment. However, the following exceptions to these rules apply:
 - A. If, during the grace period, I request a shorter repayment period, the lender may grant me a shorter period.
 - B. Any period described under DEFERMENT in this Promissory Note will not be included in determining the 10 year period mentioned above.
8. I have a right to prepay the whole loan or any portion of the loan at any time without penalty.
9. If I meet certain requirements, I have a right to defer payment on the loan as set forth under DEFERMENT in the Promissory Note. Also, I have a right to a six month post-deferment grace period after each period of authorized deferment.
10. The Alaska Student Loan Program normally will pay the interest that accrues on the loan both before the repayment period, during any authorized deferment period, and during the six month period following deferment. In that event, the lender may not collect or attempt to collect this interest from me. The interest on the loan may not exceed five percent (5%) per year.
11. My loan obligation will be cancelled if I become fifty percent (50%) or more permanently disabled or if I die.
12. If I am willing, but financially unable to make payments under my repayment schedule, I may request the lender to allow any of the following (forbearance or hardship status):
 - A. A short period during which I make no payments;
 - B. An extension of time for making payment; or
 - C. The making of smaller payments than were scheduled originally.
 However, the lender is not required to approve my request.
13. If the lender sells the loan or otherwise transfers the right to receive payment, I must be sent a clear notification which spells out my obligations to the party to which my loan was sold.
14. Default occurs when I fail to make an installment payment when due, or to meet other terms of the Promissory Note under circumstances where the Alaska Student Loan Program finds it reasonable to conclude that I no longer intend to honor the obligation to repay, provided that my failure persists for (a) 120 days if I repay in monthly installments, or (b) 180 days if I repay in installments due less frequently than monthly. If I default, I will owe the entire balance of the loan plus accrued interest. If I am able, but unwilling to repay my loans, the Alaska Student Loan Program may institute legal action to force me to repay my loans. If I am named in such a legal action, I will forfeit all partial cancellation benefits for which I am otherwise eligible.
15. The lender must keep on file a copy of the State laws and regulations that govern the Alaska Student Loan Program. I have a right to examine these materials if I wish.
16. I should investigate the availability of other forms of financial aid with the school's financial aid administrator. It may be to my benefit to determine my eligibility for grant, work-study and other sources of assistance before applying for a student loan. I understand that receipt of an Alaska Student Loan may eliminate any awards that I may receive from other programs.
17. If I meet the eligibility requirements listed under PARTIAL CANCELLATION in the Promissory Note, I may be entitled to up to 50% partial cancellation of the principal which was actually advanced to me, plus accrued interest of this loan through the Alaska Student Loan Program, subject to the restriction noted in Item 14 in this statement.

BORROWER'S RESPONSIBILITIES:

1. I must use care in choosing a school. Each school must provide a prospective student with information about the school and its programs. I will consider this information carefully before deciding to attend a specific school. I understand that the State Government does not vouch for the quality of a school or its programs.
2. I must repay the loan in accordance with the repayment schedule that the lender will give me.
3. I must notify the lender promptly, in writing, if any of the following events occur before the loan is repaid:
 - A. My failure to enroll in school for the period for which the loan was intended.
 - B. My withdrawal from school or my attendance in school on less than a full-time basis.
 - C. My transfer from one school to another school.
 - D. My graduation from school.
 - E. A change in my name (e.g., maiden name to married name).
 - F. A change in my address.
 - G. A change in my Alaska residency status.
4. If I qualify for a deferment of repayment, I must (a) provide the lender with written evidence of my eligibility, and (b) notify the lender as soon as the condition for which the deferment was granted no longer exists.
5. I must use the proceeds that I receive from this loan for tuition, room and board, fees, books and supplies to attend the school named, for the period indicated on the loan application.
6. I must maintain my Alaska residency status in order to receive disbursements of my loan under the Alaska Student Loan Program.
7. I must maintain full-time student status in order to receive disbursements of my loan under the Alaska Student Loan Program.
8. I must maintain good standing as defined for this program in order to receive disbursements of my loan under the Alaska Student Loan Program. Good standing is defined as enrolling and completing at least a full-time student load while maintaining a grade-point average of at least a "C" for an undergraduate or "B" for a graduate student.
9. I must request an application form from the Alaska Student Loan Program Office in each year which I wish to apply for a loan under the program.
10. I must submit my complete and correct Alaska Student Loan Program application form to the Alaska Student Loan Program office by May 15 in order to receive priority processing of my application.



This application to be used for the 1982-83 year only. If you will be attending a Voc-Tech school, attendance must begin on or after JULY 1, 1982. If you will be attending a college or university, it be used from Fall 1982 through Summer 1983.

ALASKA STUDENT LOAN PROGRAM, POUCH FP, 450 WILLOUGHBY AVENUE, JUNEAU, ALASKA 99801

AMENDED

WARNING: This assistance applied for herein may be provided by 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 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: Smoyer First Name: Kathleen Middle Name: Marie 2. Social Security No: 574-34-9200 3. Date of Birth: Mo. 4 Day 14 Yr. 62

4. Permanent Mailing Address: P.O. Box 2652, Fairbanks, Alaska 99707

5. Current Mailing Address: SAME 116 40 Mile Ave Apt 3, Fairbanks, Alaska 99701

6. State of Permanent Residence: Alaska Since: Mo. AUGUST Year 1977 7. Area Code / Home Telephone Number: (907) 456-7250

8. References: You must provide four references. They must be of legal age with whom you have periodic contact.

Name:	Parent/Guardian	Other Parent, adult relative or friend at different address	Adult relative or friend at different address	Adult relative or friend at different address
<u>Ric Smoyer</u>	<u>Patricia Egan</u>	<u>Sheron Smoyer</u>	<u>Pati Hemm</u>	
<u>P.O. Box 2652</u>	<u>1593 Avenida Selva</u>	<u>116 40-Mile Ave.</u>	<u>733-A Kamoku</u>	
<u>Fbks., Alaska</u>	<u>Fullerton, Calif.</u>	<u>Fbks., Alaska</u>	<u>Honolulu, Hawaii</u>	
<u>907, 456-7250</u>	<u>714, 879-1664</u>	<u>907, 456-6496</u>	<u>808, 947-5293</u>	
<u>Father</u>	<u>Mother</u>	<u>Step-Mother</u>	<u>Friend</u>	

9. Academic year of study for which this loan applies (check one): UNDERGRADUATE: Freshman _____ Sophomore _____ Junior Senior _____ 5th Year _____ or GRADUATE YEAR: 1st _____ 2nd _____ 3rd _____ 4th _____

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

NAME AND LOCATION OF LENDER	DATE & TYPE OF LOAN	UNPAID BALANCE
<u>A.S.L.P.</u>	<u>80-81</u>	<u>\$ 3000.</u>
<u>A.S.L.P.</u>	<u>81-82</u>	<u>\$ 5000.</u>
		\$ _____
		\$ _____
		\$ _____

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

12. Enter the total number of your dependents (see instructions): 0

13. List ages: _____

13. Number of terms you will attend during year for which loan applies (specify number): Quarters: _____ Trimester/Semester: 2 Summer: _____ If Voc-Tech student, specify number of: Weeks: _____ Months: _____

14. While in school, will you live (check one): With Relatives On Campus Off Campus

15. Major course of study. Specify: Communication Jour/Broad.

16. Degree or Certificate being sought (Associate, B.S., M.A., Ph.D. Diploma, etc.): Bachelor's

17. Estimated cost of education for the loan period:

	Institution use only	18. Financial aid & other sources for loan period:	Institution use only:
Tuition Fees \$ <u>612.</u>	<u>788</u>	BEOG, SEIG \$ _____	\$ _____
Room & Board \$ <u>1000.</u>	<u>1096</u>	Parents, Savings, Etc. \$ _____	\$ _____
Books & Supplies \$ <u>500.</u>	<u>460</u>	Other Educ Loans \$ _____	\$ _____
Transportation \$ <u>464.</u>	<u>1000</u>	Other Scholar. & Grants \$ _____	\$ _____
Personal \$ <u>774.</u>	<u>800</u>	WICHE \$ _____	\$ _____
TOTAL \$ <u>6550.</u>	<u>3422</u>	TOTAL \$ <u>0</u>	\$ _____

19. Date of attendance for which loan is requested: From Mo. 8 Yr. 82 To: Mo. 5 Yr. 83

20. Amount of loan requested: \$ 6000.

21. Estimated date of graduation: Mo. 6 Yr. 84

22. List any prior degrees and date(s) received: none

23. Type of tuition you will pay for loan period (see instructions): Resident Non-Resident No Differential

24. Student Status during loan period: WICHE SEIG WICHE Yes No SEIG: Yes No

25. Have you/will you apply during the loan period for: (Date applied) _____

26. Name and address of school you will be attending: Name: University of Alaska-Fairbanks Address: Fairbanks, Alaska 99701

27. 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: Kathleen Smoyer Dated: _____

PART B - TO BE COMPLETED BY SCHOOL. When School Official completes and signs 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.

28. Name and Address of Educational Institution: _____ 29. OE School Code: _____

Name: _____ 30. Area Code and Telephone Number: _____

Address: _____

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.

31. Signature of Authorized School Official: _____ Name and Title: _____ 33. Date: _____

PART C - FOR ALASKA STUDENT LOAN OFFICE USE ONLY

Loan Approved: 5950 Application Incomplete: JUN 22 1982 Application Denied: _____

Total: 2000 Item(s): _____

Prior Alaska Student Loan(s)? Yes No 81/82

If yes, have any entered repayment? Yes No

Account # _____

RETURN TO THE ALASKA STUDENT LOAN OFFICE ACCESS NUMBER: _____

RECEIVED

ENTERED JUN 22 1982

**STUDENT BORROWER CERTIFICATION AND
STATEMENT OF EDUCATION PURPOSE**

I, the student borrower, certify that the information contained in Part A of this application is true, complete, and correct to the best of my knowledge and belief and is made in good faith. I hereby authorize the educational institution to pay to the Alaska Student Loan Office any refund which may be due me up to the amount of this loan. I further authorize any educational institution that I may attend to release to the Alaska Student Loan Office or subsequent holder or their agents, any requested information pertinent to this loan (e.g. employment, enrollment status, current address). ~~I certify that I will use any funds I receive under the Alaska Student Loan Program solely for the expenses related to attendance at the educational institution named on this form for the academic period covered by this application.~~ I understand that I am responsible for repaying any funds I receive which cannot reasonably be attributed to meeting my educational expenses at the educational institution named on this form. I further understand that the amount of any repayment is based on regulations published by the Alaska Student Loan Office. I certify that I am not now in default on an Alaska Student Loan (ASL). I authorize the Alaska Student Loan Program to issue warrants necessary to cover the proceeds of my loan, in full or in part, made payable to me and sent in care of the student financial aid office at the educational institution named on this application form.

SCHOOL CERTIFICATION STATEMENT

I hereby certify that the student borrower named on this application form is neither in default nor owes a refund with respect to previous loans or grants received for attendance at this institution based on available records. I further certify that I have reviewed the information in Part A of this application, have noted any amendments to items #17 and #18 in the institutional columns, and that the information provided is true, complete, and correct to the best of my knowledge and belief.

1982 1982

PROMISSORY NOTE

REVISED

ALASKA STUDENT LOAN PROGRAM
POUCH FP, 400 WILLOUGHBY
JUNEAU, ALASKA 99811

ANNUAL PERCENTAGE RATE AFTER THE BEGINNING OF THE REPAYMENT PERIOD		5%	
DISBURSEMENT SCHEDULE —			
DATES SHOWN ARE THE STANDARD DISBURSEMENT DATES FOR A SCHOOL USING YOUR CALENDAR SYSTEM, WARRANTS WILL BE MAILED TO THE FINANCIAL AID OFFICE.			
	MONTH	DAY	YEAR
1st Disbursement	8	20	82
2nd Disbursement	12	15	82
3rd Disbursement	XXXX	XX	XX
4th Disbursement	XX	XX	XX
TOTAL LOAN AMOUNT			\$ 9,900.00

NOTE ISSUE DATE: 05/01/82

FOR ATTENDANCE AT:
~~UNIVERSITY OF ALASKA - FAIRBANKS~~
C/O STUDENT FINANCIAL AID OFFICE
FAIRBANKS AK 99701
FOR ATTENDANCE FROM: 06/82 TO: 05/83

BORROWER: KATHLEEN MARIE SMUYER
ADDRESS: P.O. BOX 2652
FAIRBANKS AK 99707
SOCIAL SECURITY NUMBER: 574-34-9200-01-04

PLEASE READ CAREFULLY THIS THE TERMS AND CONDITIONS OF THIS PROMISSORY NOTE AND THE STATEMENT OF BORROWER'S RIGHTS AND RESPONSIBILITIES.

YOUR REQUEST FOR A STUDENT LOAN HAS BEEN APPROVED FOR THE TOTAL LOAN AMOUNT INDICATED ABOVE. THE TERMS OF THIS PROMISSORY NOTE WILL BE INTERPRETED ACCORDING TO ALASKA STATUTE (14.40.751 to .806) AND ALASKA REGULATIONS (20 ACC 15.010 to .410) GOVERNING THE ALASKA STUDENT LOAN PROGRAM.

I, the borrower, promise to pay to the Alaska Student Loan Program, Pouch FP, 400 Willoughby Avenue, Juneau, Alaska 99811, the lender, all of the principal sum totaled above to the extent it is advanced to me, plus an amount equivalent to simple interest on this sum at the rate of five percent per year. If I fail to pay any of these amounts when they are due, I will also pay costs—including attorney's fees—that are permitted by State Regulations and are necessary for the collection of these amounts.

The lender and I understand that the following terms apply to this loan:

REPAYMENT:
1. I will repay this loan in monthly installments during a repayment period that will begin no later than the 1st of the thirteenth month (the "grace period") after I either leave school or cease to carry a full-time academic workload at an eligible educational institution (the "school"). I may, however, choose to have the repayment period begin earlier. 2. I will repay this loan within ten (10) years from the date that the repayment period begins. If, during the grace period, I request a shorter repayment period, the lender may grant me a shorter period. In that event, I may later choose to have the repayment period extended to the number of months remaining in the original 10 year repayment cycle at the time the extension is requested. Any approved period of deferment listed under DEFERMENT will not be included in determining the 10 year repayment period. 3. The particular terms and conditions of repayment that apply to this loan will be set forth in a separate document, known as a repayment schedule or a statement of loan terms, that the lender is to provide to me before the repayment period begins.

PREPAYMENT:
I may, at my option and without penalty, prepay all or any part of the principal and accrued interest of this loan at any time. If I do so, I will be entitled to a rebate of any unearned interest that I have paid. Any rebate I am entitled to will be calculated by multiplying the number of months the loan had been prepaid by the amount of the monthly interest charge listed on the repayment schedule or the statement of loan terms. Any earned, unpaid interest listed on the repayment schedule or statement of loan terms.

DEFERMENT:
My loan payment will be deferred after the repayment period begins, provided I comply with the procedural requirements set forth in the regulations governing the Alaska Student Loan Program, in any of these circumstances:

1. While I am enrolled in full-time study at an eligible educational institution (12 semester or quarter hours for an undergraduate student, 9 semester or quarter hours for a graduate student, or 30 clock hours per week for a career education program student);
2. For a single period not to exceed one year while I am conscientiously seeking but unable to find full-time employment in the United States;
3. For a period not to exceed three years while I am serving as a full-time volunteer under the Peace Corps Act;
4. For a period not to exceed three years while I am serving as a full-time volunteer under the Domestic Service Act of 1973 (action programs);
5. For a period not to exceed two years while I am serving a first required internship/residency as part of the program of study;
6. For a period not to exceed three years while (a) I am fifty percent (50%) or more disabled as certified by a qualified physician or (b) I am unable to secure employment by reason of the care required by a spouse who is temporarily totally disabled;
7. For any period while I am serving on active duty in the Armed Forces of the United States.

I am also entitled to a six month grace period following any period of authorized deferment under this section before repayment is required to resume.

INTEREST:
1. The Alaska Student Loan Program will normally pay the interest that accrues on this loan prior to the repayment period, during any post-deferment grace period, and during any deferment period as specified under DEFERMENT in this promissory note. Prior to the loan repayment period, during any post-deferment grace period, and during any deferment period, the lender may not attempt to collect the interest from me. I may, however, choose to pay this interest myself.

2. Once the repayment period begins, I will be responsible for payment of all the interest that accrues on this loan, except for interest that accrues during any period described under DEFERMENT in this promissory note.
3. The Lender may add any interest that is not paid when it is due to the unpaid balance of this loan, in accordance with Alaska Regulations.

DEFAULT:
If I default on this loan, the lender may declare the entire unpaid amount of the loan, including interest, immediately due and payable. A default may also make me ineligible for the benefits described under DEFERMENT, INTEREST, and PARTIAL CANCELLATION in this promissory note. Under the Regulations governing this program, any of the following events could be considered a default: my failure to make a payment when it is due, my failure to notify the lender of a change in my name, address, withdrawal for full-time student status, change of schools, residency status, my failure to maintain Alaska residency, or if I falsify any document in connection with the making of this loan, whether by omission or commission.

DISABILITY OR DEATH:
If I become fifty percent (50%) or more permanently disabled, my obligation to pay any amount owed to this loan will be cancelled as specified under the regulations governing the Alaska Student Loan Program.

PARTIAL CANCELLATION:
If I receive the appropriate degree, diploma or certificate for which this loan was made, and if I reside in Alaska within one year from the time I earned my degree, diploma or certificate, then upon my providing proof of graduation to the lender, I may receive partial cancellation of up to fifty percent (50%) of the original principal of this loan. My obligation to pay to me, and accrued interest when the following conditions have been satisfied:

1. I have completed over two but less than three consecutive years of Alaska residency, 10% of the principal and interest of this loan will be cancelled upon request in writing by me;
2. I have completed over three but less than four consecutive years of Alaska residency, 10% of the principal and interest of this loan will be cancelled upon request in writing by me;
3. I have completed over four but less than five consecutive years of Alaska residency, 10% of the principal and interest of this loan will be cancelled upon request in writing by me;
4. I have completed over five but less than six consecutive years of Alaska residency, 10% of the principal and interest of writing by me;
5. I have completed over six consecutive years of Alaska residency, 10% of the principal and interest of this loan will be cancelled upon request in writing by me.

I understand that if I cease to be a resident of Alaska during the period of the eligibility for partial cancellation, I lose my eligibility for any further partial cancellation benefits.

GENERAL:

1. The lender must provide me with a copy of this promissory note. By signing and dating this note below, I have indicated that I have retained the borrower's copy for my records. The terms of this promissory note will be interpreted according to the Regulations and Statutes governing the Alaska Student Loan Program as listed in bold print.
2. I will use all of the proceeds that I receive from this loan solely for tuition, books, required fees, room and board.
3. I am not required to provide any security for this loan. The lender may require my parent or legal guardian to sign the promissory note only if an encloser is necessary — because I am under sixteen years of age — to make the promissory note a binding obligation under Alaska Law.
4. I will promptly notify the lender, in writing, if any of the following events occur before the loan is repaid, change of my name, change of address, change of school enrollment status or change from Alaska residency status.
5. I understand that I will not be granted ASLP loans for more than five years of undergraduate study, or five years of graduate study, or for a total of eight years of combined study. Intervening years in which a loan was not received are not counted toward the total years permitted.
6. This loan will be disbursed to me in the amounts listed above and will be disbursed in accordance with the disbursement schedule on this form.

ACCEPTANCE:
I have read this promissory note, including the terms and conditions on the reverse side and agree to abide by these conditions.

Kathleen Smayer
SIGNATURE OF BORROWER

P.O. Box 2652 Fbks. (mailing)
ADDRESS OF BORROWER

Sept. 7 1982
DATE SIGNED

NAME OF ENDORSER, IF ANY
(PLEASE PRINT)

SIGNATURE OF ENDORSER

ENTERED SEP 13 1982
DATE SIGNED

STATEMENT OF BORROWER'S RIGHTS AND RESPONSIBILITIES

A STUDENT LOAN IS A SERIOUS LEGAL OBLIGATION. IT IS EXTREMELY IMPORTANT THAT YOU UNDERSTAND YOUR RIGHTS AND RESPONSIBILITIES. WHEN YOU, THE STUDENT BORROWER, SIGN THE REVERSE SIDE OF THIS NOTE IT MEANS THAT (1) YOU UNDERSTAND YOUR RIGHTS AND RESPONSIBILITIES, AND THAT (2) YOU AGREE TO HONOR THEM.

BORROWER'S RIGHTS:

1. The lender must provide me a copy of the completed Promissory Note no later than the time the loan is disbursed and by retaining the Borrower's Copy of this note, I indicate that this right has been fulfilled. The lender must return the original Promissory Note to me when I have paid the loan in full.
2. My yearly and cumulative maximum Alaska Student Loan amounts are:

Category of Borrower	Annual Loan Limit	Aggregate Loan Limit
Undergraduate student	\$6,000	May receive loans up to 5 undergraduate academic school years.
Graduate student	\$7,000	May receive loans up to 5 graduate academic school years. (Total years may not exceed 8)
3. I am not required to provide security for this loan. The lender may require an endorser to sign the Promissory Note only if an endorsement is necessary — because I am under sixteen years of age — to make the Promissory Note a binding obligation under State law.
4. Each loan check must be payable to me. The lender will mail the check to me in care of the Student Financial Aid Office at the school I will be attending and the check will require my endorsement.
5. I have a right to a 12 month "grace period" before the repayment period begins. The grace period starts the first day after I leave school or cease to attend an eligible educational institution on a full-time basis. My first payment will be due no later than the first of the thirteenth month after I leave school or cease to attend school on a full-time basis.
6. The lender is to provide me with a repayment schedule before the repayment period begins. The provisions of this schedule must conform to the provisions under REPAYMENT in the Promissory Note.
7. I will repay this loan in monthly installments within 10 years of the date of commencing repayment. However, the following exceptions to these rules apply:
 - A. If, during the grace period I request a shorter repayment period, the lender may grant me a shorter period.
 - B. Any period described under DEFERMENT in this Promissory Note will not be included in determining the 10 year period mentioned above.
8. I have a right to prepay the whole loan or any portion of the loan at any time without penalty.
9. If I meet certain requirements, I have a right to defer payment on the loan as set forth under DEFERMENT in the Promissory Note. Also, I have a right to a six month post-deferment grace period after each period of authorized deferment.
10. The Alaska Student Loan Program normally will pay the interest that accrues on the loan both before the repayment period, during any authorized deferment period, and during the six month period following deferment. In that event, the lender may not collect or attempt to collect this interest from me. The interest on the loan may not exceed five percent (5%) per year.
11. My loan obligation will be cancelled if I become fifty percent (50%) or more permanently disabled or if I die.
12. If I am willing, but financially unable to make payments under my repayment schedule, I may request the lender to allow any of the following (forbearance or hardship status):
 - A. A short period during which I make no payments;
 - B. An extension of time for making payment; or
 - C. The making of smaller payments than were scheduled originally.
 However, the lender is not required to approve my request.
13. If the lender sells the loan or otherwise transfers the right to receive payment, I must be sent a clear notification which spells out my obligations to the party to which my loan was sold.
14. Default occurs when I fail to make an installment payment when due, or to meet other terms of the Promissory Note under circumstances where the Alaska Student Loan Program finds it reasonable to conclude that I no longer intend to honor the obligation to repay, provided that my failure persists for (a) 120 days if I repay in monthly installments, or (b) 180 days if I repay in installments due less frequently than monthly. If I default, I will owe the entire balance of the loan plus accrued interest. If I am able, but unwilling to repay my loans, the Alaska Student Loan Program may institute legal action to force me to repay my loans. If I am named in such a legal action, I will forfeit all partial cancellation benefits for which I am otherwise eligible.
15. The lender must keep on file a copy of the State laws and regulations that govern the Alaska Student Loan Program. I have a right to examine these materials if I wish.
16. I should investigate the availability of other forms of financial aid with the school's financial aid administrator. It may be to my benefit to determine my eligibility for grant, work-study and other sources of assistance before applying for a student loan. I understand that receipt of an Alaska Student Loan may eliminate any awards that I may receive from other programs.
17. If I meet the eligibility requirements listed under PARTIAL CANCELLATION in the Promissory Note, I may be entitled to up to 50% partial cancellation of the principal which was actually advanced to me, plus accrued interest of this loan through the Alaska Student Loan Program, subject to the restriction noted in item 14 in this statement.

BORROWER'S RESPONSIBILITIES:

1. I must use care in choosing a school. Each school must provide a prospective student with information about the school and its programs. I will consider this information carefully before ~~deciding to attend a specific school~~. I understand that the State Government does not vouch for the quality of a school or its programs.
2. I must repay the loan in accordance with the repayment schedule that the lender will give me.
3. I must notify the lender promptly, in writing, if any of the following events occur before the loan is repaid:
 - A. My failure to enroll in school for the period for which the loan was intended.
 - B. ~~My withdrawal from school or my attendance at school on less than a full-time basis.~~
 - C. My transfer from one school to another school.
 - D. My graduation from school.
 - E. A change in my name (e.g., maiden name to married name).
 - F. A change in my address.
 - G. A change in my Alaska residency status.
4. If I qualify for a deferment of repayment, I must (a) provide the lender with written evidence of my eligibility, and (b) notify the lender as soon as the condition for which the deferment was granted no longer exists.
5. I must use the proceeds that I receive from this loan for tuition, room and board, fees, books and supplies to attend the school named, for the period indicated on the loan application.
6. I must maintain my Alaska residency status in order to receive disbursements of my loan under the Alaska Student Loan Program.
7. I must maintain full-time student status in order to receive disbursements of my loan under the Alaska Student Loan Program.
8. I must maintain good standing, as defined for this program, in order to receive disbursements of my loan under the Alaska Student Loan Program. Good standing is defined as enrolling and completing at least a full-time student load while maintaining a grade-point-average of at least a "C" for an undergraduate or "B" for a graduate student.
9. I must request an application form from the Alaska Student Loan Program Office in each year which I wish to apply for a loan under the program.
10. I must submit my complete and correct Alaska Student Loan Program application form to the Alaska Student Loan Program office by May 15 in order to receive priority processing of my application.

Article 9. Scholarship Loans and Tuition Grants.

Section	Section
751. Loan and tuition funds created	771. Enforceability of certain contracts with minors
753. Financial aid committee	
755. Applications	773. Repealed
757. Administration of program	776. Tuition grants
759. Undergraduate loans	781. Limitation on grants
761. Graduate loans	786. Conditions of grants
763. Conditions of loans	791. Eligibility of students
765. Eligibility of students	796. Application and certification
767. Selection criteria	801. Fiscal and business management practices
769. Discrimination prohibited	806. Definitions

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 Secs. 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 funds shall be used to make tuition grants to students selected under Secs. 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.

(Sec. 1 ch 98 SLA 1971; am Sec. 1 ch 156 SLA 1972; am Secs. 1,2 ch 136 SLA 1974; am Sec. 1 ch 136 SLA 1975, retroactive to February 1, 1975)

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 Secs. 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 Secs. 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.

(c) The selection 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. (Sec. 1 ch 98 SLA 1971; am Sec. 2 ch 156 SLA 1972; am Sec. 5 ch 78 SLA 1974; am Sec. 3 ch 136 SLA 1974)

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. (Sec. 1 ch 98 SLA 1971; am Sec. 3 ch 156 SLA 1972; am Sec. 4 ch 136 SLA 1974)

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. (Sec. 1 ch 98 SLA 1971; am Sec. 5 ch 136 SLA 1974)

Sec. 14.40.759. Undergraduate loans. The committee may make a loan, not to exceed \$6,000 in any one school year, to an undergraduate student eligible under AS 14.40.765. (am Sec. 1 ch 89 SLA 1981)

Sec. 14.40.761. Graduate loans. The committee may make a loan, not to exceed \$7,000 in any one school year, to a graduate student who is eligible under AS 14.40.765 and is pursuing an advanced degree. (am Sec. 2 ch 89 SLA 1981)

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 or a college or university approved by the commission, and, if the loans are federally insured, by the United States Commissioner of Education. (Sec. 1 ch 99 SLA 1977; am Sec. 3 ch 87 SLA 1979)

(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. The commission shall adopt regulations defining "good standing" for purposes of this subsection. (am Sec. 3 ch 89 SLA 1981)

(d) Scholarship loans may not be made to

- (1) for more than five years of undergraduate study;
- (2) for more than five years of graduate study;
- (3) for more than a total of eight years of undergraduate and graduate study. (am Sec. 4 ch 89 SLA 1981)

(e) Loans are interest bearing while a student is enrolled under (c) of this section or is receiving a deferment of payments under (k) of this section; however, a student shall be entitled to have a portion of the interest paid on his behalf and for his account in accordance with (1) of this section. (am Sec. 2 ch 99 SLA 1977; am Sec. 4 ch 87 SLA 1979)

(f) Interest on a loan given under sections 751-806 of this chapter is at the rate of five percent a year.

(g) Repayment of the principal and interest on the loan begins no later than one year after the borrower terminates his studies. The loan shall provide for repayment of the total amount owed in periodic installments in not more than 10 years from the commencement of repayment, except as provided in (k) and (m) of this section. If the commission and the borrower agree to a different repayment schedule, the borrower shall repay the loan in accordance with the agreement. A borrower may make payments earlier than required by this subsection. (repealed and reenacted Sec. 5 ch 89 SLA 1981)

(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 shall notify the borrower that repayment of the remaining balance is accelerated and due by sending the borrower a notice by registered or certified mail. (am Sec. 6 ch 89 SLA 1981)

(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 is a resident of the state for at least two years. The portion of the loan that shall be paid by the state is the following percentages of the total loan received plus interest up to a total of 50 percent of the total loan:

- (1) two-three years residence in the state, 10 percent;
- (2) three-four years residence in the state, an additional 10 percent;
- (3) four-five years residence in the state, an additional 10 percent;
- (4) five-six years residence in the state, an additional 10 percent;
- (5) over six years residence in the state, an additional 10 percent.

(Sec. 1 ch 98 SLA 1971; am Sec. 4 ch 156 SLA 1972, am Sec. 6 ch 78 SLA 1974; am Sec. 8 ch 136 SLA 1974; am Sec. 6 ch 87 SLA 1979; repealed and reenacted Sec. 7 ch 89 SLA 1981)

The reenactment of AS 14.40.763(j) in section 7 of this Act applies to any student who has obtained a scholarship loan under AS 14.40.751-14.40.806 since July 1, 1971. (Sec. 12 ch 89 SLA 1981)

(k) Periodic installments of principal shall be deferred, but interest shall accrue and be paid unless the student is eligible for interest payment benefits under (1) of this section during any of the following:

- (1) return to student status as provided in (c) of this section;
- (2) serving on active duty as a member of the armed forces of the United States;
- (3) serving, for up to three years, as a full-time volunteer under the Peace Corps Act;
- (4) serving, for up to three years, as a full-time volunteer under the Domestic Volunteer Service Act of 1973;

(5) for a one-time period up to 12 months in which the borrower is seeking and unable to find employment in the United States; or

(6) if the borrower becomes 50 percent or more disabled as certified by competent medical authority. (repealed and reenacted Sec. 7 ch 87 SLA 1979)

(l) The state will pay the interest on that portion of a loan that is not federally insured during

- (1) the period before the beginning of the repayment period of the loan; and
- (2) deferments under (k) of this section.

(m) In case of hardship, the committee may extend repayment of a loan for an additional period of up to five years in increments no longer than 12 months each. (am Sec. 8 ch 89 SLA 1981)

(n) repealed. (Sec. 11 ch 89 SLA 1981)

(o) The provisions of (j) of this section do not apply to a loan to a borrower named in a complaint as a defendant in an action by the state or by the commission to secure payment of the unpaid balance of a loan made under AS 14.40.759 or 14.40.761. (am Sec. 9 ch 89 SLA 1981)

(p) For purposes of this section, a person qualifies as a resident if the person is physically present in the state with the intent to remain permanently in the state or, if not physically present in the state, the person intends to return to the state and is absent due to military service. (am Sec. 9 ch 89 SLA 1981)

Sec. 14.40.765. Eligibility of students. (a) A person may apply for and obtain a scholarship loan if the person

- (1) is a resident of the state at the time he applies for a scholarship loan;
- (2) meets the requirements of (b) of this section; and
- (3) is
 - (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.

(b) In addition to the requirements of (a) of this section, to obtain a scholarship loan a person must have been a resident of the state for at least two years at the time he applies for the loan. For purposes of this subsection, a person qualifies as a resident of the state if at the time he applies for the loan the person

- (1) has been present in the state for at least two years unless his absence from the state during any part of the two years was due to military service; or
- (2) is a person who is dependent on a parent or guardian for his care, and the parent or guardian has been present in the state for at least two years. (repealed reenacted Sec. 10 ch 89 SLA 1981)

Sec. 14.40.767. Selection criteria. (a) The selection committee shall grant loans based on total point accumulations under this subsection with priority going to those applicants with the highest point accumulations, except as provided in (b) of this section for loan applications completed before May 15 of each year. Points shall be awarded to applicants based upon student status and continuous Alaskan residency, according to the following schedule:

- (1) student status:
 - (A) continuing undergraduate and graduate students with existing Alaska scholarship loans 4 points
 - (B) continuing undergraduate and graduate students without existing Alaska scholarship loans 3 points
 - (C) freshmen 2 points
 - (D) new graduate students without existing Alaska scholarship loans 1 point
- (2) continuous Alaskan residency:
 - (A) students with continuous Alaskan residency of 10 years or more 3 points
 - (B) students with continuous Alaskan residency of at least 5 years and less than 10 years 2 points
 - (C) students with continuous Alaskan residency of more than 2 years and less than 5 years 1 point
- (3) students attending Alaska colleges or universities 1 point.

(b) In awarding loans the selection committee shall award loans to applicants based upon the earliest date of completed applications if

- (1) the applicant has accumulated at least 5 points under (a) of this section; and
- (2) the applicant has filed a completed application not later than May 15 of the year for which the loan is requested. (repealed and reenacted Sec. 2 ch 87 SLA 1979)

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. (Sec. 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. (Sec. 1 ch 98 SLA 1971)

Sec. 14.40.773. Repealed. (Sec. 6 ch 156 SLA 1972)

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 \$2,500 plus a cost-of-living adjustment. Subject to the approval of the committee and to the availability of appropriated funds, the executive secretary may adjust the maximum grant based on a cost-of-living factor comparable to that employed in making adjustments to the state employee pay plan under AS 39.27.015. The tuition grant paid to a 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 shall be applied by the student toward his tuition at the private university or college in which he enrolls. (am Sec. 1 ch 246 SLA 1976)

(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 expenditures 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 the 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 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 college or universities in which students receiving tuition grants are enrolled may be a member of that committee.

(Sec. 5 ch 156 SLA 1972; am Secs. 9, 10 ch 136 SLA 1974; am Sec. 2 ch 136 SLA 1975)

Sec. 14.40.781. Limitation on grants. (a) No grants may be made under sec. 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 tuition grant under sec. 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 $G = P - S - F$, in which

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



NEA - ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

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Robert C. Manners
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Robert C. Cooksey
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James D. Alter
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Anchorage Office

Dianne Anderson
Field Staff
Anchorage Office

Steve Pulkkinen
Field Staff
Anchorage Office

Mary Ann Eininger
Deputy Executive Secretary
Fairbanks Office

To: Senator Joe Josephson, Chair
Members, Senate HESS Committee

Re: Senate Bills pertaining to the
Student Scholarship Loan Program.
(SB 118, 185, 197, 209, 210)

March 30, 1983

NEA-Alaska strongly urges continuation of the student scholarship program in the broadest perspective which is fiscally sound.

If financial constraints are necessary we would first encourage that the committee look to: a.) a modest increase in the interest rate (perhaps from 5% to 8%); b.) making the amount of the loan contingent on demonstrable need which would take into consideration all the financial resources available to the applicant; and, c.) a possible reduction or elimination in the amount of forgiveness.

Thank you for your consideration.

Respectfully submitted,

Robert Manners
Executive Secretary

RM:li

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

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

M E M O R A N D U M

TO: Members of the Senate HESS Committee

Senator Joe Josephson, Chairman Senator Paul Fischer
Senator Vic Fischer Senator Pappy Moss
Senator Rick Halford

FROM: Jane Byers Maynard, Director for Special Programs
Alaska Commission on Postsecondary Education *JBM*

DATE: April 5, 1983

At the Senate HESS Committee meeting on student loans, Senator Vic Fischer requested the number of community college loan awards to students enrolled in vocational programs by occupation area. This information has been added to the list provided at the meeting showing loan awards and estimated annual job openings in several vocational fields.

Seven hundred and thirty-two loans to students attending 142 community colleges are listed. Total loan awards to students at vocational/technical schools and community colleges represent about 17% of 1982-83 loans awarded to date.

Adding community college information has increased the list of occupation titles from 49 to 60. There are 18 occupation areas in which loan awards exceed estimated annual job openings. The list also shows those vocations where state manpower needs are greatest.

If the Committee would like additional information, please contact me at 465-2854.

Enclosure

[RECEIVED]

APR 05 1983

Josephson,



UNIVERSITY OF ALASKA ALUMNI ASSOCIATION

UNIVERSITY OF ALASKA
FAIRBANKS, ALASKA 99701

March 28, 1983

The Honorable Joe Josephson
Senator, State of Alaska
Pouch V
Juneau, AK 99811

Dear Senator Josephson:

We as elected representatives of the alumni of the University of Alaska are writing you in support of the State student loan program. We are seriously concerned by comments appearing in the press suggesting full funding may be in jeopardy and that various categories of Alaskans may be excluded from applying for loans in the future.

The University of Alaska Alumni Association feels that one of the very best uses of state funds is investment in the future of Alaska through investment in the education and training of the citizens of Alaska. In support of this goal we urge appropriation of state funds adequate to meet the borrowing needs of qualified applicants for the Alaska student loan programs.

The Alumni Association is not opposed to an increase in interest rates for student loans to 9% or some other reasonable rate. We are also not opposed to some change in the loan forgiveness clause, although we would prefer to see forgiveness retained in some form.

We trust that our comments will assist you in making decisions regarding the several bills presently before the legislature which affect the student loan program.

Very truly yours,

Board of Directors
University of Alaska Alumni Association

By Jim McCaslin Brown
Jim McCaslin Brown, Vice President

JMB:meh
cc: President Jay Barton
Dr. Kerry Ramesburg

Health, Education and
Social Services Committee



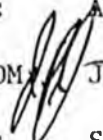
Official Business

Alaska State Legislature

Senate

Pouch V
State Capitol
Juneau, Alaska 99811
465-4907
465-4908

MEMORANDUM

TO: ALL MEMBERS OF THE SENATE HESS COMMITTEE
FROM:  JOE P. JOSEPHSON, CHAIR
RE: SCHOLARSHIP LOAN PROGRAM

ALL THE SCHOLARSHIP LOAN PROGRAM BILLS (SB 118, SB 185, SB 197, SB 209) HAVE BEEN SCHEDULED FOR THE SECOND HEARING IN COMMITTEE ON MONDAY, APRIL 11, 1983.

IN ORDER TO FACILITATE PREPARING A COMMITTEE SUBSTITUTE RELATING TO STUDENT LOANS, I ASK THAT YOU COMPLETE THE ATTACHED FORM WITH YOUR VIEWS ON THE PROGRAM AND RETURN IT TO MY OFFICE NO LATER THAN FRIDAY, APRIL 8, 1983, IN ORDER TO PREPARE A COMMITTEE SUBSTITUTE FOR MONDAY'S MEETING.

I AM ENCLOSING, ALSO, THE CHART ON THE FOUR DIFFERENT BILLS WE HAVE CONSIDERED FOR YOUR INFORMATION.

YOUR COOPERATION ON THIS ISSUE IS APPRECIATED.

PLEASE FILL IN YOUR OPINION ON THE FOLLOWING ISSUES IN THE APPROPRIATE SPACES:

FORGIVENESS AMOUNT	
STUDENT LOAN AMOUNTS (GRAD/UNDERGRAD)	
INTEREST RATE	
APPLICATION DATE	
VOCATIONAL LIMITATION	
RESIDENCY REQUIREMENT	
FULL TIME STANDING REQUIREMENT	
OTHER	

SIGNATURE _____

TO: P.R.D.
File re
Student loans

TO: Senator Josephson
FROM: Dave Donley *DB*
RE: Student Loan Program
DATE: 02/16/83

Attached are the Commission of postsecondary educations responses to your question as to the effect of seven specific proposals for modification of the student loan program. The commission response identifies changing the application deadline (if Alaska loses current case) and raising the interest rate as the most effective cost reducers.

Comment

After much deliberation I have reached the decision that Sen. Sackett proposal to limit the loans to high school seniors graduating in Alaska is the most advantageous proposal.

While the Sackett proposal has a serious ^{fault} ~~flaw~~ in its depriving older individuals access to the fund it appears to be the only way to get this program under control and to keep it there in the future. By adopting Sen. Sackett's proposal no other modifications to the current loan scheme are necessary although some may be desirable. Specifically, I refer to revised guidelines regarding vocational education loans (i.e., beauticians and flying lessons) and increasing the required grade point level to at least 2.25.

I find the entire process of fiscal review of this program rather ironic. It appears undisputable that the state has and probably is wasting incredible sums of money on poorly-concieved projects and programs. Considering this on-going waste the problems with the loan program, a undisputably worthy program, should be kept in perspective.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

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

M E M O R A N D U M

TO: Dave Donley
Legislative Assistant to Senator Joe Josephson

FROM: Kerry D. Romesburg, Executive Director
Alaska Commission on Postsecondary Education

DATE: February 14, 1983

You requested information on seven points related to the student loan program. I shall address each below.

1. Change application deadline date to December 15.

Rolling the application deadline forward from May 15 to December 15 would have some advantages. As I understand the suggestion, a 12-month residency would be required at the time of application. If Alaska loses the residency challenge currently in Federal district court, this proposal could save quite a lot of money. However, if the State win the case, there would probably not be large savings realized by advancing the application deadline.

The only impact, irrespective of the court challenge, would be to eliminate those students who decide to attend school and make that decision after December. This number is difficult to project, but we do know that of the 13,569 borrowers (as of January 21, 1983), 3,582 applied for these loans after the May 15 deadline. If this pattern were to continue, and if a hard-fast deadline were enforced, these 3,500 students would be denied. At an average loan of \$4,500, this would reduce program outlay by nearly \$16 million.

2. Decrease forgiveness from 50% to 40%.

Decreasing forgiveness back to its original 40% would result in some savings, but not for some time. The reason is that this change could only affect loans made from now on, since all loans currently outstanding have a 50% forgiveness rate (as per FCCSSB 120 of the 1981 Session). Therefore the 10% reduction would not be realized until next year's borrower completed his or her program of study and grace year and then paid for four years. Then -- the fifth year of repayment, there would be some savings. In other words, the earliest we could see a fiscal impact of this change, would be at least 1989-90, and this would still be extremely limited. The real impact would not be felt until about 1993-94 and 1994-95.

3. Raise interest to 7% or 9%.

The information listed below is for a \$1,000 loan. If larger loan amount effects are desired, these may be derived by simply multiplying by the desired factor.

<u>Interest Rate</u>	<u>Monthly Payment</u>	<u>Total Interest</u>	<u>Total Principal</u>	<u>Total Owed</u>
5%	\$10.61	\$273.20	\$1,000.00	\$1,273.20
7%	11.62	394.40	1,000.00	1,394.40
9%	12.67	520.40	1,000.00	1,520.40

The above data provides information on how this change would impact the borrower. In terms of how this impacts the program, one needs to look at the increased program receipts realized by the additional interest income. Once again, as with changing the forgiveness provisions, the impact would not be realized for some years to come. The earliest impact would come in three years, that is, a 1983-84 borrower would attend school and complete study in 1983-84, receive grace year in 1984-85, and then begin payment in 1985-86. These payments would be higher, reflecting the increased interest. However, here again, the large impact would not be realized until those persons borrowing three or four years' worth of loans at this higher rate entered the repayment cycle -- around 1988-89 or 1989-90. Then we would increase program receipts by \$5 or \$6 million per year.

4. Raising GPA requirement from 2.0 to 2.5.

The impact of increasing the cumulative grade-point-average (GPA) from 2.0 to 2.5 is rather difficult to assess. The 2.0 GPA requirement currently required by the state for "good standing" has only been in place for this present borrowing year (1983-84). We do know that this has had an effect on borrowers, but we will not really have a good idea of how much until next fall. Hence, it is difficult to estimate what a raised GPA would do. Most certainly it would result in disqualifying a number of current borrowers and thereby save the program money in the future.

5. Impose penalties for one-term borrowers.

Under the present program, one "loophole" exists. A borrower may apply, register in school, obtain first loan installment, and drop from school immediately. That borrower then enters grace year, and one year later must begin repayment, but in the meantime has obtained \$2,500 or \$3,000 at 5% interest. It is an easy way for one to obtain some quick cash for essentially no effort. When this is coupled with the fact that these persons are also our worst offenders for default, the problem is worsened.

What to do is a difficult question. If we impose penalties for one-term borrowers, such as increased interest or loss of grace year, this may discourage some potential abusers, but it also penalizes an individual who faces some catastrophic event and is forced to drop from school. If we allow appeals for waiver we get into an administrative mess. Certainly it can be done, but the question is how many true abusers do we have, and is the "cure" worth the "ailment"? We really do not know.

The other approach is easy administratively, but penalizes a large group for the actions of a small minority. That is, we could simply not make loans available until the second term of a freshman year. This means the students must do one term on their own (and I would suggest one term of full-time study or its equivalent) before becoming eligible to borrow. This would result in program savings of approximately \$9 million in 1983-84 alone. It would also enhance our default rate and eliminate the potential for abuse, but it surely penalizes a large group of students.

6. Restrict vocational borrowers to fields with projected manpower deficits.

We are currently checking with the State Division of Labor to see if manpower data are available for specific fields -- such as, hair styling, cooks, secretarial, commercial piloting, etc. When we get an idea of how detailed these data are, we will respond more directly to this point. Now, we simply do not know if it would be practical or possible.

7. Maintain program for in-state attendance and impose changes for out-of-state attendance.

The two points being considered are forgiveness and interest rates. The forgiveness and interest rates would continue in present form for those attending in-state, but would be changed for those attending out-of-state. As with the discussions in numbers 2 and 3 above, the fiscal impacts would be some years ahead. Additionally, the impacts would be approximately halved, since the out-of-state attendance rate is about 50%.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

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

M E M O R A N D U M

TO: Tom Bergstrom
Legislative Assistant to
Senator John Sackett

FROM: Kerry D. Romesburg, Executive Director
Alaska Commission on Postsecondary Education

DATE: February 7, 1983

As per our discussion, I am enclosing the figures related to Alaska high school graduation rates and some impacts certain restrictions might have on student loan projections.

The projection of high school seniors comes from a publication of the Department of Education.

1. High school seniors (projections)

<u>Year</u>	<u>Number</u>
1983-84	6,348
1984-85	6,581
1985-86	6,467
1986-87	6,626
1987-88	6,600
1988-89	7,577

2. Postsecondary education attendance rates

According to the Commission's annual high school senior survey, approximately 59% of Alaska's seniors plan some type of postsecondary attendance. Therefore, the potential borrowing rates would be:

<u>Year</u>	<u>Potential Borrowers</u>
1983-84	3,745
1984-85	3,883
1985-86	3,792
1986-87	3,909
1987-88	3,894
1988-89	4,470

3. Projections based upon current program with residency reduced to 12 months:

<u>Year</u>	<u>Loan Awards</u>	<u>Loan Volume</u>	<u>General Fund</u>
1983-84	19,060	\$ 93,394,000	\$ 87,180,554
1984-85	22,524	126,134,400	117,213,916
1985-86	23,926	141,163,400	128,930,480
1986-87	26,859	158,468,100	142,441,852
1987-88	29,201	172,285,900	152,199,179
1988-89	32,227	190,139,300	165,626,001

4. Projections based upon a requirement that in order to be eligible, a new borrower must be a senior in an Alaskan high school and a 12-month resident:

Year	<u>Loan Awards</u>	<u>Loan Volume</u>	<u>General Fund</u>
1983-84	14,567	\$ 66,097,900	\$ 59,884,454
1984-85	15,505	80,764,300	71,843,816
1985-86	15,906	87,449,100	75,216,180
1986-87	16,244	88,999,000	72,972,752
1987-88	16,582	90,396,300	70,309,579
1988-89	17,474	94,939,200	70,425,901

5. Projections based upon a requirement that in order to be eligible, a new borrower must be a senior in an Alaskan high school and a 12-month resident, but also providing a one-time "open enrollment" or "window" period for all persons currently 12-month residents to apply for use of the loan within the next 7 years.

Year	<u>Loan Awards</u>	<u>Loan Volume</u>	<u>General Fund</u>
1983-84	19,060	\$ 93,394,000	\$ 87,180,554
1984-85	20,762	116,267,200	107,346,716
1985-86	22,463	132,531,700	120,298,780
1986-87	23,353	137,782,700	121,756,452
1987-88	21,149	124,779,100	104,692,379
1988-89	21,091	124,436,900	99,923,601

GENERAL FUND FISCAL IMPACT
STUDENT LOAN BILLS

SENATE BILL NUMBER	1984	1985	1986	1987	1988
SB 118	10,094.0	5,717.6	8,631.1	1,492.7	(19,873.0)
SB 185	12,375.0	10,573.7	11,748.8	18,077.0	24,796.5
SB 197	-0-	-0-	(93.5)	(372.5)	(1,562.8)
SB 209	-0-	-0-	(481.6)	(1,363.6)	N/A

STUDENT LOAN BILLS

Eligibility of Students	Interest	Application Deadline	Loan Amount undergrad/grad	Other	Repeaters
<p>SB 118 Sackett</p> <ul style="list-style-type: none"> . A high school senior or scheduled to graduate in six months . Residency 1 yr. at application . Loan application filed while in high school may be deferred 5 yrs. . One year resident, not a high school grad, may apply for loan for 1 year following effective date. 	5%	None	6,000/7,000		
<p>SB 185 P. Fischer</p>	5%	None	8,000/8,000		
<p>SB 197 Josephson</p> <p>May be considered a full-time student if attending one or more institutions for a total number of hours or credits equivalent to full-time.</p>	8%	Jan. 1 effec. 84/85 school year.	6,000/7,000	More than 100 loans may not be approved for a single vocational field unless approved by a three member panel of the Commission.	AS 14.43.131 selection criteria (point system)
<p>SB 209 Governor</p> <ul style="list-style-type: none"> . Not delinquent or default on an awarded scholarship loan . Resident one year at application . Physically in state one year prior to application. <p>Exempt for: military service education employment by the state</p>	9%	Jan. 1 effec. Oct. 1, 1983	6,000/7,000		AS 14.43.120(j) loan forgiveness clause AS 14.43.120(o) relating to for- giveness AS 14.43.130 selection criteria (point system)

9151 Skywood Lane
Juneau, AK 99801
March 29, 1983

The Honorable Joe P. Josephson
Chairperson, Senate HESS Committee
Room 508 Capitol Bldg.
Juneau, Alaska

Re: Student Loan Program Revisions

Dear Senator Josephson and Committee Members:

Please do not recommend adoption of a provision that would limit recipients of student loans to persons who are graduates of Alaska high schools.

There are far better ways to solve "the residency problem." One reasonable method is that set forth in SB 209. Any method that requires one year of prior residence is likely to withstand court challenge. The requirement, at most state-supported universities, that out-of-state students pay a higher tuition (the "nonresident" rate) until they have resided in the state a year, is structurally analogous. In contrast, limiting loans to graduates of Alaska high schools would set up de facto sex and age discrimination having no rational relation to the objective sought, and is unlikely to withstand court challenge.

The reason I oppose such a restriction is that it would exclude significant groups of Alaska residents from participating in the student loan program. This would occur, no matter whether the applicant is Alaska-born, has been an Alaska resident for many years, or even a State employee.

The kinds of groups that would be excluded would be, for example:

- 1) Veterans who decided to remain in Alaska and later needed to finish their four-year degree or obtain graduate or professional training.
- 2) Women who have lost their husbands, raised their families, and realize they must complete their four-year degree program in order to support themselves the rest of their lives.
- 3) Alaskans of both sexes and all ages who obtained their high school diploma through a G.E.D. certificate rather than through graduation from any high school.

4) Alaskans of both sexes and all ages who, in mid-life, return to college for a graduate degree, professional degree or special technical training. I can think of several State employees who took a year or two off to obtain graduate degrees in economics or political science -- skills a developing state like Alaska needs. I myself did not go to law school until I was past 40, and many around me were in the same situation. In today's world, educational needs do not end with simply going straight through grade school, high school and directly into college.

5) Permanent seasonal employees of, e.g., the Department of Fish and Game, who work as field technicians in the summer when the Department's employment requirements are at a peak, and are full-time college students, completing their degree program, during the school year.

These are a few examples; I am sure you can think of others. You will, no doubt, think of individuals you know who fit into these or similarly excluded categories, if a provision limiting loans to graduates of Alaska high schools is enacted.

Other aspects of the student loan program do need fine tuning, and I have no objection to any of the other aspects being considered in the bills that are now before this committee.

Thank you for considering my thoughts.

Sincerely,


Elizabeth Cuadra

STATE OF ALASKA

Bill
Bill
vic
BILL SHEFFIELD, GOVERNOR

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

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

M E M O R A N D U M

TO: Members of the Senate HESS Committee
Senator Joe Josephson, Chairman
Senator Vic Fischer
Senator Rick Halford
Senator Paul Fischer
Senator Pappy Moss

FROM: Kerry D. Romesburg, Executive Director
Alaska Commission on Postsecondary Education

DATE: March 31, 1983

At the HESS Committee meeting on student loans, a number of questions were raised. We are still preparing responses to the vocational program questions and the tuition rate questions, but we now have talked with Assistant Attorney General Bruce Botelho, our counsel, and can respond to Senator Vic Fischer's question on religious schools. Senator Fischer specifically asked if students with loans to attend such schools as: the Alaska Bible College, the Far North Bible College, Charismatic Bible College, and St. Herman's Theological Seminary, are studying religious programs, and if so, were loans for such study legal.

In checking I find that the students are indeed studying programs of a religious nature. For example, the students in a four-year program at St. Herman's receive a diploma which qualifies them for "church reader" and some stage of the "priesthood." The Far North Bible College and the Alaska Bible College offer an AA degree in the Bible. Alaska Bible also offers a BA degree in Pastoral, Missions, and Christian Education.

Are loans for such study legal? According to Mr. Botelho, the loans are not only legal, but the Commission can not deny loans on a sectarian basis. The Commission must administer the loan program in a neutral manner; and as long as the instruction is truly postsecondary in nature (and/or vocational), and the institution is operating legally, the loans must be made to eligible students. Mr. Botelho indicates that it would require a statutory change to deny these loans.

OK Lets do it!
G-B
Joe?

S

B

2009

1982-83 ALASKA STUDENT LOANS
(January 18, 1983)

From DDJ
good standing = C Avg.
+ 12 Sen hrs per year
7000 student - B and
+ 4 hrs of graduate

1. Program Status

<u>Student Level</u>	<u>Number</u>	<u>Amount</u>
Freshman	4,232	\$17,566,996
Sophomore	2,808	12,391,975
Junior	2,019	9,044,064
Senior	1,734	7,639,369
Vocational	1,581	7,986,925
Undergraduate	12,374	54,629,329
Graduate	1,182	6,522,647
TOTAL	13,556	\$61,151,976

2. In-State/Out-of-State Attendance by Level

<u>Student Level</u>	<u>Alaska</u>	<u>%</u>	<u>Out-of-State</u>	<u>%</u>
Freshman	2,377	56.2	1,855	43.8
Sophomore	1,404	50.0	1,404	50.0
Junior	947	46.9	1,072	53.1
Senior	822	47.4	912	52.6
Vocational	1,155	73.1	426	26.9
Undergraduate	6,705	54.2	5,669	45.8
Graduate	302	25.6	880	74.4
TOTAL	7,007	51.7	6,549	48.3

3. Percent In-State Previous Year

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

4. States of Attendance by Student Level

<u>Freshman</u>	<u>Sophomore</u>	<u>Junior</u>	<u>Senior</u>	<u>Vocational</u>	<u>Undergraduate</u>	<u>Graduate</u>
AK-2,377	AK-1,404	AK- 947	AK 822	AK-1,155	AK-6,705	AK- 302
WA- 402	WA- 307	WA- 270	WA- 239	CO- 133	WA-1,307	WA- 160
OR- 298	OR- 260	OR- 174	OR- 147	WA- 89	OR- 921	CA- 178
CA- 203	CA- 142	CA- 94	CA- 89	CA- 45	CA- 573	OR- 128
ID- 126	AZ- 83	AZ- 62	AZ- 51	OR- 42	CO- 389	MA- 33
HA- 121	HA- 74	HA- 55	HA- 38	AZ- 42	AZ- 357	HA- 25
AZ- 119	ID- 73	UT- 52	ID- 43	OK- 19	HA- 320	TX- 21
CO- 111	CO- 71	ID- 36	CO- 35	FL- 7	ID- 285	UT- 21
UT- 57	UT- 60	CO- 35	UT- 34	HA- 7	UT- 204	MO- 19
MT- 45	TX- 40	MT- 35	TX- 27	MN- 5	TX- 148	NY- 18
ZZ- 373	ZZ- 294	ZZ- 259	ZZ- 209	ZZ- 37	ZZ-1,165	ZZ- 277
4,232	2,808	2,019	1,734	1,581	12,374	1,182

5. Age Distribution of Borrowers

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

6. Residency

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

% Breakdown

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

7. Default: (Computed on June 30)

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

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

STATE STUDENT LOAN ACTIVITY
Projected to 1988-89

Year	Loan Awards	Loan Volume	Cumulative Total	Average Loan	Loan Collections	Federal Funds	Cancellations	General Fund
1971-72	1,081	\$ 1,603,158	\$ 1,603,158	\$1,483	\$ -0-	\$ -0-	\$ -0-	\$ 1,603,158
1972-73	1,748	2,870,384	4,473,542	1,642	-0-	-0-	-0-	2,870,384
1973-74	1,665	2,986,176	7,459,718	1,793	-0-	-0-	-0-	2,986,176
1974-75	1,457	2,659,807	10,119,525	1,826	235,476	-0-	703	2,424,331
1975-76	1,719	3,382,997	13,502,522	1,968	465,530	-0-	44,233	2,977,467
1976-77	1,921	3,850,507	17,353,029	2,094	1,141,461	-0-	64,746	2,709,046
1977-78	2,265	4,604,167	21,957,196	2,033	1,191,851	-0-	314,306	3,412,316
1978-79	2,795	6,416,402	28,373,598	2,296	1,391,643	-0-	445,985	5,024,758
1979-80	3,918	9,373,949	37,747,547	2,393	1,603,436	-0-	409,501	7,770,513
1980-81	6,460	15,957,717	53,705,264	2,475	2,225,388	-0-	555,494	13,732,329
1981-82	9,898	40,559,499	94,264,763	4,098	2,779,900	1,000,000	785,769	36,819,599
1982-83*	13,000	59,000,000	153,264,763	4,540	4,604,046	1,200,000	(1,367,555)	54,563,309
1983-84	17,500	85,750,000	239,014,763	4,900	7,751,963	850,000	(2,388,517)	79,536,554
1984-85	19,000	106,400,000	345,414,763	5,600	12,017,812	675,000	(3,772,328)	97,479,516
1985-86	21,000	123,900,000	469,314,763	5,900	17,179,740	500,000	(5,446,820)	111,667,080
1986-87	23,100	136,290,000	605,604,763	5,900	23,016,458	350,000	(7,340,210)	120,263,752
1987-88	25,600	151,040,000	756,644,763	5,900	29,211,587	225,000	(9,349,866)	130,953,279
1988-89	28,500	168,150,000	924,794,763	5,900	35,874,597	150,000	(11,511,298)	143,636,701

*1982-83 through 1988-89 are projections

60,000,000
 ← Voc. & students →
 rolling admissions

Revised 12/22/82

Dec.

TABLE 1

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

Institution	1982-83	
	No.	Amount
U of Alaska, Fairbanks	2,266	\$ 6,975,068
U of Alaska, Anchorage	1,560	4,611,230
Anchorage Community College	1,353	4,538,244
U of Alaska, Juneau	340	1,053,425
Kenai Peninsula Community College	326	1,191,593
Alaska Pacific U	198	680,400
Alaska Business College	198	943,887
Alaska Vocational-Technical Center	197	348,741
Tanana Valley Community College	195	731,450
Testing Institute of Alaska	167	761,361
Sheldon Jackson College	138	465,953
Matanuska-Susitna Community College	130	547,800
New Anchorage Beauty School	115	549,450
Gordon Aviation, Inc.	110	549,764
Aero Technical Flight School	80	409,000
Wilburs Flight Operation	53	286,300
Fort Richardson Flying Club	45	249,000
Ketchikan Community College	46	124,250
Trend Setter School of Beauty	42	191,500
Sitka Community College	36	114,400
Headquarters Barber & Beauty Academy	35	171,000
Hutchison Career Center	35	131,200
Flight Training Devices	33	136,800
Academy of Hair Design	32	126,600
Alaska Native Training Institute	29	112,200
A.I.R. Center	24	129,000
Alaska Computer Training Center	21	97,150
Anchorage Alaska School of Barbering	20	96,000
Elmendorf Aero Club	20	90,871
St. Herman's Theological Seminary	19	62,000
Kotzebue Technical Center	19	44,250
Kodiak Community College	15	44,050
North Pacific Business Institute	14	55,050
Alaska Bible College	12	40,950
Fairbanks Beauty School	14	58,100
Peninsula Institute of Welding Technology	11	44,950
Peninsula Hair Styling Academy	11	43,750
Prince William Sound Community College	8	21,531
Kuskokwim Community College	8	18,550
Alaska Piper Sales, Inc.	6	35,900
Birchwood Air Service	4	24,000
University of LaVerne	3	12,750
Chapman College	2	3,000
Far North Bible College	2	2,450
T&M Real Estate Institute	1	6,000
Northwest Community College	1	5,000
Charismatic Bible College	1	4,500
Bar Review	1	4,000
Delta Greely Rural Educational Center	1	3,000
Alaska Media Workshop	1	550
TOTAL	8,002	\$26,648,006

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

Institution	No.	Amount
*University of Alaska, Fairbanks	2,266	\$6,975,068
*University of Alaska, Anchorage	1,560	4,611,230
*Anchorage Community College	1,353	4,538,244
*University of Alaska, Juneau	340	1,053,425
*Kenai Peninsula Community College	326	1,191,593
Oregon State University	241	1,189,956
University of Oregon	233	1,026,126
University of Washington	205	935,667
*Alaska Business College	198	943,887
*Alaska Pacific University	198	680,400
*Alaska Vocational-Technical Center	197	348,741
*Tanana Valley Community College	195	731,450
Western Washington University	177	767,542
*Testing Institute of Alaska	167	761,311
Brigham Young University (UT)	160	498,630
*Sheldon Jackson College	138	465,953
Arizona State University	135	615,025
*Matanuska-Susitna Community College	130	547,800
Washington State University	124	551,776
University of Hawaii, Manoa	124	381,811
*New Anchorage Beauty School	115	549,450
Gonzaga University (WA)	113	596,450
*Gordon Aviation, Inc.	110	549,764
University of Puget Sound (WA)	103	512,200
University of Hawaii, Hilo	100	276,175
University of Idaho	99	364,950
Willamette University (OR)	95	481,675
Northern Arizona University	90	308,942
Pacific Lutheran University (WA)	87	406,950
University of Arizona	86	329,600
*Aero Technical Flight Service	80	409,000
Seattle Pacific University (WA)	77	344,550
Central Washington University	77	334,900
American Diesel & Automotive School (CO)	77	320,573
Seattle University (WA)	73	333,134
Montana State University	69	254,088
Linfield College (OR)	67	305,100
Colorado State University	60	306,050
Ricks College (OR)	58	139,181
Denver Institute of Technology (CO)	56	204,056
*Wilbur's Flight Service	53	286,300
Eastern Washington University	53	255,267
University of Colorado	52	231,400

*Alaskan School

March 30
Student Loan

Joe, Pappy, Victor
SB 118 - SS. - Sackett
SB 185 - P Fisher
SB 197 - Joe
SB 209 - y6w.
SB 210 -

Kerry Roushberg - Post Secondary Ed. ✓
History of Student Loan Program

determine awards by standard student budget
from University of attendance.

Tom Bergstrom - Sackett
Sackett looking at cost benefit.

* Severable clause in letter of intent

* interest rate - 5% in state / 9% out of state.

Clark Wildermuth ✓
imp. to students
residency
forgiveness
interest rates

Feds give no
benefits to vets.
for pilot training

The Comm. shall regulate loans given in relation
to needs in Alaska??

June Maynard - Past Sec Ed. ✓

Aviationologists \$1,140,000 - loan awards

pilots (commercial) \$1,910,000 - "

(New Regs must already be Cert. private pilot)

Welding \$1,084,000 - "

\$2.6. mill savings on limiting^{to} 100 per voc. areas.

April 11
Student Loans

Joe, Vic, Pappy, Paul, Rick

Joe - review of bills & issues.

Hal Roland - NEA

4 children who have used student loans

1. Limited to tuition & books - tuitions are high don't lower loan amounts. Summer job situation is bad - lucky to raise transportation costs to return to school.

2. H.S. graduates - would cut out so many people who used money for school.

3. NEA supports program as is.

Paul Has NEA looked at dollars?

Carla Hart UofT Student Association

Raising loan amt. makes no sense - leave less money for others

application deadline - flexible - Dec. 15th may be better cut out last minute students cause them to plan.

Vocational limits - don't support. (thought we meant degrees - don't, only mean non-degree prog.)

forgiveness/interest rates - many subsidized loan programs

Kerry

Jan 1 OK

Sectoral Loans - D.O. Law says in letter of the law ok - for degree from religious College or Ch.

Vic leave at 2 yrs.
bona fide form

Joe legislative findings cause
why 2 yr residency is constitutional
~~★~~ asked Maynard to draft ~~★~~

Vic Compare to other statutes for residency

differential interest rate. — higher out of Alaska
lower while living in state.

higher forgiveness on interest

completed program or degree

— interest tied to Fed. rate for guaranteed
student loans

unless live in Alaska

2) completed degree or program.

STATE OF ALASKA
FISCAL NOTE

Revision Date 4/18, 1983

I. REQUEST

Bill/Resolution No.: CSSB 209
 Title: Act Re: Scholarship Loans
 Sponsor: Rules/Governor
 Requestor: Senate HESS

II. FISCAL DETAIL

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING						
CAPITAL	N.A.	-0-	-0-	(77.5)	(275.4)	(1,215.6)
REVENUE				93.5	372.5	1,562.8

FUNDING: (Thousands of Dollars)

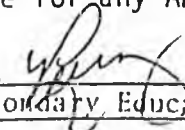
GENERAL FUND	N.A.	-0-	-0-	(77.5)	(275.4)	(1,215.6)
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

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

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

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Kerry D. Romesburg  Phone: 465-2854
 Division: Commission on Postsecondary Education Date: 4/18/83
 Approved by Commissioner: _____ Date: _____
 Department: _____

Distribution:

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

3/8/83

CSSB209

Analysis:

(a) Increasing interest from 5% to 8%

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

(b) Increasing forgiveness on interest to 70%

FY84 \$ 0	FY87 \$ 97.1
FY85 \$ 0	FY88 \$ 347.2
FY86 \$ 16.0	FY89 \$ 694.4

(c) January 1 deadline will reduce program costs, but this is an undetermined amount at present.

(d) Multiple-institution enrollments will increase demand, but this too cannot be estimated with any degree of accuracy.

(e) Limiting career fields has the potential of reducing loans, but this is dependent upon action of two separate committees and cannot be anticipated.

(f) The only costs included in the fiscal note are those in (a) and (b) above.

CS FOR SENATE BILL NO. 209 (HESS)

AN ACT RELATING TO SCHOLARSHIP LOANS AND PROVIDING FOR AN EFFECTIVE DATE.

SECTION 1 FINDINGS AND PURPOSE

JUSTIFICATION OF RETENTION OF TWO YEAR RESIDENCY REQUIREMENT
JUSTIFICATION OF JANUARY 1 DEADLINE AND ANTICIPATED USAGE.

SECTION 2 AMENDS AS 14.43.120 TO ALLOW A STUDENT TO QUALIFY FOR A STUDENT LOAN IF ENROLLED IN MORE THAN ONE COLLEGE OR UNIVERSTIY PROGRAM WITH FULL TIME HOURS OR CREDITS.

SECTION 3 RAISES THE INTEREST RATE TO EIGHT PER CENT.

SECTION 4 INCLUDES INTEREST, ALONG WITH THE PRINCIPAL, IN THE FORGIVENESS FORMULA IF THE RESIDENT REMAINS IN THE STATE FOLLOWING EDUCATION.

SECTION 5 AMENDS AS 14.43.120 TO LIMIT THE AMOUNT OF TIME EXEMPTED FOR THOSE IN MILITARY SERVICE TO FOUR YEARS BEFORS LOANS MUST BE PAID BACK.

SECTION 6 REPEALS AND REENACTS THE ELIGIBILITY FOR STUDENT LOAN SECTION:

(2) IS NEW, DISQUALIFYING ANYONE WHO IS DEFAULT ON A SCHOLARSHIP LOAN AWARD.

(3) AMENDS REQUIREMENTS TO ALLOW THE APPLICANT, OR THEIR DEPENDENTS OR APOUSE ACCOMPANING THEM, TO QUALIFY FOR A LOAN IF THEY WERE PRESENT IN THE STATE TWO YEARS BEFORE APPLICATION AND ARE ABSENT FOR MILITARY SERVICE, MEDICAL CARE, ATTENDING SCHOOL AS A FULL TIME STUDENT OR EMPLOYED BY THE STATE OR CONGRESSIONAL DELEGATION.

SECTION 7 CHANGES THE APPLICATION DEADLINE TO JANUARY 1

SECTION 8 SETS UP A THREE MEMBER PANEL TO ANNUALLY REVIEW VOCATIONAL CAREERS AND IN-STATE CAREER OPPORTUNITIES IN ORDER TO SET LIMITATIONS ON THE NUMBER OF LOANS ALLOWED BY VOCATIONAL FIELDS ACCORDINGLY.

SECTION 9 REPEALS AS 14.43.130 SELECTION CRITERIA (POINT SYSTEM)

SECTION 10 EFFECTIVE DATE FOR JANUARY 1 APPLICATION DATE.

SECTION 11 TEMPORARY LAW - THIS SECTION GIVES THE COMMISSION ON POST SECONDARY EDUCATION THE AUTHORITY TO ADOPT STRINGENT RESIDENCY REQUIREMENTS BY REGULATION IF THE CURRENT REQUIREMENT IS FOUND UNCONSTITUTIONAL OR OTHERWISE INVALID.

SECTION 12 EFFECTIVE DATE.

1982-83 LOAN AWARDS AND ANNUAL JOB OPENINGS
BY OCCUPATION AREAS

Occupational Title	1982/1986 Employment	Ave. Annual Job Openings*	Voc/Tech Schools		Community Colleges		Total Loan Awards
			In-State Loan Awards	Out-of-State Loan Awards	In-State Loan Awards	Out-of-State Loan Awards	
Accounting Clerks	1823/2192	143	64	7	59	8	138
Aircraft Mechanics	885/1052	54	5	12	25	6	48
o Airplane Pilots	1078/1297	57	303	51	6	5	365
Air Traffic Controllers	555/565	12	0	0	2	0	2
Announcers-Radio/TV	132/155	6	0	1	0	3	4
o Auto Body Repairers	104/126	8	0	15	0	0	15
Automotive Mechanics	1493/1822	95	28	4	19	2	53
Bakers	149/180	14	4	0	0	1	5
o Barbers	45/56	5	20	0	0	0	20
Bookkeepers	2433/2993	209	4	0	0	0	4
Buyers-Retail/Wholesale	213/267	25	0	4	0	0	4
Camera Repairers	18/22	1	0	1	0	0	1
Carpenters	2188/2522	142	3	1	0	3	7
o Caseworkers	459/532	29	26	0	10	1	37
Child Care Workers	533/660	49	1	0	0	0	1
Clerical Supervisors	904/1125	78	10	1	0	0	11
o Commercial Artists	72/88	5	1	5	2	3	11
Commercial Divers	NA	NA	0	10	0	0	10
o Computer Programmers	259/314	15	6	13	134	14	167
Cooks	2580/3140	227	5	1	1	1	8
o Cosmetologists/Hairstylists	333/414	32	233	8	0	1	242
Dental Assistants	297/362	26	0	2	7	2	11
o Dental Hygienists	110/137	13	0	0	22	0	22
o Diesel Mechanics	681/845	56	19	61	48	4	132
Drafters	536/657	38	0	11	16	3	30
o Electric Motor Repairers	29/36	2	1	2	0	0	3
Electricians	1399/1630	101	0	3	0	0	3
Electronic Mechanics	110/118	3	1	0	0	0	1
o Electronic Technologists	1504/1740	66	0	30	121	11	162
o Emergency Medical Technicians	12/13	0	0	0	0	2	2

* Projected annual job openings (1981-86) are those resulting from 1) industry growth and 2) death, retirement, and disability. Turnover openings are not included.

o Occupation areas in which loan awards exceed estimated job openings.

1982-83 LOAN AWARDS AND ANNUAL JOB OPENINGS
BY OCCUPATION AREAS (continued)

Occupational Title	1982/1986 Employment	Ave. Annual Job Openings*	Voc/Tech Schools		Community Colleges		Total Loan Awards
			In-State Loan Awards	Out-of-State Loan Awards	In-State Loan Awards	Out-of-State Loan Awards	
Flight Attendants	114/139	14	0	1	0	1	2
Flight Engineers	75/91	10	7	0	0	0	7
Food Service Workers	2942/3601	232	10	0	16	1	27
Forest Technicians	NA	NA	8	0	0	0	8
Heavy Equipment Mechanics	NA	NA	17	1	0	0	18
Heavy Equipment Operators	3051/3590	188	0	24	1	1	26
Helicopter Pilots	NA	NA	3	5	0	0	8
Horticulturists	NA	NA	0	4	0	0	4
o Jewelers	47/60	5	0	5	0	1	6
Kitchen Helpers	1981/2438	163	1	0	0	0	1
Legal Assistants	122/146	8	0	0	0	1	1
Machinists	359/420	35	0	1	0	0	1
Maintenance Repairers	2545/3067	217	17	0	0	0	17
o Marine Mechanics	35/41	2	0	0	0	5	5
Medical Assistants	247/308	15	0	0	9	0	9
o Medical Lab Technicians	87/109	8	0	0	14	0	14
Office Clerks	5596/6654	382	8	3	35	2	48
Photographers	95/117	9	0	3	0	0	3
Physicians Assistants	68/85	7	0	0	0	1	1
Plumbers	1101/1254	67	0	0	1	0	1
Police Administrators/Officers	1137/1253	44	0	0	9	1	10
Radiologic Technicians	44/55	4	0	0	1	1	2
o Refrigeration Mechanics	92/102	6	0	9	17	0	26
Roustabouts	853/1298	118	8	0	0	0	8
Secretaries	4944/5997	454	70	2	5	1	78
o Surveyors	407/483	21	0	8	28	0	36
Ticket Agents	577/701	40	8	11	0	1	20
Truck Drivers	3658/4417	212	0	1	0	0	1
Typists	3358/3813	226	53	0	1	1	55
o Welders & Flame Cutters	791/926	63	173	40	27	8	248
TOTALS			1117	361	636	96	2210

Source: Occupational Employment Forecast, Alaska Department of Labor, September 1981

A M E N D M E N T

Offered in the SENATE

By Faiks

TO: CSSB 209 (HESS)

Page 2, lines 9 and 10:

Delete "for at least two years"

Page 2, lines 12 and 13:

Delete "principal and 70 percent of the total interest [LOAN]"

Insert "loan" in its place

Page 2, line 14:

Delete "two - three years"

Insert one year [TWO - THREE YEARS]" in its place

Page 2, lines 14 and 15:

Delete "of the total principal and 14 percent of the total interest"

Page 2, line 16:

Delete "three - four"

Insert "two [THREE - FOUR]" in its place

Page 2, lines 17 and 18:

Delete "of the total principal and 14 percent of the total interest"

Page 2, line 19:

Delete "four - five"

Insert "three [FOUR - FIVE]" in its place

Page 2, lines 20 - 21:

Delete "of the total principal and 14 percent of the total interest"

Page 2, line 22:

Delete "five - six"

Insert "four [FIVE - SIX]" in its place

Page 2, lines 23 and 24:

Delete "of the total principal and 14 percent of the total interest"

Page 2, line 25:

Delete "over six"

Insert "five [OVER SIX]" in its place

Page 2, line 26:

Delete "of the total principal and 14 percent of the total interest"

COMMITTEE REPORT

SENATE

3/25/83

FURTHER: Finance

Date: 4/15/83

Mr. President:

The Committee on ESS has had SB 209

Relating to scholarship loans; and eff. date.

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 209 same title
 new title
- and recommends do pass
- 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:

CHAIRMAN

STATE OF ALASKA

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

BILL SHEFFIELD, GOVERNOR

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

RECEIVED

APR 20 1983

Josephson,

April 15, 1983

The Honorable Joe P. Josephson
Alaska State Senator
Pouch V, State Capitol
Juneau, Alaska 99811

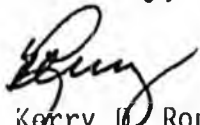
Dear Senator Josephson:

In your April 8, 1983 letter to me regarding student loans, you asked about students enrolled in five-year undergraduate programs. In accordance with AS 14.43.120(d), a student may borrow for up to five years of undergraduate study or up to five years of graduate study, but for not more than eight years total. This means that a student enrolled in a five-year dual baccalaureate program would be eligible to borrow for all five years.

The only point to be remembered is that this leaves a maximum eligibility of three years for graduate borrowing. Otherwise, there should be no difficulty.

If you have further questions, please let me know.

Sincerely,



Kerry L. Romesburg
Executive Director

CS FOR SENATE BILL NO. 209 (HESS)

AN ACT RELATING TO SCHOLARSHIP LOANS AND PROVIDING FOR AN EFFECTIVE DATE.

- SECTION 1 FINDINGS AND PURPOSE
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- SECTION 3 RAISES THE INTEREST RATE TO EIGHT PER CENT.
- SECTION 4 INCLUDES INTEREST, ALONG WITH THE PRINCIPAL, IN THE FORGIVENESS FORMULA IF THE RESIDENT REMAINS IN THE STATE FOLLOWING EDUCATION.
- SECTION 5 AMENDS AS 14.43.120 TO LIMIT THE AMOUNT OF TIME EXEMPTED FOR THOSE IN MILITARY SERVICE TO FOUR YEARS BEFORE LOANS MUST BE PAID BACK.
- SECTION 6 REPEALS AND REENACTS THE ELIGIBILITY FOR STUDENT LOAN SECTION:
- (2) IS NEW, DISQUALIFYING ANYONE WHO IS IN DEFAULT ON A SCHOLARSHIP LOAN AWARD.
- (3) AMENDS REQUIREMENTS TO ALLOW THE APPLICANT, OR THEIR DEPENDENTS OR SPOUSE ACCOMPANYING THEM, TO QUALIFY FOR A LOAN IF THEY WERE PRESENT IN THE STATE TWO YEARS BEFORE APPLICATION AND ARE ABSENT FOR MILITARY SERVICE, MEDICAL CARE, ATTENDING SCHOOL AS A FULL TIME STUDENT OR EMPLOYED BY THE STATE OR CONGRESSIONAL DELEGATION.
- SECTION 7 CHANGES THE APPLICATION DEADLINE TO JANUARY 1
- SECTION 8 SETS UP A THREE MEMBER PANEL TO ANNUALLY REVIEW VOCATIONAL CAREERS AND IN-STATE CAREER OPPORTUNITIES IN ORDER TO SET LIMITATIONS ON THE NUMBER OF LOANS ALLOWED BY VOCATIONAL FIELDS ACCORDINGLY.
- SECTION 9 REPEALS AS 14.43.130 SELECTION CRITERIA (POINT SYSTEM)
- SECTION 10 EFFECTIVE DATE FOR JANUARY 1 APPLICATION DATE.
- SECTION 11 TEMPORARY LAW - THIS SECTION GIVES THE COMMISSION ON POST SECONDARY EDUCATION THE AUTHORITY TO ADOPT STRINGENT RESIDENCY REQUIREMENTS BY REGULATION IF THE CURRENT REQUIREMENT IS FOUND UNCONSTITUTIONAL OR OTHERWISE INVALID.
- SECTION 12 EFFECTIVE DATE.

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210

SB 210 - AN ACT RELATING TO GUARANTEED STUDENT LOAN FINANCING

- SECTION 1 Grants the Commission on Post Secondary Education the authority to execute an agreement with the Alaska Industrial Development Authority(AIDA) to provide services.
- SECTION 2 (a) The Commission shall serve as the state guarantee agency
(b) establishes a student loan guarantee fund within the Commission, used only to guarantee loans under the provisions of the Higher Education Act(P.L. 89-327 as amended).
- SECTION 3 The Commission is given the authority to sell student loans held on January 1, 1983 to AIDA.
- SECTION 4 Amends Legislative finding and policy concerning AIDA:
*that there is a need in the state to provide financial assistance to students attending postsecondary institutions;
*that it is in the state's interest to provide financial assistance through participation in the federal insured student loan program;
*that AIDA has the expertise necessary to provide a guaranteed student loan program
- SECTION 5 Amends Purpose section of AIDA to incorporate the guaranteed student loan program.
- SECTION 6 Amends Powers section of AIDA statute to grant "all powers necessary" to provide for a guaranteed student loan program.
AIDA may:
Issue bonds.
Purchase or participate in the purchase of student loans from eligible lenders.
Sell or participate in the sale of student loans to eligible lenders or to the Student Loan Marketing Association.
Consent to the modification of interest rate, time of payment of an installment of principal or interest, and other terms of the student loan that would not obviate insurance coverage.
Collect and pay reasonable fees and charges in connection with sale or purchase of student loans.
Include an amount in the borrowing necessary to pay financing charges, interest, consulting, advisory, legal fees, and other expenses necessary to the borrowing.
Grants AIDA the authority to establish capital reserve funds or other funds and accounts for student loans.
- SECTION 7 Amends Administrative Procedure section of AIDA statute to include guaranteed student loan program.
- SECTION 8 Adds a new section to Title 44 to give AIDA the authority to execute an agreement with the Pos. Secondary Commission on servicing student loans and other assistance necessary to implement the guaranteed student loan program.

- SECTION 9 Allows AIDA to combine student loans for bond financing.
- SECTION 10 Suspends provisions of AS 44.88.090 (e) and (g)(2) in issuing bonds to finance student loans:
- (e) Before the issuance of any bonds, the authority shall make provision by lease or other agreement regarding the project or projects being financed by the issue of the bonds for rentals or other considerations at least sufficient, in the judgment of the authority, to pay the principal of and interest on the bonds as they become due and to create and maintain the reserves therefor as the authority considers necessary or desirable and to meet all obligations in connection with the lease or other agreement and all costs necessary to service the bonds unless the lease or agreement provides that the obligations are to be met or costs are to be paid by a party other than the authority.
 - (g) The authority may not
 - (2) issue revenue bonds other than refunding bonds for a project under this chapter in an amount greater than \$50,000,000 during any 12-month period beginning after June 30, 1981, unless the issuance is included separately in the estimates required in the report of the authority under AS 44.88.210(b) and unless the legislature, by law, approves the issuance.

Adds a new sub section (j) stating that the principal and interest on bonds issued for student loans will be paid from interest and principal payments on student loans, federal interest subsidies and special allowances from Higher Education Act, amounts available from the enterprise development fund, and other money and receipts from the proceeds of bonds issued for student loans.
- SECTION 11 Adds student loans to the state pledge to not limit or alter the rights and powers of AIDA to fulfill the terms of contracts.
- SECTION 12 Allows AIDA to use up to \$1,000,000 in money and assets of the enterprise development fund for student loans or to assist in financing student loans.
- SECTION 13 Provisions of (d) of the Enterprise Development Fund do not apply to student loans:
- (d) A loan purchased in whole or in part by the authority, other than a loan which is financed with the proceeds of bonds of the authority and secured only by a project applicant or a project,
 - (1) may not exceed
 - (A) \$10,000,000; or
 - (B) \$500,000 if the loan is purchased under AS 44.88.158;
 - (2) may not exceed the cost of the project or 75 percent of the appraised value of the project, whichever is less, unless the amount of the loan in excess of this limit is federally insured or guaranteed or is insured by a qualified mortgage insurance company;
 - (3) may not be for a term longer than three-quarters of the authority's estimate of the life of the project or 25 years from the date the loan is made, whichever is earlier;
 - (4) shall contain complete amortization provisions satisfactory to the authority requiring periodic payments by the borrower;
 - (5) shall be in the form and contain the terms and provisions with respect to insurance, repairs, alterations, payment of taxes and assessments, default reserves, delinquency charges, default remedies, acceleration of maturity, secondary liens and other matters the authority prescribes;