

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 86/2

4511 HHS HB 7 - HB 39 83

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

OFFICE OF PUBLIC ADVOCACY

900 W. 5TH AVENUE
SUITE 525
ANCHORAGE, ALASKA 99501
PHONE: (907) 274-1684

FEB 10 1987

January 26, 1987

The Honorable John Sund
Alaska State Representative
P.O. Box V
Juneau, Alaska 99811

Dear Representative Sund:

The Office of Public Advocacy is currently in the process of developing a Volunteer Guardian ad litem Program. A Guardian ad litem (GAL) is appointed by the Court for every child the State of Alaska, Department of Health and Social Services petitions to be a Child In Need of Aid due to abuse or neglect. The volunteers are individuals who advocate to the Court what he or she believes to be in the child's best interest.

The Volunteer Guardian ad litem Program is headed by an advisory committee consisting of volunteers who are judges, family and children's court masters, attorneys, community mental health providers, and current volunteer GALs. The advisory board strongly supports the passage of the volunteer GAL Bill, HB7, and establishment of Alaska Children's Trust Corp., SB19 and HB57.

The advisory committee would like to arrange a joint teleconference with Representative Sund, Representative Goll, Senator Kerttula, and Commissioner Peska. We would like to discuss with you these bills and the possibility of the VGAL Program being a beneficiary of the Children's Trust. Jay

(Continued)

Letter, Representative Sund
January 26, 1987

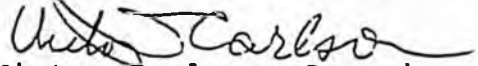
Page 2 of 2

McCarthy, Assistant Public Advocate, is coordinating this effort. He will be contacting you in the next week to make these arrangements.

We appreciate your concern for children in Alaska and look forward to working with you on these matters.

Sincerely,

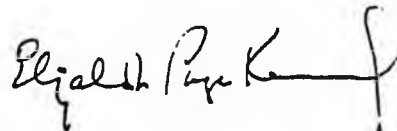
Volunteer Guardian ad litem Advisory Committee

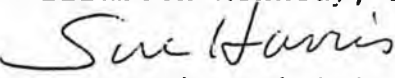

Victor Carlson, Superior Court Judge

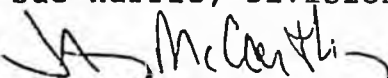

William Hitchcock, Children's Court Master

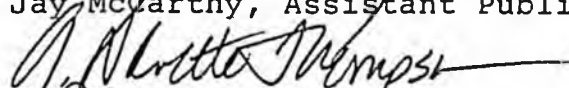
Janet Kowalski, Executive Director, AWAIC

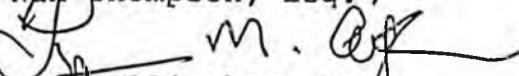

Elizabeth Kennedy, Assistant Attorney General

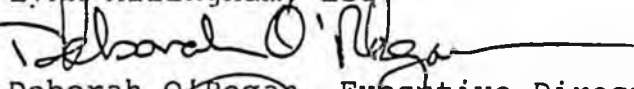


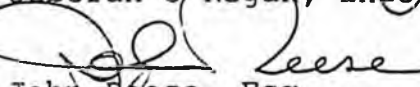

Sue Harris, Division of Family and Youth Services


Jay McCarthy, Assistant Public Advocate

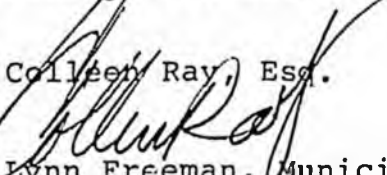

Nan Thompson, Esq.

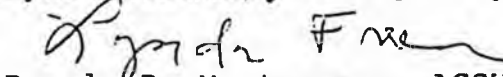

Lynn Allingham, Esq.

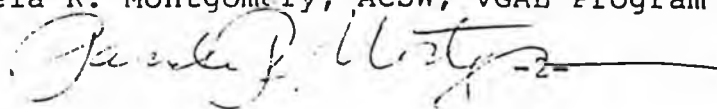

Deborah O'Regan, Executive Director, Alaska Bar Association


John Beese, Esq.

Colleen Ray, Esq.


Lynn Freeman, Municipality of Anchorage


Pamela R. Montgomery, ACSW, VGAL Program Director



HB 7 - Volunteer Guardian Ad Litem Program

Letters of Support for the program are from:

Deborah O'Regan, Executive Director
Alaskan Bar Association

Frank Dalley, Regional Social Services Manager
Division of Family and Youth Services

Dana Fabe, Public Defender

Veronica Duke, Chief of Clinical Social Work Services
Division of Mental Health and Developmental Disabilities

Elizabeth Sheley, Assistant District Attorney

Ann Stockman, Director of Crisis Services
S.T.A.R.

Gordon Lantrip, Director
Alaska Baptist Family Services

Milli Andreini, Executive Director
The Center for Children and Parents

William D. Hitchcock
Master, Childrens Court, Third Judicial District

Pamela Kirk and Phillip Kaufman
Human Relations Center

Corrine Radergraham, Coordinator
Close Encounters and Alaska Permanency Planning Task Force

Douglas J. Serdahely, Presiding Judge
Third Judicial District

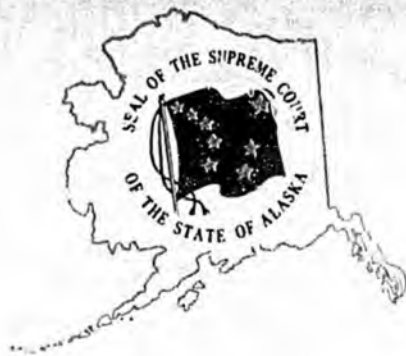
Rick Calcote
Ohlson Psychological Services

Ardis J. Cry, Custody Investigator
Superior Court Third Judicial District

Yvonne Chase, Deputy Director
Southcentral Counseling Center

Peter Scales, PhD
Family Connection

Letters and petition signatures from 137 individuals.



Alaska Court System

State of Alaska

303 "K" STREET
ANCHORAGE, ALASKA
99501

ARTHUR H. SNOWDEN II
ADMINISTRATIVE DIRECTOR

(907) 274-8611

February 27, 1987

Representative Max Gruenberg, Jr.
Representative John Sund
Co-Chairmen
House Health Education and
Social Services Committee
P. O. Box V
Juneau, Alaska 99811

Dear Representatives Gruenberg and Sund:

I am writing to express support by the Alaska Court System for those provisions of HB 7 which would permit the Office of Public Advocacy to develop and coordinate a volunteer guardian ad litem program.

Information from other states in which similar programs have been established indicates that programs of this nature improve the quality of guardian ad litem services and also help contain costs.

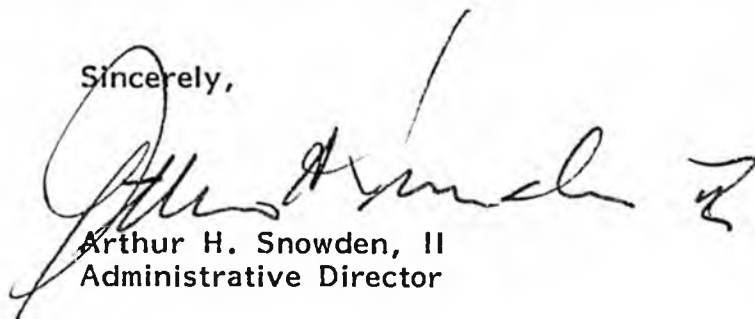
It is my understanding that a committee substitute for HB 7 may be drafted which would change the words "volunteer guardian ad litem" to "court appointed special advocates", or CASA. This acronym is used nationwide, and would permit the Office of Public Advocacy to affiliate with the national CASA organizations.

The court system has no objection to this change. However, it would be helpful to define the term in the legislation, clarifying that appointment by the court is through the Office of Public Advocacy, and does not entitle an advocate under this program to compensation from the court.

Representatives Gruenberg and Sand
February 27, 1987
Page Two

If you have any questions regarding the court's position, please contact either me or my staff counsel Karla Forsythe.

Sincerely,

A handwritten signature in black ink, appearing to read "Arthur H. Snowden, II", with a stylized flourish at the end.

Arthur H. Snowden, II
Administrative Director

KLF:bs

cc: Representative Niilo Koponen
Representative Johnny Ellis
Karla L. Forsythe, Staff Counsel
Brant McGee, Office of Public Advocacy
William Hitchcock, Children's Master

H B

12

APR 13 1987

Anchorage Daily News

Thursday, April 9, 1987

D3

Bill file

House votes to alter teacher benefit system

By ROSEMARIE ALEXANDER
The Associated Press

JUNEAU — House lawmakers Wednesday voted to limit the amount of experience teachers can claim toward retirement when they join Alaska's system.

The bill (HB12) would save the state money and put more Alaska teachers to work, say the sponsors, Reps. Ron Larson, D-Palmer, and Curt Menard, R-Wasilla.

"We have many young college graduates from the state who've come back to Alaska, but have not been able to find jobs because they can't com-

pete," Larson said.

Under current law, teachers can claim up to 10 years prior military and outside teaching service. Larson's bill would recognize three years.

The legislation would affect teachers entering the retirement system after July 1.

The change would save \$157,500 in fiscal 1988, according to Ken Humphreys, director of the Retirement and Benefits Division.

Larson said most states do not allow any credit for prior experience.

"We need to cut down on

some of our liberal benefits," he said.

He used this example:

"Take a person at age 50 who retires from an administrative position outside the state, brings in 10 years experience and gets a \$90,000 administrative position here. They work for five years and at 55 are eligible to retire with 30 percent of their \$90,000 salary. That's \$27,000 to \$28,000 every year for the rest of their life. It's a heavy drain on the retirement system at the expense of everybody else," Larson said.

Only Rep. Johnny Ellis, D-Anchorage, voted against the bill. He said there should be some middle ground.

"Going from 10 years to three years of outside service is a little rash," he said.

Ellis said he agrees with the intent of the bill, but believes Alaska may not always have its present glut of teachers.

"After the recession, Alaska will continue to need to attract good teachers," Ellis said.

During committee hearings

on the bill, Bob Greene of the Alaska Association of School Boards said his group supports the legislation.

But Bob Cooksey of the National Education Association-Alaska suggested outside credit be phased into the retirement system.

Larson said his bill is a phase-in.

"Three years is better than no years," he said.

The Senate is considering a measure (SB73) that would eliminate all credit for outside experience.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 23, 1987

SUBJECT: Sectional analysis of HB 12
(Limiting credited service in TRS)

TO: Representative Ron Larson

FROM: Teresa B. Cramer *TBC*
Legislative Counsel

You have requested a sectional analysis of the above described bill. As a preliminary matter, note that a sectional analysis or summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Sections 1 and 2 reduces the total of combined territorial service, military service, outside service and Alaska BIA service that may be claimed by a member of the Teachers' Retirement System who was hired after June 30, 1987, from five years to three years.

Section 3 amends the military service section to reflect the three year limit.

Section 4 amends the territorial service section to reflect the three year limit.

Section 5 amends the BIA service section to reflect the three year limit.

Section 6 is an immediate effective date clause.

If I may be of further assistance, please advise.

TC:mkr
m8/046

STATE OF ALASKA
THE LEGISLATURE

POUCHY - STATE CAPITOL
JUNEAU, ALASKA 99811
907.465.3800

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

H HESS

3-19-87

8:30a.m.

HOUSE COMMITTEE REPORT

5/20

(7)

Date referred: 2/9/87

FURTHER REFERRALS: Finance

DATE: 3-19-87

The Health, Education and Social Services Committee has considered HB 12

"An Act relating to limiting certain kinds of credited service in the Teacher's Retirement System; and providing for an effective date."

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

Roll E. Ellis

James H. Stanley

McGowan

SIGNING OTHER RECOMMENDATIONS:

Roll E. Ellis no rec

James H. Stanley no rec

James H. Stanley no rec

Roll E. Ellis No Rec.

Roll E. Ellis

Cochairman's signature

co Roll E. Ellis

HOUSE COMMITTEE REPORT

(7)

Date referred: 1/19/87

FURTHER REFERRALS: HESS
Finance

DATE: 2-6-87

The State Affairs Committee has considered HB 12

"An Act relating to limiting certain kinds of credited service in the Teacher's Retirement System; and providing for an effective date."

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

Terry Martin

Smith memorandum (CRK RT Bill)

SIGNING OTHER RECOMMENDATIONS:

W. Lee (only) NO REC

Cliff Davidson No Rec.

Tom Ulmer NO REC

Tom Ulmer

 Chairman's signature

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

DIVISION OF RETIREMENT & BENEFITS

PLEASE REPLY TO:

P.O. BOX CR
JUNEAU, ALASKA 99811-0203
PHONE: (907)465-4460

2600 DENALI ST. SUITE 401
ANCHORAGE, ALASKA 99503
PHONE (907) 277-7504

Public Employees' Retirement System
Teachers' Retirement System
Judicial Retirement System
Elected Public Officers Retirement System
National Guard Retirement System
Territorial Retirement System
Retirees' Voluntary Dental Vision-Audio Plan
Supplemental Benefits System
Group Health/Life Insurance Benefits
Deferred Compensation Plan
Public Employers Social Security Contributions

STEVE COWPER, GOVERNOR

February 5, 1987

The Honorable Fran Ulmer
Chairman, House State Affairs Committee
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Ulmer:

Re: House Bill 12

In accordance with AS 24.08.036, I am providing the analysis below on House Bill 12. The analysis includes the long-term and short-term savings to the state if the bill is adopted and the impact the bill will have on the actuarial soundness of the Teachers' Retirement System (TRS) funds.

This bill would reduce the amount of non-membership service that may be claimed in the TRS to a maximum of three years for members first hired on or after July 1, 1987. It is estimated to result in a .02% decrease in the TRS state contribution rate in FY 88. The state TRS payroll is estimated to be \$48,498,325 in FY 88 and to remain level each year thereafter. The TRS state match contribution rate would also decrease by .02% in FY 88. The TRS state match payroll is estimated to be \$345,200,891 in FY 88 and to remain level each year thereafter.

The savings of \$78.8 is calculated as follows:

The decrease in the TRS contribution rate
(.02%) times the estimated FY 88 University
of Alaska TRS payroll (\$43,057,037) equaling: [\$ 8.6]

Plus the decrease in the TRS contribution
rate (.02%) times the estimated FY 88 Department
of Education TRS payroll (\$5,441,288) equaling: [\$ 1.1]

Plus the decrease in the TRS state match
contribution rate (.02%) times the
estimated FY 88 TRS state match payroll
(\$345,200,891) equaling: [\$ 69.0]

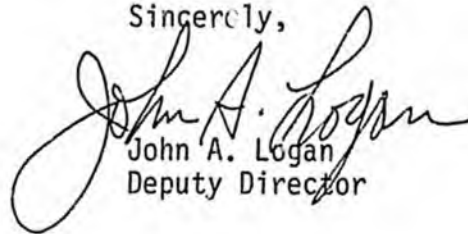
Total state FY 88 savings [\$ 78.7]

February 5, 1987

In addition to the state savings described above, there would be a decrease in the school districts' contribution rates of .02% which would result in savings of \$59.3 for FY 88 and each year thereafter.

There will not be any adverse impact on the actuarial soundness of the retirement systems funds if this bill becomes law.

Sincerely,



John A. Logan
Deputy Director

JAL/cam/7

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: HB 12
Publish Date: _____

REQUEST _____

Revision Date: Bill/Res No: HB 12
Title: An Act relating to limiting
certain kinds of credited service in the TRS
Sponsor: Larson
Requestor: _____

Agency Affected: Administration
BRU: Retirement and Benefits
Components: Retirement and Benefits

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER I/A & PGM RCPTS	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

An analysis of the impact of this bill on the actuarial soundness of the Teachers' Retirement System (TRS) funds is provided in the attached letter to Representative Ulmer.

Prepared By: John A. Logan

Division: Retirement and Benefits

Phone: (907) 465-4470

Date: February 3, 1987

Approved by Commissioner: Garrey Peska

Agency: Department of Administration

Date: 2/5/87

Distribution (by preparer):

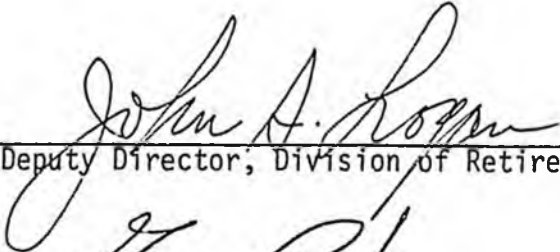
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)
Senate Secretary

POSITION PAPER

HB 12

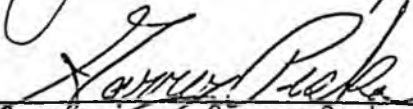
This bill applies to members of the Teachers' Retirement System (TRS) who are first hired on or after July 1, 1987. It would reduce the amount of non-membership service that may be claimed in the TRS to a maximum of three years. This bill represents cost savings to the state and school districts. Cost containment measures in the TRS such as this could be used to help offset the cost associated with a change to the TRS statutes for an actuarially funded post retirement pension adjustment mechanism.

Because of the reasons stated above, the Department is neutral on this Bill.



Deputy Director, Division of Retirement & Benefits

2-5-87
Date



Commissioner Garrey Peska
Department of Administration

2/5/87
Date

H B

13



Official Business

COMMITTEE:

House HESS

DATE: 3-10-87

SIGN-IN

Subject of meeting:

HB 13

HB 129

HB 140

NAME	ADDRESS	PHONE	REPRESENTING	DO YOU WANT TO TESTIFY?
Sam Trivette	P.O. Box T, Juneau	3384	Dept. Corr.	Yes <i>informally</i>
Susan Knighton	PO Box T, Juneau	3376	Dept. Corrections	No
LARRY BUSSONE	Capital Bm. 500	3727	REP. LARSON	YES ¹³ ₁₂₉
+ Michael Stark	P.O. BOX KC JUNEAU	3428	Dept. of LAW	Yes
in Blanket	Legislative Finance	3795		NO
CURTIS MASINGILL	SEN. DON BENNETT CAP 521		SENATE	No
Tom Wright	Rep Rep Swackhammer	2689	Swackhammer	No
Dennis Burns	Rep. Ulmer	4967	Ulmer	NO
Ervin Jones	REVENUE	2313	Revenue - PFD	NO YES. 55HB13, HB 129

HB 13 -- An Act relating to medical expenses of prisoners

File Contents

- 1) Copy of SSHB 13
- 2) Memo of 2/19/87 from Rep. Larson with Analysis of Sponsor Substitute for HB 13
- 3) Memo of 2/19/87 from Rep. Larson re SSHB 13
- 4) Position paper of Department of Public Safety and Fiscal Note dated 2/23/87
- 5) Minutes of 3/10/87

Alaska State Legislature



Session Address:
STATE CAPITOL BUILDING
BOX V
JUNEAU, ALASKA 99811
(907) 465-3727

Interim Address:
BOX 53
PALMER, ALASKA 99645
(907) 745-3826 - Palmer
(907) 378-8828 - Waialia

Representative Ronald L. Larson
District 16B

DATE: February 19, 1987

TO: Representatives Niilo Koponen and Johnny Ellis,
Co-Chairmen, House HESS Committee

FROM: Representative Ron Larson

SUBJ: Sponsor Substitute for House Bill No. 13

I respectfully request that you schedule Sponsor Substitute for HB 13 at the committee's earliest possible convenience.

I enclose an analysis of the bill, a letter of support from the Department of Corrections, and a letter and information from the Department of Revenue, which includes a fiscal note with accompanying explanation. Do I understand correctly that the Department of Corrections has sent you a fiscal note on the bill?

The Sponsor Substitute was written after--and in response to--Commissioner Malone's letter. The original HB 13 included only Section 1 and Section 6 of the current Sponsor Substitute. The bill's intent was to allow the state to attach a prisoner's PFD check to pay medical costs incurred by the state during the prisoner's incarceration. Commissioner Malone pointed out that many (and perhaps most) prisoners' medical expenses for a year are more than the amount of the permanent fund. He suggested that, and rightly so I believe, once prisoners realized their PFD checks would be garnished, they would likely refuse to file an application for the dividend. Sponsor Substitute for HB 13 remedies that situation by allowing the Department of Corrections to apply on behalf of a prisoner who it believes is eligible for the dividend.

The fiscal analysis provided by Revenue states that in December of 1986 there were 2,306 inmates housed in state institutions and 233 out-of-state institutions, for a total of 2,539. The department basis its fiscal note on those numbers, assumes that all would have their PFD checks

garnished as a result of the legislation, and requests one additional document processor to handle the garnishments.

I see the need for three corrections to the department's assumptions. First and most obvious, not all prisoners would have medical expenses (those serving a three day incarceration for a D.W.I. conviction, for instance). There would not be a need for garnishment of these prisoners' dividends.

Secondly, as explained in the sectional analysis, the bill would allow for garnishment only after four other types of garnishments were satisfied--as stipulated in AS 43.23.065(b)(1)-(4). I would assume that many inmates would have their PFD checks garnished under those four clauses, and therefore garnishments for medical expenses would be a moot issue.

More importantly, however, the department bases its estimates on the number of inmates housed during one month. I can only refer to the Department of Corrections' fiscal year 1985 annual report, as a 1986 report has to my knowledge not been released. That report shows on page 26 that 30,441 bookings occurred during the fiscal year 1985. Some of those bookings, no doubt, involved the same individual booked more than once, and some of the bookings would entail incarceration for a very short period of time (and therefore not entail medical expenses of any large degree); nevertheless, we are talking substantially more than 2,539 garnishments a year. If I am correct on this point, the Department of Revenue will surely need more than one seasonal processor to handle the load. On the other hand, we are talking a substantial savings to the Department of Corrections and therefore to the state (I don't think I am out of line to estimate in the millions). For this reason, I think this bill is a significant one, and should be examined very closely, and at the committee's earliest convenience.

I thank the committee and its chairmen for their consideration.

Alaska State Legislature



Session Address:
STATE CAPITOL BUILDING
BOX V
JUNEAU, ALASKA 99811
(907) 465-3727

Interim Address:
BOX 53
PALMER, ALASKA 99645
(907) 745-3828 - Palmer
(907) 376-8628 - Wasilla

Representative Ronald L. Larson
District 16B

DATE: February 19, 1987
TO: House HESS Committee
FROM: Representative Ron Larson *R.L.*
SUBJ: Analysis of Sponsor Substitute for House Bill No. 13

General Analysis:

Sponsor Substitute for HB 13 would amend statute to allow the state to attach a prisoner's PFD check to pay medical costs incurred by the state during the prisoner's incarceration. It would also allow the Department of Corrections to apply on behalf of a prisoner who is eligible for the dividend but refuses to apply for it. The bill's intentions are two: (1) to reduce expenses to the Department of Corrections and therefore to the state and (2) to provide an incentive for prisoners not to abuse the medical services they are provided.

Section by section analysis:

Section 1: Section 1 amends Title 33 (Probation, Prisons, and Prisoners) to allow the Commissioner, Department of Corrections, to attach the PFD check of a prisoner in order to pay that prisoner's medical expenses.

Section 2: Section 2 amends AS 43.23.005 to allow the commissioner to apply on behalf of a prisoner who he believes is eligible for the dividend (when the prisoner refuses to apply for him- or herself).

Section 3: Section 3 states that the commissioner's application for the dividend must include a statement explaining why the commissioner believes the prisoner is eligible for the dividend.

Section 4: Section 4 stipulates that the prisoner on whose behalf the commissioner has filed does not have to sign the dividend application him- or herself.

Section 5: Section 5 mandates that permanent fund dividends claimed by the commissioner must be deposited into the general fund.

Section 6: AS 43.23.065(a) mandates that 50 percent of an individual's annual PFD is exempt from levy, execution, garnishment, attachment, or any other remedy for the collection of debt except for claims stipulated in AS 43.23.065(b). Currently, AS 43.23.065(b) disallows the 50 percent exemption for four types of claims. Substitute Sponsor for HB 13 would add a fifth, a debt owed by a prisoner for medical expenses incurred while the prisoner was incarcerated. AS 43.23.065(c) stipulates that the claims listed in (b) have priority in the order they are listed; therefore, if Sponsor Substitute for HB 13 were to become law, the state could attach a prisoner's PFD check for medical expenses only after each of the other four types of claims was satisfied.

STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

H HESS

3-10-87

8:30 a.m.

H B

3 3



Official Business

COMMITTEE:

House HESS Committee

DATE:

3/24/87

SIGN-IN

Subject of meeting:

- HB 33 - Inoperative Schools
- CSSB 33 Compulsory Education Laws
- HB 76 - Minimum Age
- HB 96 - Kindergarten Programs

NAME	ADDRESS	PHONE	REPRESENTING	DO YOU WANT TO TESTIFY? & Which Bill
Joan Heidersdorf	PO. Box 020658 - Fairbanks	789-9858	self	76/ HB/96
Nancy Koster		465-3727	Rep. McMan	HB 33 if any questions
Jan Kallala	1057 Municipal Way #302 Fairbanks	582-3090	NEA	NO
Kelli Wernick	PO Box E, Fairbanks, AK 99811-0500	465 2841	DOE	Yes

HOUSE COMMITTEE REPORT

(7)

Date referred: 1/19/87

FURTHER REFERRALS: Finance

DATE: 3/24/87

The Health, Education and Social Services Committee has considered HB 33

"An Act relating to inoperative schools; and providing for an effective date.

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

Don H. Bouley

W. J. ...

Bill ...

Mike ...

Deice ...

ROCK E ...

J. H. Ellis

Mike ...

 Co Chairman's signature
John Ellis

HB 33 -- An Act relating to inoperative schools; and
providing for an effective date

File Contents

- 1) Copy of HB 33
- 2) Zero Fiscal Note 2/6/87, and analysis of Note
- 3) Enrollment charts
- 4) Kodiak Island Borough School District Resolution
867-10



Alaska State Legislature

House of Representatives

COMMITTEE ON HEALTH, EDUCATION
AND SOCIAL SERVICES

GUEST SIGN IN SHEET

Date: 2-12-87

Subject of Meeting HB 6, HB 39, HB 1, HB 33

Name	Address / Representing	Phone	Do you want to Testify?
<u>DAN M. SMITH</u>	<u>Po 196601 Anchorage, AK 99519-6601 EXXON Co. USA</u>	<u>564-3778</u>	<u>Yes - HB 6</u> <i>Ma</i>
<u>E. Bussey</u>	<u>Rep. BOYER</u>	<u>3466167</u>	<u>No</u>
<u>Robert Van Slyke</u>	<u>1765 Evergreen No Slope Borough Juneau, AK School District</u>	<u>586 4097</u>	
<u>Susan Charles</u>	<u>Box 36 Bethel AK</u>	<u>543-3141</u>	<u>NO</u>
<u>Steve Hole</u>	<u>Box F DOE</u>	<u>2800</u>	<u>YES - HB - 1/33</u> <i>La</i>
<u>Russell Nelson</u>	<u>Box 161 Dillingham, Alaska 99576</u>	<u>842-2370</u>	<u>NO</u>
<u>DIANE ROBINSON</u>	<u>280 INANCY WAY WAS REP MENARD</u>	<u>2679</u>	<u>NO</u>



Alaska State Legislature

House of Representatives

COMMITTEE ON HEALTH, EDUCATION
AND SOCIAL SERVICES

GUEST SIGN IN SHEET

Date: _____ Subject of Meeting _____

Name	Address / Representing	Phone	Do you want to Testify?
Flora Paulsen	St. Marys, Alaska 99658 St. Marys School District	907-438-2847 H	Yes. HB-1
Paul T. Wagon	St. Marys Native Corporation + Community Consultant St. Marys, Alaska 99658	907-438-2215	No. ^{answer question only.} HB-1
Hallie O. Denson	St. Marys, Alaska 99658	907-438-2215	No. HB-1
Dany (G...)	K... - ...		No. HB-1

STEVE COWPER, GOVERNOR

DEPARTMENT OF EDUCATION

OFFICE OF THE COMMISSIONER

GOLDBELT PLACE
801 WEST 10th STREET
POUCH F
JUNEAU, ALASKA 99811

February 13, 1987

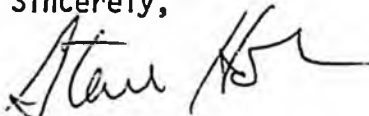
The Honorable Niilo Koponen, Co-Chair
House HESS Committee
The Alaska Legislature
PO Box V
Juneau, Alaska 99811

Dear Representative Koponen:

Attached is a computer run listing all public schools in Alaska with a combined elementary-secondary enrollment of 30 or less. I have spoken with committee staff and I think the information is what you requested during the committee meeting on February 12, 1987, on House Bill 33.

If the attached is not what you requested or if I can provide additional information, please contact me at your convenience.

Sincerely,


Steve Hole
Deputy Commissioner

cc: Representative Ron Larson
The Alaska State Legislature

Mary Hakala, Staff Assistant
Department of Education

ENROLLMENTS

1

Generated February 9, 1987 at 8:52 AM

Alaska Gateway Schools

School	K	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11	Grade 12	Total Students
Dot Lake School	1	1	3	3	1	3	2	2	2	2	1	2	2	25
Mentasta Lake School	4	1	1	3	0	0	2	0	2	3	3	2	3	24
Tanacross School	3	1	0	5	4	6	0	4	3	0	0	0	0	26
Tetlin School	6	1	2	2	4	2	1	0	1	0	0	0	0	19
Akutan School	1	2	1	0	1	1	3	1	0	1	0	0	0	11
Atka School	1	2	2	1	1	2	1	2	2	0	2	3	3	22
Cold Bay School	3	2	2	0	1	1	1	0	1	3	3	0	1	18
False Pass School	1	2	1	2	1	1	4	2	1	1	1	0	0	17
Nelson Lagoon School	1	2	2	1	2	0	1	0	2	2	1	2	0	16
Nikolski School	0	1	1	0	0	0	1	1	1	0	0	0	1	6
Jesse Lee Home	0	0	0	2	1	0	1	2	2	0	1	0	0	9
Providence Heights (0	1	0	1	0	1	1	1	1	2	6	0	0	14

ENROLLMENTS

School	K	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11	Grade 12	Total Students
Whaley Center	0	3	2	1	1	0	1	2	3	3	2	5	5	28
Rabbit Creek Group H	0	0	0	0	0	0	0	0	2	1	1	1	0	5
Booth Memorial	0	0	0	0	0	0	0	1	2	5	4	4	2	18
South Naknek Element	4	0	2	2	3	1	0	0	0	0	0	0	0	12
Tenakee Springs Scho	2	2	0	2	1	2	1	2	3	1	1	0	0	17
Cube Cove School	2	3	3	3	3	3	1	2	1	2	2	3	1	29
Chatham Corresponden	3	1	1	1	0	1	4	0	1	1	0	0	0	13
Elfin Cove School	3	0	0	0	0	1	0	1	0	0	2	0	1	8
Chenega Bay School	1	0	1	3	1	4	3	1	1	2	1	0	1	19
Icy Bay	1	2	1	1	1	2	2	1	1	1	0	0	0	13
Chugach Extension Co	2	3	0	2	1	2	2	1	1	1	0	1	0	16
Chistochina School	0	1	2	3	1	1	2	1	0	4	2	2	2	21

ENROLLMENTS

School	K	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11	Grade 12	Total Students
Paxson School	0	0	0	2	0	1	1	1	0	0	0	1	0	6
Slana School	0	4	2	3	8	5	3	3	2	0	0	0	0	30
Delta Alternative Hi	0	0	0	0	0	0	0	0	0	2	1	1	2	6
Birch Special Educat	0	0	0	0	25	0	0	0	0	0	0	0	0	25
Mosquito Lake Elemen	2	4	6	3	3	0	0	0	0	0	0	0	0	18
Haines Correspondenc	1	2	2	0	1	0	2	3	0	1	0	0	1	13
Blackwell School	4	2	2	0	0	1	1	3	0	2	1	1	0	17
Lime Village School	1	0	0	0	1	0	1	0	3	0	0	0	0	6
Takotna School	2	2	1	0	0	1	2	2	1	1	3	2	1	18
Top of the Kuskokwim	3	4	3	2	0	2	3	2	1	0	0	0	0	20
Telida School	0	1	1	0	3	1	2	0	2	0	0	0	0	10
Iditarod Corresponde	1	2	2	1	0	1	0	1	1	0	0	1	0	10

ENROLLMENTS

School	K	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11	Grade 12	Total Students
Kake High School	0	0	0	0	0	0	0	12	17	0	0	0	0	29
Hope Elementary Scho	1	1	3	1	2	0	1	3	0	1	5	0	0	18
Cooper Landing Eleme	2	2	2	2	5	0	6	3	2	0	0	0	0	24
Razdolna Elementary	0	2	5	8	2	1	2	2	5	0	0	0	0	27
Moose Pass Elementar	0	4	3	1	2	3	5	2	1	0	0	0	0	21
Port Graham Elementa	1	5	0	6	1	1	1	3	2	3	4	0	0	27
Akhiok School	1	4	4	4	2	2	0	0	2	0	1	0	1	21
Chiniak School	2	2	4	4	2	2	5	4	2	0	0	0	0	27
Karluk School	1	3	2	3	4	2	2	5	2	3	0	0	0	27
Kodiak Island Boroug	4	1	5	1	3	0	0	2	1	0	0	3	5	25
Chuathbaluk School	6	3	0	2	1	2	0	2	0	0	0	1	3	20
Johnnie John Sr.	2	5	2	3	1	2	1	4	0	1	1	3	5	30
Joseph S. Gregory	0	3	2	1	2	0	0	0	0	0	0	0	0	8

ENROLLMENTS

School	K	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11	Grade 12	Total Students
George Willis	0	2	0	0	0	1	0	2	0	1	0	0	0	6
Sleetmute School	1	0	1	3	5	0	2	3	1	1	0	1	2	20
Gusty Michael School	3	2	0	1	0	2	1	2	2	0	1	1	1	16
Kuspuk Correspondenc	0	1	2	0	0	2	1	1	1	0	1	0	1	10
Joe Parent Regional	0	0	0	0	0	0	0	0	0	4	1	2	2	9
Chignik Lagoon Schoo	2	3	2	3	2	2	0	4	0	1	1	0	0	20
Egegik School	3	1	0	3	1	0	1	0	1	0	0	0	0	10
Igiugig School	2	0	0	0	0	0	2	0	1	0	0	0	0	5
Kokhanok School	1	7	3	0	4	2	3	3	2	3	0	1	0	29
Port Alsworth School	0	3	1	2	1	1	1	2	0	1	0	0	0	12
Perryville School	3	3	5	1	1	1	3	5	1	2	1	2	1	29
Pilot Point School	1	2	0	0	2	2	1	0	0	1	2	0	0	11
Port Heiden School	0	4	1	4	1	2	1	3	2	2	2	0	0	22
Pedro Bay School	3	2	2	1	0	0	2	1	1	1	0	0	0	13
Ivanof Bay School	0	0	1	1	3	0	1	0	1	1	0	0	0	8

ENROLLMENTS

School	K	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11	Grade 12	Total Students
District Correspondence	1	1	1	1	1	1	0	0	0	0	0	0	0	6
Arvuq Schools	1	2	0	0	1	1	0	2	3	1	1	0	1	13
Oscarville Schools	1	2	0	2	1	0	2	2	2	2	1	0	0	15
Skwentna Elementary	0	0	2	0	0	0	0	2	3	0	2	3	0	12
Nome Correspondence	0	2	0	1	0	0	0	0	0	0	5	6	8	22
Cully School	4	2	2	0	2	2	3	1	2	0	4	1	1	24
Kobuk School	0	3	3	1	4	0	3	2	3	0	0	0	0	19
Alternative Learning	0	0	0	0	0	0	0	0	1	2	3	2	1	9
Browns School	0	1	0	2	0	3	1	0	0	0	0	0	0	7
Correspondence	0	1	2	1	2	1	1	1	0	2	0	1	0	12

ENROLLMENTS

School	K	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11	Grade 12	Total Students
Edna Bay School	1	1	1	1	1	1	3	0	2	2	3	0	1	17
Howard Valentine	2	1	1	3	2	2	2	1	4	1	3	2	0	24
Bruce Hill School	1	4	2	1	2	1	0	2	5	1	1	1	0	21
LaBouchere Bay	2	1	1	1	2	1	1	1	0	1	1	2	0	14
Gildersleeve School	1	0	3	0	1	3	0	0	2	0	1	0	0	11
Dolomi	0	1	0	1	0	1	0	3	0	0	0	0	0	6
Kasaan School	1	2	1	0	0	2	1	1	0	0	0	0	0	8
Rowan Bay School	0	5	2	0	1	4	1	0	4	1	0	1	1	20
Whale Pass School	2	2	0	0	4	3	1	0	2	1	0	0	0	15
Meyers Chuck	0	1	1	3	1	1	0	2	0	2	2	1	0	14
Port Alexander	0	2	3	3	4	1	2	3	1	0	0	0	0	19
Hollis	5	2	3	0	2	2	2	3	2	3	1	0	0	25
John Green	3	1	3	5	1	1	3	0	2	2	2	3	1	27
Nichen Cove	0	0	1	2	2	0	1	1	1	0	0	0	0	8
Fire Cove	1	2	1	2	2	3	2	2	3	1	2	0	0	21
Southeast Island Cor	4	1	2	2	3	0	2	3	2	4	2	2	3	30

ENROLLMENTS

School	K	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11	Grade 12	Total Students
Clarks Point School	2	1	1	1	2	1	1	2	2	0	0	0	0	13
William "Sonny" Nels	2	3	2	3	1	0	3	0	2	0	2	4	0	22
Twin Hills School	3	1	0	0	2	1	0	2	0	0	0	0	0	9
Arctic Village Schoo	1	2	3	3	2	2	1	1	1	1	2	2	0	21
Central School	1	1	1	1	1	1	1	2	1	0	1	2	1	14
Birch Creek School	2	1	1	1	1	0	2	0	0	0	0	0	1	9
Circle School	1	0	1	3	1	0	2	1	0	1	1	2	2	15
Rampart School	2	1	1	0	2	0	1	3	0	1	2	0	3	16
Stevens Village Scho	3	2	2	4	1	4	0	2	2	1	0	0	0	21
Northern Lights Scho	0	2	1	2	0	2	0	2	0	2	2	0	0	13
Beaver "Cruikshank"	2	1	4	0	2	3	2	2	5	0	2	2	0	25
Yukon Flats Correspo	1	1	1	2	3	2	2	3	0	3	0	0	0	18
Bettles School	0	2	4	0	2	1	3	1	1	2	1	2	1	20

ENROLLMENTS

School	K	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11	Grade 12	Total Students
Hughes School	1	2	4	2	2	1	0	0	2	0	0	0	0	14
Koyukuk School	3	3	3	2	0	4	3	2	4	0	0	0	0	24
Manley Hot Springs S	1	3	4	1	2	0	1	1	3	2	0	0	0	18
Akiak High School	0	0	0	0	0	0	0	4	4	5	6	3	7	29

--- End of Report ---



Kodiak Island Borough School District

RESOLUTION 867-10

RE: HB 33, an act relating to inoperative schools

WHEREAS, the Board of Education of the Kodiak Island Borough has reviewed HB 33, "Inoperative Schools", and

WHEREAS, the Board finds that it is important and necessary that the Alaska State Legislature set standards for determination of when there are sufficient students served by both elementary and/or secondary education programs, and

WHEREAS, the Board feels that delivery of these programs for small populations are not cost-effective in the light of inadequate revenues from the state, and

WHEREAS, the Board wishes to see the legislation modified to allow local school districts flexibility in providing programs where elementary and secondary programs are coordinated within one facility and utilizing shared staff, and

WHEREAS a threshold level of elementary or secondary students should not restrict the ability of local school districts to provide for all students at a rural school site if a threshold level is obtained, in either the elementary or secondary program when a rural school is operative.

NOW THEREFORE BE IT RESOLVED, that the Kodiak Board of Education endorses, in concept, the need for the legislature to set reasonable thresholds for state and local responsibility for primary and secondary programs in remote locations, and

FURTHER BE IT RESOLVED, that the Kodiak Board of Education encourages the legislature to set reasonable standards for the determination of the necessary number of students needed to provide formalized school programs but eliminate unnecessary program changes for students in rural schools where threshold levels are met for either an elementary or a secondary program by adding a threshold for combined K-12 programs.

President
Kodiak Island Borough School Board

STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

H HESS

3-19-87

8:30a.m.

"

"

3-24-87

"

H B

39

HB 39 -- "An Act relating to student loans; creating the Alaska Student Loan Corporation; and providing for an effective date."

FILE CONTENTS

- 1) Copy of HB 39
- 2) Memorandum from bill sponsor, Representative Sund
- 3) Fiscal note from Postsecondary Education Commission plus position paper and sectional analysis
- 4) Report on the Alaska Student Loan Program, 1971-1986 by the Postsecondary Education Commission

BRIEFING MATERIALS

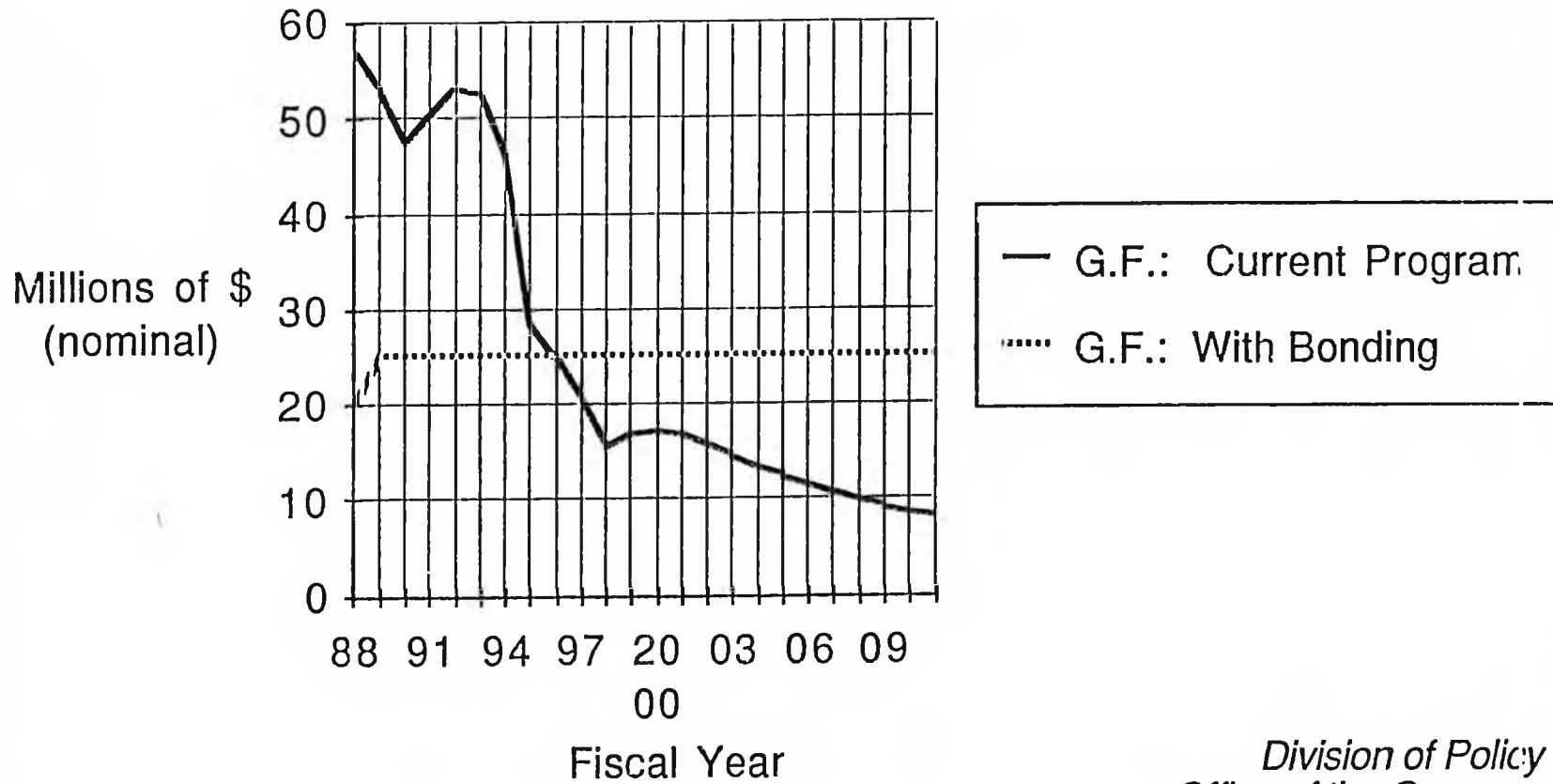
HB 39

**COMPARISON OF GENERAL FUND AND BOND
FINANCING FOR STUDENT LOANS**

**HOUSE HESS COMMITTEE
FEBRUARY 12, 1987**

**Division of Policy
Office of Management and Budget
Office of the Governor**

Comparison of General Fund Requirements for Current Student Loan Program and Nuveen Bonding Proposal



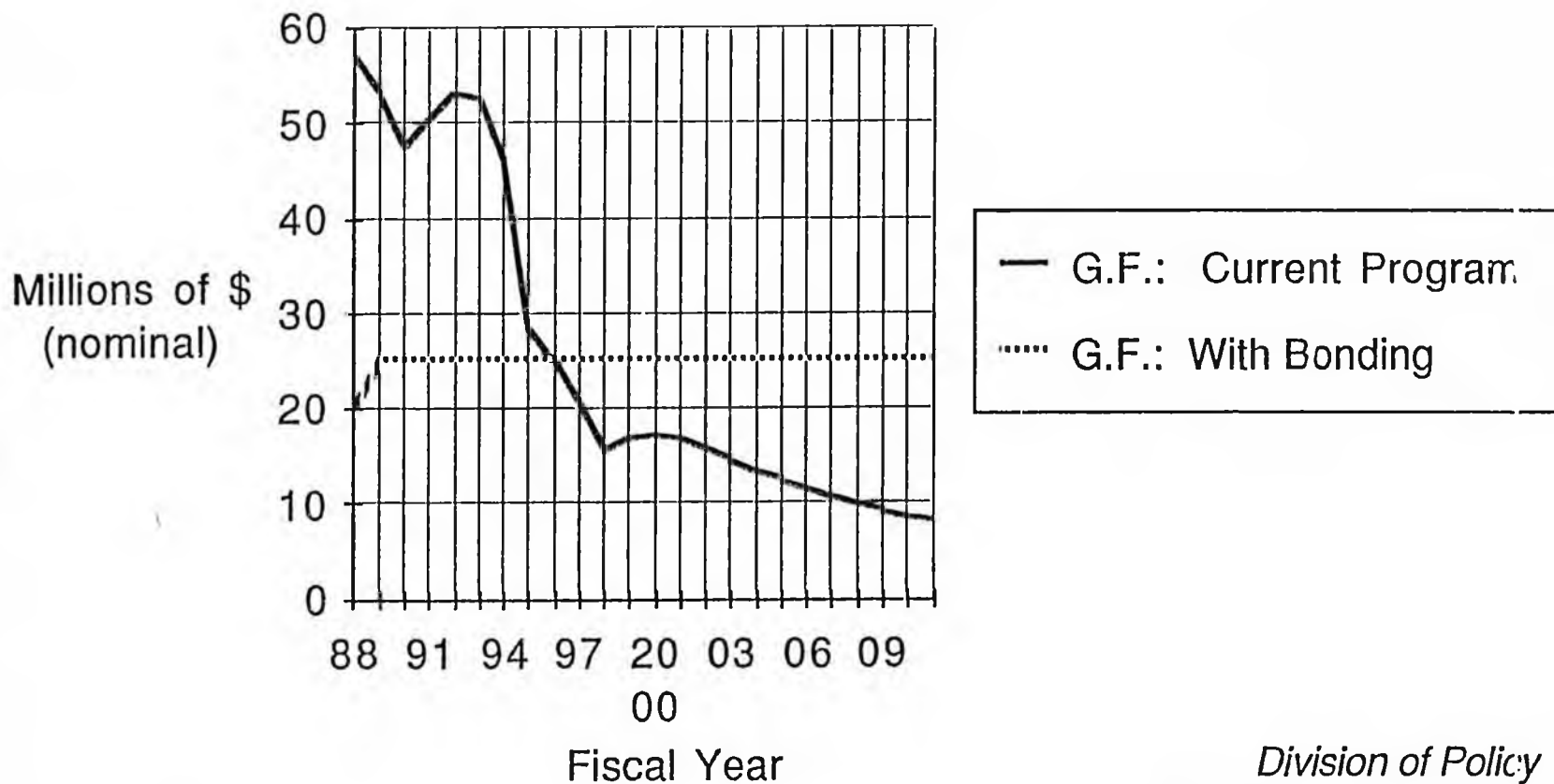
2/10/87

*Division of Policy
 Office of the Governor
 Source: ACPE*

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

Comparison of General Fund Requirements for Current Student Loan Program and Nuveen Bonding Proposal



2/10/87

Division of Policy
Office of the Governor
Source: ACPE

TABLE 1

**COMPARISON OF GENERAL FUND REQUIREMENTS FOR
CURRENT STUDENT LOAN PROGRAM
AND NUVEEN BONDING PROPOSAL**
(nominal dollars)

Fiscal Year	Loan Awards 2	Loan Volume 3	Loan Collections 4	Loan Forgiveness 5	General Fund Requirement 6	General Fund With Bonding 7	Savings(Cost) With Bonding 8
1988	17,204	\$80,000,000	\$23,298,455	\$3,786,944	\$56,701,545	\$20,000,000	\$36,701,545
1989	16,738	80,345,504	27,587,414	4,441,374	52,758,090	25,000,000	27,758,090
1990	16,381	80,676,052	33,387,487	5,326,377	47,288,565	25,000,000	22,288,565
1991	16,044	81,024,565	40,624,030	6,430,564	50,400,535	25,000,000	25,400,535
1992	16,248	82,865,042	44,721,848	7,584,355	53,143,194	25,000,000	28,143,194
1993	16,491	85,341,434	52,739,315	8,745,092	52,602,119	25,000,000	27,602,119
1994	16,708	87,298,990	56,381,286	9,831,303	45,917,704	25,000,000	20,917,704
1995	16,675	88,375,670	59,929,106	10,789,747	28,446,564	25,000,000	3,446,564
1996	16,653	88,261,738	63,349,462	11,571,828	24,912,276	25,000,000	(87,724)
1997	16,416	87,007,173	66,563,505	12,187,296	20,443,668	25,000,000	(4,556,332)
1998	16,018	84,895,801	69,475,575	12,679,094	15,420,226	25,000,000	(9,579,774)
1999	16,745	88,748,536	71,991,794	13,069,109	16,756,742	25,000,000	(8,243,258)
2000	17,201	91,166,845	74,056,739	13,360,407	17,110,106	25,000,000	(7,889,894)
2001	17,546	92,991,621	76,271,198	13,587,333	16,720,423	25,000,000	(8,279,577)
2002	17,765	94,155,886	78,537,715	13,750,923	15,618,171	25,000,000	(9,381,829)
2003	17,949	95,130,963	80,787,019	13,899,705	14,343,944	25,000,000	(10,656,056)
2004	18,154	96,214,236	82,951,870	14,064,996	13,262,366	25,000,000	(11,737,634)
2005	18,368	97,349,392	85,015,769	14,238,204	12,333,623	25,000,000	(12,666,377)
2006	18,578	98,462,230	86,996,273	14,408,006	11,465,957	25,000,000	(13,534,043)
2007	18,773	99,498,206	88,906,992	14,566,080	10,591,214	25,000,000	(14,408,786)
2008	18,960	100,489,383	90,752,988	14,717,319	9,736,395	25,000,000	(15,263,605)
2009	18,965	101,518,364	92,532,964	14,874,404	8,985,400	25,000,000	(16,014,600)
2010	19,375	102,687,093	94,248,233	15,052,656	8,438,860	25,000,000	(16,561,140)
2011	19,621	103,992,073	95,908,070	15,251,776	8,084,003	25,000,000	(16,915,997)
TOTALS	419,576	2,188,496,797	1,637,015,107	273,214,892	611,481,690	595,000,000	16,481,690

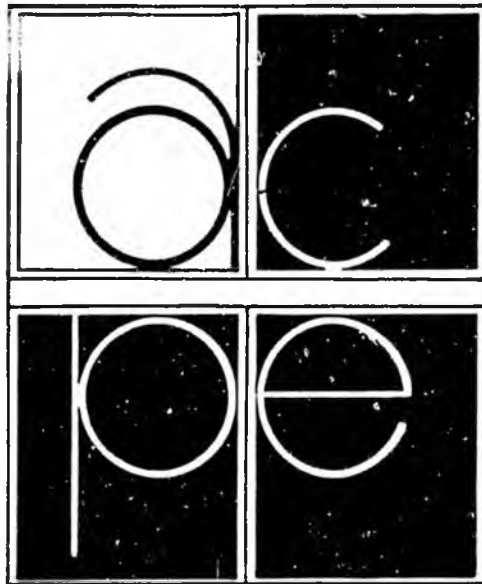
Present Value of Bonding Savings (Cost)
(@9% discount rate) 101,318,127

NOTE: General Fund Requirements shown in FY 91-94 are increased by a total of \$60 million to provide adequate cash flow for fall loan disbursements.

FY 91 Increase= \$10 million
FY 92 Increase= \$15 million
FY 93 Increase= \$20 million
FY 94 Increase= \$15 million

Revised 2/10/87
JK/Division of Policy
Office of the Governor
Source: ACPE

THE ALASKA STUDENT LOAN PROGRAM
15 YEARS OF HELPING ALASKANS
(1971-1986)



Alaska Commission on Postsecondary Education

PREFACE

The Fourteenth Alaska State Legislature passed a bill providing for a number of changes to the Alaska Student Loan Program (SCSCS HB 161). Included in that bill was a charge to the Alaska Commission on Postsecondary Education to submit a report on the loan program to the Fifteenth Alaska State Legislature by January 31, 1987. This report, "The Alaska Student Loan Program: 15 Years of Helping Alaskans," is submitted in response to that charge.

The report is hereby transmitted to the Legislature and the Governor of the State of Alaska on behalf of the Alaska Commission on Postsecondary Education:

Ms. Ruth Burnett, Chair (Fairbanks)
Ms. Patricia Abney (Anchorage)
Ms. Alice Bosshard (Valdez)
Ms. Patricia Clark (Fairbanks)
Mr. William Eubank (Sand Point)
Mr. Gordon Evans (Juneau)
Mr. John Havelock (Anchorage)
Ms. Laura Kelley (Anchorage)
Senator Jalmar Kerttula (Palmer)
Representative Niilo Koponen (Fairbanks)
Ms. Barbara Shaffer (Anchorage)
Ms. Bettye Smith (Anchorage)
Ms. Barbara Thompson (Juneau)

Dr. Kerry D. Romesburg, Executive Director (Juneau)

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INTRODUCTION

The Alaska Student Loan Program is one of the most popular and successful programs offered by the State of Alaska. Its principal goals are to provide Alaskans with access to postsecondary educational resources through low-interest loans to students, and to encourage Alaskans, through program inducements, to utilize that education and training in Alaska. Throughout its 15-year history, the loan program has undergone a number of changes, a strong legal challenge, and almost constant growth. It remains today as the most generous comprehensive state student loan program in the nation, and Alaska can be proud of its investment in the education of its citizens.

The benefits of this loan program to Alaska and to Alaska's people are manifold. Certainly, the State benefits in a number of ways for having a more highly trained and highly educated citizenry; the individual benefits socially, culturally, and economically for having participated in and completed postsecondary education programs; and all Alaska benefits from the 15-year infusion of nearly \$164 million into Alaska's economy through student loan funds expended in the State.

During the past 15 years, the Alaska Student Loan Program has provided over \$362 million to assist more than 55,000 Alaskans in obtaining postsecondary education and training. Now, as Alaska moves into its 16th year of providing these student loans, the program is facing its greatest challenge. How this challenge may be met will be discussed in this paper as well as a historical review of the loan program and its first 15 years of helping Alaskans.

LEGISLATIVE HISTORY

The current student loan program was created by the 1971 Alaska State Legislature, however, it was based upon a program which originated in 1968. The 1968 Alaska State Legislature established a program of Scholarship Loans (Senate Bill 378). These loans were for undergraduate students studying in Alaska at an accredited institution. The student could borrow up to \$500 per year for up to four years. The loans were non-interest-bearing and could be used only to meet the costs of books, tuition, and required fees (excluding room and board). If the student lived in Alaska after ceasing study, the loans were forgiven at a rate of \$500 of loan indebtedness for each six months spent in Alaska.

This program was amended by the 1970 Alaska State Legislature after a good deal of debate (based upon the bill number for the adopted legislation - FCCS SCS CSHB599). Loans now were for up to \$750; could be used at any accredited college or university, could be used for books, tuition, room and board, and required fees; and were eligible for forgiveness at a rate of \$750 of loan indebtedness for each full year spent in Alaska. The loans were still restricted to undergraduate students and were still non-interest-bearing.

In 1971, the Alaska State Legislature once again looked at student loans and passed CSHB415 (Finance) am S. This bill created the true framework for the present student loan program. Under the 1971 program, student loans could be obtained for undergraduate study, graduate study, and career education programs. Undergraduate students and career education students could borrow up to \$2,500 per year and graduate students could borrow up to \$5,000 per year. Students could borrow for up to six years of study. Loans were to bear interest at a rate of 5 percent and could be used for books, tuition, room and board, and required fees. Forgiveness was limited to 40 percent of the total borrowed (plus interest), and was accrued in 10 percent increments for each year of employment in Alaska after the grace year. Forgiveness was also restricted to only those borrowers who completed their programs of study.

The loan program experienced minor amendments on a number of occasions, but remained relatively unchanged until the 1976 Alaska State Legislative Session. During that Session, FCCSSB70 passed. Under this bill, the undergraduate and career education borrowing maximum was raised to \$3,000 per year, but the \$5,000 per year maximum for graduate students was maintained.

Subsequent Legislatures continued to make relatively minor adjustments to the program, and then in 1981, a major change occurred. The 1981 Legislature passed FCCSSB120, which raised the borrowing maximums to \$6,000 per year for undergraduate and career education students and to \$7,000 per year for graduate students. The bill also raised the amount of loan forgiveness up to 50 percent of the total borrowed (including interest), and provided that this forgiveness be accrued in 10 percent increments for each year of residence in Alaska after the grace year. Loans under this program could be obtained for up to five years for either undergraduate or graduate study or up to eight years of combined study.

PROGRAM DESCRIPTION

TERMS

As noted in the Legislative History for the loan program, the terms of the Alaska Student Loan Program have changed greatly during the program's existence, and, in fact, were changed again during the 1986 Legislative Session. The terms listed here are the terms as they exist at this writing. These terms apply to all loans made after June 30, 1986.

1. Undergraduates and vocational students may borrow up to \$5,500 per year of full-time study.
2. Graduate students may borrow up to \$6,500 per year of full-time study.
3. Students may borrow for up to 5 years of undergraduate study, or up to 5 years of graduate study, but for not more than 8 years combined.
4. A student must be a two-year Alaska resident to borrow and must maintain full-time study in good standing to continue borrowing Alaska student loans.
5. Loans may be used for attendance at any approved institution.
6. Proceeds from loans may only be used for the costs of tuition and fees, room and board, and books and supplies.
7. Loan repayment begins one year after the student ceases to be a full-time student (except for approved periods of deferment).
8. Repayment is over a 10-year period with provision for extending to 15 years if necessary.
9. Interest charged on the loans is 8 percent.
10. No loan will exceed the cost of tuition and fees, room and board, and books and supplies less \$500, or the loan maximums, whichever is lower.
11. If a loan in repayment becomes 120 or more days past due, the loan is in default.
12. If a loan is in default, interest is raised to 10 percent, all forgiveness benefits (described below) are forfeited, and the costs of collection are added to the total balance due.

FORGIVENESS

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

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

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

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In 1986 the loan program once again underwent substantial change. SCSCSHB161, for the first time in 15 years, made the loan program less generous and somewhat less active. Borrowing maximums were lowered to \$5,500 undergraduate students and \$6,500 for graduate students, and loan interest was raised to 8 percent. Attempts to decrease or eliminate forgiveness provisions and to shorten grace periods were unsuccessful. It should also be noted that an attempt to partially fund student loans from State revenue bonds was also widely discussed in the 1986 Alaska Legislature and very nearly passed in the closing days of the Session.

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

REPAYMENT SCHEDULE

Repayment terms have changed as interest rates have changed. Listed below are two schedules, one for 5 percent interest, which is applicable to all loans made prior to July 1, 1986 and one for 8 percent interest, for those loans after June 30, 1986.

1. Loans bearing 5 percent interest:

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

2. Loans bearing 8 percent interest:

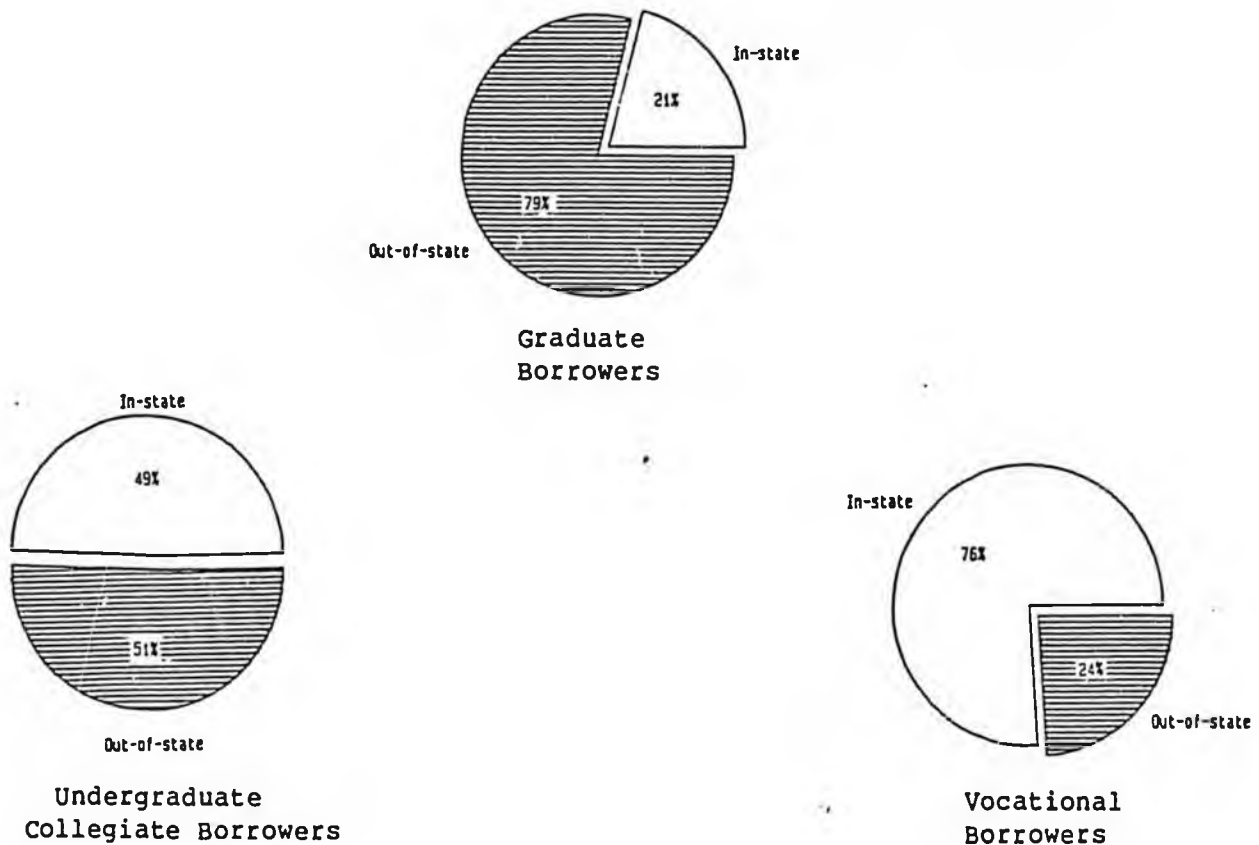
IF YOUR STUDENT LOANS TOTAL:	YOUR MONTHLY PAYMENT FOR 120 MONTHS (10 YRS.) WOULD BE:	TOTAL TO BE REPAYED:		
		8% Interest	Principal	Total
\$1,000.00	\$ 12.14	\$ 456.80	\$1,000.00	\$ 1,456.80
2,000.00	24.27	912.40	2,000.00	2,912.40
3,000.00	36.40	1,368.00	3,000.00	4,368.00
4,000.00	48.54	1,824.80	4,000.00	5,824.80
5,000.00	60.67	2,280.40	5,000.00	7,280.40
6,000.00	72.80	2,736.00	6,000.00	8,736.00
7,000.00	84.93	3,191.60	7,000.00	10,191.60
8,000.00	97.07	3,648.40	8,000.00	11,648.40
9,000.00	109.20	4,104.00	9,000.00	13,104.00
10,000.00	121.33	4,559.60	10,000.00	14,559.60
15,000.00	182.00	6,840.00	15,000.00	21,840.00
20,000.00	242.66	9,119.20	20,000.00	29,119.20
25,000.00	303.32	11,398.40	25,000.00	36,398.40
30,000.00	363.99	13,675.80	30,000.00	43,678.80
35,000.00	424.65	15,958.00	35,000.00	50,958.00
40,000.00	485.32	18,238.40	40,000.00	58,238.40
45,000.00	545.98	20,517.60	45,000.00	65,517.60
50,000.00	606.64	22,796.80	50,000.00	72,796.80

LOAN AWARDS

During the first 15 years of operation, there have been 95,926 student loans awarded. Of these, 45,351 (47.3 percent) have been for attendance in Alaska, and 50,575 (52.7 percent) have been for attendance out-of-state. However, more than half of all loans have been for attendance in-state for the last four years. The lowest in-state rate was in 1975-76, when only 28.0 percent of the loans were for Alaska use, and the highest in-state rate was in 1984-85, when 54.0 percent of the loans were for Alaska use. These figures are skewed somewhat by the fact that consistently nearly 80 percent of the loans for graduate study have been for study out-of-state.

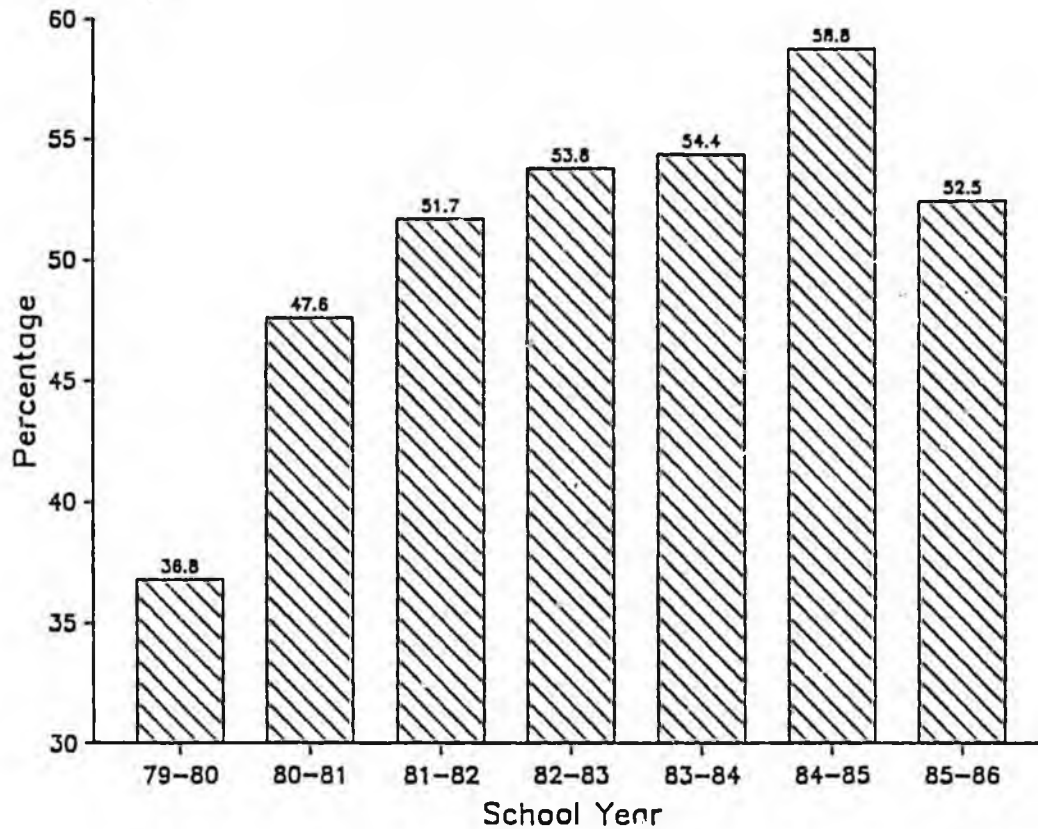
The in-state/out-of-state mix for 1985-86 is presented graphically below for undergraduate collegiate borrowers, graduate borrowers, and vocational borrowers. The effect of combining all these produces a 51.6 percent in-state rate (48.4 percent out-of-state) for 1985-86.

Figure 1
In-State vs. Out-of-State



A more detailed analysis of the attendance practices of borrowers over the past seven years reveals certain patterns. As can be seen in Figure 2, the percentage of freshman collegiate borrowers steadily increased through 1984-85 and then dropped rather precipitously in 1985-86.

Figure 2
Percentage of Freshman Borrowers
Attending in Alaska



Whether or not the decline in in-state attendance represents a trend reversal will not be determined until the information for the next few years is collected.

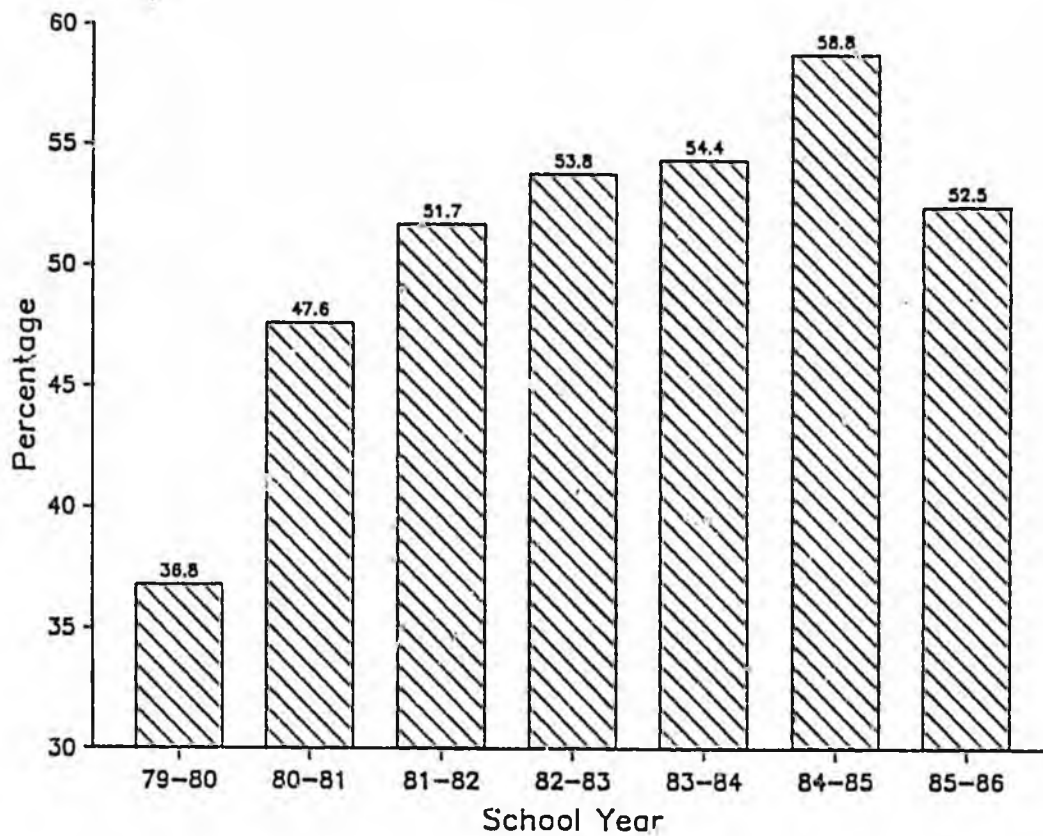
The attendance patterns for Sophomore, Junior, and Senior borrowers have been relatively stable over this same seven-year period. All showed growth of in-state attendance in 1979-80 and 1980-81, and then all leveled off after 1981-82. The in-state percentage for Sophomore borrowers has leveled around 48 percent, Juniors around 45 percent, and Seniors around 45 percent.

Vocational borrowing has trended strongly toward in-state attendance the last few years. Reflected in Figure 3, one sees that the percentage of in-state vocational borrowers has more than doubled from 1979-80 to 1985-86.

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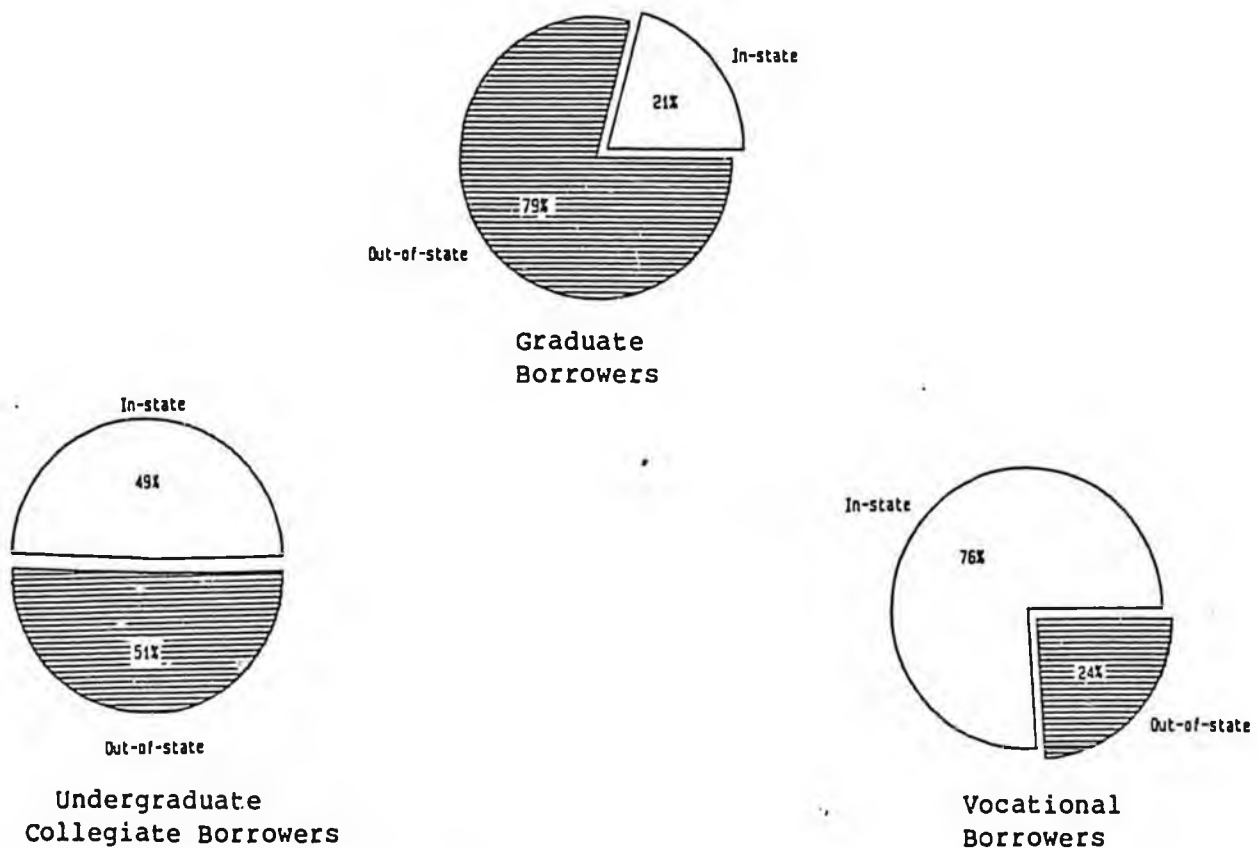
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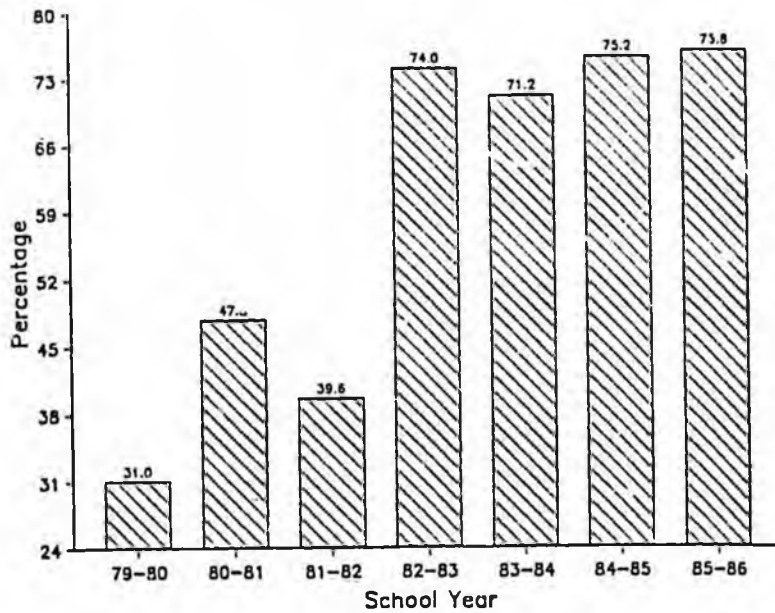
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A more detailed analysis of the attendance practices of borrowers over the past seven years reveals certain patterns. As can be seen in Figure 2, the percentage of freshman collegiate borrowers steadily increased through 1984-85 and then dropped rather precipitously in 1985-86.

Figure 3
 Percentage of Vocational Borrowers
 Attending in Alaska



Graduate student attendance patterns appear to be slowly trending toward out-of-state attendance. After rising steadily during the early years of the loan program, the in-state attendance rate appears to have peaked in 1982-83 and 1983-84. Since then it decreased slightly and leveled. The graduate pattern is presented in Figure 4.

Figure 4
 Percentage of Graduate Borrowers
 Attending in Alaska

