

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
6289 SENATE HEALTH, EDUCATION AND SOCIAL SERVICES

493

Alaska State Legislature

REPRESENTATIVE
MARK BOYER

VICE-CHAIRMAN, HOUSE
HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

MEMBER, HOUSE LABOR AND
COMMERCE COMMITTEE

CHAIR, CHILDREN'S CAUCUS



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House of Representatives

M E M O R A N D U M

TO: Senator Paul Fischer, Chairman
Health, Education and Social Services Committee

FROM: Representative Mark Boyer *MB*

RE: CS HB 208 (FIN), "An Act relating to loans for half-time students, deferral of loan repayment, and to the Alaska Postsecondary Education Commission; repealing the student financial aid committee; and providing for an effective date."

HJR 83, Urging a change in the allocation formula for federal grant for alcohol, drug abuse, and mental health services.

DATE: March 25, 1990

I ask, Mr. Chairman, that you schedule CS HB 208 (FIN) for a hearing. This piece of legislation broadens the group of persons eligible to receive an Alaska student loan to include certain half-time students. The definition of a half-time student is included in the bill language. This alteration of the student loan program is one of the recommendations presented in the Postsecondary Education Commission's December 1988 report entitled "Student Financial Aid Alternatives".

The typical half-time student in Alaska is 30 years old, is working, may be supporting a family and is seeking higher education to enhance their life and the lives of those around them. Older half-time students who are in state and have precise career goals and are expected to have a default rate lower than the national and state average for younger full-time students. It is not expected that new part-time applicants would compete with full-time applicants for available funds. If that were to develop, the commission could limit a portion of available funds to a percentile of the total as they do for vocational applicants.

Half-time student loans would be allowed only for in-state use and would have the same eligibility requirements as a

FAIRBANKS 20B

full-time loan. The interest rate would be the same for half-time loans at 8%.

This bill realizes the importance of higher education to everyone. I ask that CS HB 208 (FIN) be reviewed in your committee. I am eager to work with the Senate HESS Committee to make the "Part-time Student Loan Bill" most effective. If you have particular concerns about provisions of the bill, I would like to meet with you to discuss amendments or different approaches.

Regarding HJR 83 and its companion bill, SJR 76, I ask that you waive HJR 83 from your committee. SJR 76 is being held in Senate Rules Committee waiting for HJR 83 to be considered. SJR 76 was referred to the Senate Labor and Commerce Committee where it received a vote of 5DP. I ask that you waive HJR 83 from the Senate HESS Committee so it can be reviewed in the same committee as the companion resolution. HJR 83 was amended on the House floor to include language stating that substance abuse among Alaska high school students exceeds the national average and is continuing to increase. Senators Kelly and Sturgulewski have cross-cosponsored this legislation. There is a matter of urgency to my request; the Legislature would like the message conveyed in HJR 83 to reach our representatives in Washington, D.C. as soon as possible. Thank you for your consideration.

cc: Senator Pat Pourchot
Senator Bettye Fahrenkamp

ALASKA STATE LEGISLATURE

SENATE STATE AFFAIRS,
CHAIR

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Senator Pat Pourchot

MEMORANDUM

TO: Senator Paul Fischer, Chairman
Senate Committee on Health, Education
and Social Services

FROM: Senator Pat Pourchot

RE: Scheduling of HB 208, Relating to half-time student
loans

DATE: March 28, 1990

HB 208, which is the companion bill to SSSB 208, my bill authorizing student loans for certain half-time students, has recently been referred to the Senate HESS Committee. I am writing to urge you to schedule it for a hearing.

I would like to point out that the House version differs from SSSB 208 in the following ways. As you will recall, the Sponsor Substitute was drafted in direct response to concerns you expressed at hearings held on SB 208 last session.

SSSB 208

Reduces maximum amount of an undergraduate half-time student loan from \$2,750 to \$2,000; reduces maximum amount of a graduate half-time student loan from \$3,250 to \$2,500

Requires that regulations be adopted establishing the minimum amount for which a loan may be made

Limits the use of loan proceeds to books, tuition, and fees

In addition, HB 208, in an attempt to address the recent IRS ruling that made taxable the forgiven portion of student loans, declares the forgiven portion a grant. It also deletes all references to the student financial aid committee, which is defunct. I support both of these provisions.

One other difference exists between the House and Senate versions, which I do not support. HB 208 amends current

statute to allow loans to be awarded to vocational institutions that have been in operation only one year, rather than the two years currently required.

Both SSSB 208 and HB 208 contain additional provisions that would ensure reasonable controls on access to and repayment of loan funds:

- Student must be enrolled in good standing in a career education, associate, baccalaureate, or graduate degree program
- Student must take at least six semester credit hours or be in attendance in career education classes at least 15 hours a week
- Loan recipients must attend school in Alaska
- Loan deferral while continuing to attend school is limited to eight years (full-time loans continue to be deferred as long as the student is in school full-time)
- Loans must be repaid within five years from the commencement of repayment (this is half of the ten year repayment period for full-time loans)

I continue to believe that there are many Alaskans who because of the demands of work, family, a disability, or some other obligation are unable to devote themselves to full-time study but who have as much interest in, can benefit as much by, and certainly are as entitled to higher education as are those Alaskans able to attend school full time. I hope you will agree, and schedule HB 208 for hearing.

Thank you for your consideration.

cc: Representative Boyer

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: RE: Loans for half-time
Students
 Sponsor: Bover and Koponen
 Requestor: Senate Hess

Agency Affected: Education
 BRU: Postsecondary Education/
Student Loan Corporation
 Components: Student Loan Fund
Student Loan Administration

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	42.0	42.0	42.0	42.0	42.0	42.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	42.0	42.0	42.0	42.0	42.0	42.0

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER Com.	42.0	42.0	42.0	42.0	42.0	42.0
TOTAL Receipts	42.0	42.0	42.0	42.0	42.0	42.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Costs for printing and mailing of loan documents.

Prepared by: Jane Byers Maynard, Executive Director *JBM* Phone: 465-2854
 Division: Alaska Commission on Postsecondary Education Date: March 27, 1990

Approved by Commissioner: _____ Date: _____
 Agency: _____

- Distribution (by preparer) :
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)

CSHB 208
Analysis of Fiscal Impact

A. Assumptions

1. Total loan awards cannot exceed the statutorily required limit of three percent annual growth and will not exceed the FY 1991 budget appropriation.
2. A portion of borrowers who would have chosen to request a loan for full-time student status will elect to apply for a loan for half-time student status; i.e., a percentage of full-time loans will be supplanted by half-time loans.
3. Present staff level will be sufficient to service the addition of loans for half-time students.
4. New documents will be printed annually assuming annual borrower levels of up to 5,000.

Original sponsor(s): REP. BOYER, Koponen

1 IN THE HOUSE

BY THE HESS COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 208 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to loans for half-time students,
7 loans to attend a career education program, deferral
8 of loan repayment, conditions of scholarship loans,
9 and to the Alaska Postsecondary Education Commission;
10 repealing the student financial aid committee; and
11 providing for an effective date."

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

13 * Section 1. AS 14.42.030(b) is amended to read:

14 (b) The commission shall

15 (1) develop a comprehensive statewide plan for coordinated
16 postsecondary education in the state and serve as the state commission
17 on postsecondary education required under sec. 1202 of Title XII of
18 the Higher Education Act of 1965, as amended by the Education Amend-
19 ments of 1972 (P.L. 92-318, sec. 196; 86 Stat. 324);

20 (2) establish a state advisory council on community col-
21 leges and develop a comprehensive statewide plan for the expansion and
22 improvement of the community colleges under sec. 1001 of Title X of
23 the Higher Education Act of 1965, as amended by the Education Amend-
24 ments of 1972 (P.L. 92-318, sec. 186; 86 Stat. 312, 313);

25 (3) serve as the state agency required under sec. 105 of
26 Title I (Community Service and Continuing Education), 603 of Title VI
27 (Financial Assistance for Undergraduate Education), 704 of Title VII
28 (Construction of Academic Facilities), and Part B of Title IV (Guaran-
29 teed Student Loan Program) of the Higher Education Act of 1965 (P.L.

1 89-329; 79 Stat. 1220, 1262; 20 U.S.C. 1005, 1123) as authorized by
2 sec. 1202(c) of Title XII of the Higher Education Act of 1965, as
3 amended by the Education Amendments of 1972 (P.L. 92-318, sec. 196; 86
4 Stat. 324);

5 (4) administer the provisions of AS 14.43.090 - 14.43.160
6 (student loan program) [, AND SERVE AS THE STUDENT FINANCIAL AID
7 COMMITTEE];

8 (5) administer the provisions of AS 14.48 (regulation of
9 postsecondary educational institutions);

10 (6) resolve any disputes that exist or arise under a con-
11 sortium or other cooperative agreement between institutions of public
12 and private higher education in the state.

13 * Sec. 2. AS 14.42.040(a) is amended to read:

14 (a) The commission may appoint an executive director as the
15 commission's executive officer. The executive officer is a member of
16 the exempt service under AS 39.25.110, serves at the pleasure of the
17 commission, and receives compensation fixed by the commission. The
18 executive officer appoints persons to the staff positions authorized
19 by the commission, and staff compensation is fixed by the commission.
20 [THE EXECUTIVE OFFICER IS THE EXECUTIVE SECRETARY OF THE STUDENT
21 FINANCIAL AID COMMITTEE.] Each employee of the commission shall elect
22 membership either in the state teachers' retirement system (AS 14.25),
23 if qualified, or in the public employees' retirement system (AS 39.-
24 35).

25 * Sec. 3. AS 14.43.090(d) is amended to read:

26 (d) The commission [STUDENT FINANCIAL AID COMMITTEE CREATED
27 UNDER AS 14.43.095] may sell or assign notes and other instruments
28 evidencing scholarship loans to the Alaska Student Loan Corporation
29 and enter into agreements with the corporation relating to loans, the

1 administration of the student loan fund created under AS 14.42.210,
2 and the payment of and security for bonds of the corporation. Pro-
3 ceeds from the sale or assignment of notes and other instruments shall
4 be deposited in the scholarship revolving loan fund.

5 * Sec. 4. AS 14.43.100(a) is amended to read:

6 (a) Applications shall be submitted to the executive director
7 [SECRETARY] of the commission [COMMITTEE].

8 * Sec. 5. AS 14.43.100(b) is amended to read:

9 (b) A person whose loan application is not approved [RECOMMENDED
10 OR PRESENTED TO THE COMMITTEE] by the executive director of the com-
11 mission [SECRETARY] may appeal to the commission [COMMITTEE THROUGH
12 THE CHAIRMAN OF THE COMMITTEE] and the commission [COMMITTEE] shall
13 consider the application.

14 * Sec. 6. AS 14.43.105 is amended to read:

15 Sec. 14.43.105. ADMINISTRATION OF PROGRAM. The executive direc-
16 tor [SECRETARY] shall administer the programs subject to review by the
17 commission [COMMITTEE] and in accordance with the regulations adopted
18 by the commission [COMMITTEE]. The adoption of these regulations is
19 subject to the Administrative Procedure Act (AS 44.62). A summary of
20 the regulations shall be distributed to each applicant.

21 * Sec. 7. AS 14.43.110 is amended to read:

22 Sec. 14.43.110. UNDERGRADUATE LOANS. The commission [STUDENT
23 FINANCIAL AID COMMITTEE] may make a loan, not to exceed \$5,500 in a
24 [ANY ONE] school year [,] to a full-time [AN] undergraduate student,
25 and not to exceed \$2,000 in a school year to a half-time undergraduate
26 student, eligible under AS 14.43.125. The commission [COMMITTEE] may
27 make a loan for a summer term, even if the total loan for the school
28 year exceeds the \$5,500 or \$2,000 maximum, if the loan for the summer
29 term is counted against the \$5,500 or \$2,000 maximum for the following

1 school year. The commission shall adopt regulations establishing a
2 minimum amount for which a loan may be made.

3 * Sec. 8. AS 14.43.115 is amended to read:

4 Sec. 14.43.115. GRADUATE LOANS. The commission [STUDENT FINAN-
5 (IAL AID COMMITTEE] may make a loan, not to exceed \$6,500 in a [ANY
6 ONE] school year [,] to a full-time graduate student, and not to
7 exceed \$2,500 in a school year to a half-time graduate student, who is
8 eligible under AS 14.43.125 and is pursuing an advanced degree. The
9 commission [COMMITTEE] may make a loan for a summer term, even if the
10 total loan for the school year exceeds the \$6,500 or \$2,500 maximum,
11 if the loan for the summer term is counted against the \$6,500 or
12 \$2,500 maximum for the following school year. The commission shall
13 adopt regulations establishing a minimum amount for which a loan may
14 be made.

15 * Sec. 9. AS 14.43.120(a) is amended to read:

16 (a) Proceeds from a scholarship loan to a full-time student
17 [LOANS] may only be used for books, tuition and required fees, and for
18 room and board. Proceeds from a scholarship loan to a half-time
19 student may only be used for books and tuition and required fees.

20 * Sec. 10. AS 14.43.120(b) is amended to read:

21 (b) Scholarship loans may only be used to attend a

22 (1) career education program that has been

23 (A) approved by the commission before July 1, 1986;

24 (B) [, OR HAS BEEN] operating for two years before the

25 borrower attends; or

26 (C) operating for one year before the borrower attends

27 and the commission determines the program is operating on a
28 fiscally sound basis; or

29 (2) a college or university that

1 (A) has been approved by the commission before July 1,
2 1986, or has been operating for at least two years before the
3 borrower attends;

4 (B) is accredited by a national or regional accredita-
5 tion association recognized by the Council on Postsecondary
6 Accreditation or is approved by the commission; and

7 (C) if the loans are federally insured, is approved by
8 the United States Secretary of Education.

9 * Sec. 11. AS 14.43.120(c) is amended to read:

10 (c) To maintain a loan awarded to a full-time student the stu-
11 dent must continue to be enrolled as a full-time student in good
12 standing in a career education program, college, or university that
13 meets the requirements [DESIGNATED] under (b) of this section. To
14 maintain a loan awarded to a half-time student, the student must con-
15 tinue to be enrolled as a half-time student in good standing in a
16 career education program, college, or university in the state that
17 meets the requirements under (b) of this section. The commission
18 shall adopt regulations defining "good standing" for purposes of this
19 subsection.

20 * Sec. 12. AS 14.43.120(g) is amended to read:

21 (g) Repayment of the principal and interest on the loan begins
22 not [NO] later than one year after the borrower's studies are termi-
23 nated. The loan shall provide for repayment of the total amount owed
24 in periodic installments in not more than 10 years from the commence-
25 ment of repayment if the loan is to a full-time student, or in not
26 more than five years from the commencement of repayment if the loan is
27 to a half-time student, except as provided in (k) and (m) of this
28 section. If the commission and the borrower agree to a different
29 repayment schedule, the borrower shall repay the loan in accordance

1 with the agreement. A borrower may make payments earlier than re-
2 quired by this subsection.

3 * Sec. 13. AS 14.43.120(k) is amended to read:

4 (k) Periodic installments of principal shall be deferred, but
5 interest shall accrue and be paid unless the borrower [STUDENT] is
6 eligible for interest payment benefits under (l) of this section,
7 during any of the following periods:

8 (1) if the borrower received a loan to attend as a full-
9 time student, return to full-time student status in good standing in a
10 career education program, college, or university that meets the re-
11 quirements under (b) of this section [AS PROVIDED IN (c) OF THIS
12 SECTION];

13 (2) if the borrower received a loan to attend as a half-
14 time student, return to at least half-time student status in good
15 standing in a career education program, college, or university in the
16 state that meets the requirements under (b) of this section; a borrow-
17 er is not eligible for deferral under this paragraph for a period
18 longer than eight years;

19 (3) serving an initial period of up to six years on active
20 duty as a member of the armed forces of the United States;

21 (4) [(3)] serving, for up to three years, as a full-time
22 volunteer under the Peace Corps Act;

23 (5) [(4)] serving, for up to three years, as a full-time
24 volunteer under the Domestic Volunteer Service Act of 1973;

25 (6) [(5)] for a one-time period up to 12 months in which
26 the borrower is seeking and unable to find employment in the United
27 States; or

28 (7) during the period of disability [(6)] if the borrower
29 becomes 50 percent or more disabled as certified by competent medical

1 authority.

2 * Sec. 14. AS 14.43.120(m) is amended to read:

3 (m) In case of hardship, the commission [COMMITTEE] may extend
4 repayment of a loan for an additional period of up to five years in
5 increments no longer than 12 months each.

6 * Sec. 15. AS 14.43.125(a) is amended to read:

7 (a) A person may apply for and obtain a scholarship loan if the
8 person

9 (1) is

10 (A) enrolled as a full-time student in a career educa-
11 tion, associate, baccalaureate, or graduate degree program; [OR]

12 (B) enrolled as a half-time student in a career educa-
13 tion, associate, baccalaureate, or graduate degree program in the
14 state; or

15 (C) a graduate of a high school or the equivalent, or
16 scheduled for graduation from a high school within six months,
17 with sufficient credits to be admitted to a career education
18 program or to an accredited college or university;

19 (2) is not delinquent or in default on a previously awarded
20 scholarship loan; and

21 (3) is a resident of the state at the time of application
22 for the loan; for purposes of this section, a person qualifies as a
23 resident of the state if at the time of application for the loan the
24 person

25 (A) has been physically present in the state for at
26 least two years immediately before the time of application for
27 the loan;

28 (B) is dependent on a parent or guardian for care, the
29 parent or guardian has been present in the state for at least two

1 years immediately before the time of application for the loan and
2 the person has been present in the state for at least one year of
3 the immediately preceding five years except that the commission
4 may by a two-thirds vote, acting upon a written appeal by the
5 person, grant an exemption to the requirement that the person has
6 been present in the state for one year of the immediately preced-
7 ing five years;

8 (C) has been physically present in the state, or is a
9 dependent of a parent or guardian who has been physically present
10 in the state, for at least two years immediately before the
11 applicant was absent from the state and the absence is due solely
12 to

13 (i) serving an initial period of up to six years
14 on active duty as a member of the armed forces of the United
15 States;

16 (ii) serving [,] for up to three years as a full-
17 time volunteer under the Peace Corps Act;

18 (iii) serving [,] for up to three years as a full-
19 time volunteer under the Domestic Volunteer Service Act of
20 1973;

21 (iv) required medical care for the applicant or
22 the applicant's immediate family;

23 (v) being a person who otherwise qualifies as a
24 resident and is accompanying a spouse who qualifies as a
25 resident under (i) - (iv) of this paragraph; or

26 (D) has been physically present in the state, or is a
27 dependent of a parent or guardian who has been physically present
28 in the state, for at least two years immediately before the
29 applicant or the parent or guardian was absent from the state and

1 the absence is due solely to

2 (i) participating in a foreign exchange student
3 program recognized by the commission;

4 (ii) attending a school as a full-time student;

5 (iii) full-time employment by the state;

6 (iv) being a member of or employed full-time by
7 the state's congressional delegation;

8 (v) being a person who otherwise qualifies as a
9 resident and is accompanying a spouse who qualifies as a
10 resident under (i) - (iv) of this paragraph; and

11 (4) does not have a past due child support obligation
12 established by court order or by the child support enforcement divi-
13 sion under AS 47.23.160 - 47.23.220 at the time of application.

14 * Sec. 16. AS 14.43.160 is amended by adding a new paragraph to read:

15 (7) "half-time student" means an undergraduate, graduate,
16 or career education student who during the semester is enrolled and is
17 in regular attendance at classes at one or more public or private
18 institutions of higher education for at least a total of six semester
19 credit hours or an equivalent of six semester credit hours, and in-
20 cludes a career education student enrolled and in regular attendance
21 in classes for at least 15 hours a week.

22 * Sec. 17. AS 14.43.255(c) is amended to read:

23 (c) The commission [STUDENT FINANCIAL AID COMMITTEE CREATED
24 UNDER AS 14.43.095] may sell or assign notes and other instruments
25 evidencing memorial scholarship loans to the Alaska Student Loan
26 Corporation and enter into agreements with the corporation relating to
27 loans, the administration of the student loan fund created under
28 AS 14.42.210, and the payment of and security for bonds of the corpo-
29 ration. Proceeds from the sale or assignment of a note or other

1 instrument shall be deposited in the appropriate memorial scholarship
2 loan fund account.

3 * Sec. 18. AS 14.43.320(a) is amended to read:

4 (a) The memorial scholarship loans provided for under AS 14.43.-
5 250 - 14.43.325 shall be administered by the executive director [SEC-
6 RETARY] of the commission [STUDENT FINANCIAL AID COMMITTEE UNDER
7 AS 14.43.095 AND 14.43.105], subject to review by the commission
8 [COMMITTEE] and to those regulations the commission [COMMITTEE] may
9 prescribe to carry out the purposes of AS 14.43.250 - 14.43.325.

10 * Sec. 19. AS 14.43.405(a) is amended to read:

11 (a) The educational incentive grant program established under
12 AS 14.43.400 - 14.43.500 shall be administered by the executive direc-
13 tor of the commission [SECRETARY OF THE STUDENT FINANCIAL AID COMMIT-
14 TEE UNDER AS 14.43.095 - 14.43.105], subject to review by the commis-
15 sion [COMMITTEE] and to those regulations the commission [COMMITTEE]
16 may adopt to carry out the purposes of AS 14.43.400 - 14.43.500.

17 * Sec. 20. AS 14.43.415(a) is amended to read:

18 (a) A student may apply for an educational incentive grant if
19 the student

20 (1) is a resident of Alaska;

21 (2) is either

22 (A) enrolled as a full-time undergraduate student in a
23 degree program in an accredited postsecondary educational insti-
24 tution; or

25 (B) eligible to be admitted to an accredited postsec-
26 ondary educational institution; and

27 (3) establishes financial need in accordance with standards
28 for determining financial need adopted by the commission [COMMITTEE]
29 under 20 U.S.C. 1070c-2.

1 * Sec. 21. AS 14.43.415(b) is amended to read:

2 (b) The commission [STUDENT FINANCIAL AID COMMITTEE] shall, by
3 regulation, establish a system of priority in the selection of recipi-
4 ents of grants under AS 14.43.400 - 14.43.500 under which students
5 from "low income" families or whose incomes are considered "low in-
6 come" shall be given preference in the award of the educational incen-
7 tive grants.

8 * Sec. 22. AS 14.43.620(b) is amended to read:

9 (b) The commission [STUDENT FINANCIAL AID COMMITTEE CREATED
10 UNDER AS 14.43.095] may sell or assign notes and other instruments
11 evidencing teacher scholarship loans to the Alaska Student Loan Corpo-
12 ration and enter into agreements with the corporation relating to
13 loans, the administration of the student loan fund created under
14 AS 14.42.210 and the payment of and security for bonds of the corpo-
15 ration. Proceeds from the sale or assignment of the notes or other
16 instruments shall be deposited in the teacher scholarship revolving
17 loan fund.

18 * Sec. 23. AS 14.43.630(a) is amended to read:

19 (a) The teacher scholarship loan program shall be administered
20 by the commission [STUDENT FINANCIAL AID COMMITTEE (AS 14.43.095)] in
21 accordance with regulations adopted by the commission [COMMITTEE].
22 The commission [COMMITTEE] shall

23 (1) allocate the loan awards available for teacher scholar-
24 ship loans annually to local school boards giving a preference to
25 rural school districts; and

26 (2) develop and distribute to the local school boards an
27 application form for teacher scholarship loans; the form shall include
28 a requirement that the applicant supply a high school academic tran-
29 script and a statement of intent to enter a teaching career at the

1 elementary or secondary school level in the state.

2 * Sec. 24. AS 14.43.650(a) is amended to read:

3 (a) To be eligible for a teacher scholarship loan, a student
4 must

5 (1) be a graduate of a public or private high school in the
6 state, with sufficient credits to be admitted to an accredited college
7 or university;

8 (2) be enrolled in or show evidence of intent to enroll in
9 a degree program directed at a teaching career at the elementary or
10 secondary school level;

11 (3) meet the conditions set by the student's local school
12 board with respect to the district's requirements for teachers in
13 particular subject areas;

14 (4) submit to the local school board an application provid-
15 ed by the commission [STUDENT FINANCIAL AID COMMITTEE] under AS 14.-
16 43.630(a)(2); an application may be submitted six months before grad-
17 uation from high school; and

18 (5) not have a past due child support obligation estab-
19 lished by court order or by the child support enforcement division
20 under AS 47.23.160 - 47.23.220 at the time of application.

21 * Sec. 25. AS 14.43.720(b) is amended to read:

22 (b) The commission [STUDENT FINANCIAL AID COMMITTEE CREATED
23 UNDER AS 14.43.095] may sell or assign notes and other instruments
24 evidencing family education loans to the Alaska Student Loan Corpo-
25 ration and enter into agreements with the corporation relating to
26 loans, the administration of the student loan fund created under
27 AS 14.42.210, and the payment of and security for bonds of the corpo-
28 ration. Proceeds from the sale or assignment of notes and other
29 instruments shall be deposited in the family education loan account.

1 * Sec. 26. AS 14.43.730 is amended to read:

2 Sec. 14.43.730. ADMINISTRATION. The family education loan
3 program shall be administered by the commission [STUDENT FINANCIAL AID
4 COMMITTEE (AS 14.43.095)] under regulations that it adopts [ADOPTED BY
5 THE COMMITTEE].

6 * Sec. 27. AS 14.43 is amended by adding a new section to article 9 to
7 read:

8 Sec. 14.43.990. DEFINITION. In this chapter, "commission" means
9 the Alaska Postsecondary Education Commission.

10 * Sec. 28. AS 14.43.095 and 14.43.160(2) are repealed.

11 * Sec. 29. This Act takes effect July 1, 1990.
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Alaska State Legislature

REPRESENTATIVE
MARK BOYER

VICE-CHAIRMAN, HOUSE
HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

MEMBER, HOUSE LABOR AND
COMMERCE COMMITTEE

CHAIR, CHILDREN'S CAUCUS



FAIRBANKS

1098 LAKEVIEW TERRACE
FAIRBANKS, ALASKA 99701
(907) 456-6473

JUNEAU

P.O. BOX V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3466

House of Representatives

M E M O R A N D U M

TO: Senator Paul Fischer, Chairman
Health, Education and Social Services Committee

FROM: Representative Mark Boyer *MB*

RE: CS HB 208 (FIN), "An Act relating to loans for half-time students, deferral of loan repayment, and to the Alaska Postsecondary Education Commission; repealing the student financial aid committee; and providing for an effective date."

HJR 83, Urging a change in the allocation formula for federal grant for alcohol, drug abuse, and mental health services.

DATE: March 25, 1990

I ask, Mr. Chairman, that you schedule CS HB 208 (FIN) for a hearing. This piece of legislation broadens the group of persons eligible to receive an Alaska student loan to include certain half-time students. The definition of a half-time student is included in the bill language. This alteration of the student loan program is one of the recommendations presented in the Postsecondary Education Commission's December 1988 report entitled "Student Financial Aid Alternatives".

The typical half-time student in Alaska is 30 years old, is working, may be supporting a family and is seeking higher education to enhance their life and the lives of those around them. Older half-time students who are in state and have precise career goals and are expected to have a default rate lower than the national and state average for younger full-time students. It is not expected that new part-time applicants would compete with full-time applicants for available funds. If that were to develop, the commission could limit a portion of available funds to a percentile of the total as they do for vocational applicants.

Half-time student loans would be allowed only for in-state use and would have the same eligibility requirements as a

FAIRBANKS 20B

full-time loan. The interest rate would be the same for half-time loans at 8%.

This bill realizes the importance of higher education to everyone. I ask that CS HB 208 (FIN) be reviewed in your committee. I am eager to work with the Senate HESS Committee to make the "Part-time Student Loan Bill" most effective. If you have particular concerns about provisions of the bill, I would like to meet with you to discuss amendments or different approaches.

Regarding HJR 83 and its companion bill, SJR 76, I ask that you waive HJR 83 from your committee. SJR 76 is being held in Senate Rules Committee waiting for HJR 83 to be considered. SJR 76 was referred to the Senate Labor and Commerce Committee where it received a vote of 5DP. I ask that you waive HJR 83 from the Senate HESS Committee so it can be reviewed in the same committee as the companion resolution. HJR 83 was amended on the House floor to include language stating that substance abuse among Alaska high school students exceeds the national average and is continuing to increase. Senators Kelly and Sturgulewski have cross-cosponsored this legislation. There is a matter of urgency to my request; the Legislature would like the message conveyed in HJR 83 to reach our representatives in Washington, D.C. as soon as possible. Thank you for your consideration.

cc: Senator Pat Pourchot
Senator Bettye Fahrenkamp

ALASKA STATE LEGISLATURE

SENATE STATE AFFAIRS,
CHAIR

ETHICS COMMITTEE,
CHAIR



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Senator Pat Pourchot

M E M O R A N D U M

TO: Senator Paul Fischer, Chairman
Senate Committee on Health, Education
and Social Services

FROM: Senator Pat Pourchot *Pat*

RE: Scheduling of HB 208, Relating to half-time student
loans

DATE: March 28, 1990

HB 208, which is the companion bill to SSSB 208, my bill authorizing student loans for certain half-time students, has recently been referred to the Senate HESS Committee. I am writing to urge you to schedule it for a hearing.

I would like to point out that the House version differs from SSSB 208 in the following ways. As you will recall, the Sponsor Substitute was drafted in direct response to concerns you expressed at hearings held on SB 208 last session.

SSSB 208

Reduces maximum amount of an undergraduate half-time student loan from \$2,750 to \$2,000; reduces maximum amount of a graduate half-time student loan from \$3,250 to \$2,500

Requires that regulations be adopted establishing the minimum amount for which a loan may be made

Limits the use of loan proceeds to books, tuition, and fees

In addition, HB 208, in an attempt to address the recent IRS ruling that made taxable the forgiven portion of student loans, declares the forgiven portion a grant. It also deletes all references to the student financial aid committee, which is defunct. I support both of these provisions.

One other difference exists between the House and Senate versions, which I do not support. HB 208 amends current

statute to allow loans to be awarded to vocational institutions that have been in operation only one year, rather than the two years currently required.

Both SSSB 208 and HB 208 contain additional provisions that would ensure reasonable controls on access to and repayment of loan funds:

- Student must be enrolled in good standing in a career education, associate, baccalaureate, or graduate degree program
- Student must take at least six semester credit hours or be in attendance in career education classes at least 15 hours a week
- Loan recipients must attend school in Alaska
- Loan deferral while continuing to attend school is limited to eight years (full-time loans continue to be deferred as long as the student is in school full-time)
- Loans must be repaid within five years from the commencement of repayment (this is half of the ten year repayment period for full-time loans)

I continue to believe that there are many Alaskans who because of the demands of work, family, a disability, or some other obligation are unable to devote themselves to full-time study but who have as much interest in, can benefit as much by, and certainly are as entitled to higher education as are those Alaskans able to attend school full time. I hope you will agree, and schedule HB 208 for hearing.

Thank you for your consideration.

cc: Representative Boyer

6-0592D

Ford

5/2/90

Original sponsor(s): REP. BOYER, Koponen

1 IN THE HOUSE

BY THE HESS COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 208 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to loans for half-time students,
7 loans to attend a career education program, deferral
8 of loan repayment, conditions of scholarship loans,
9 and to the Alaska Postsecondary Education Commission;
10 repealing the student financial aid committee; and
11 providing for an effective date."

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

13 * Section 1. AS 14.42.030(b) is amended to read:

14 (b) The commission shall

15 (1) develop a comprehensive statewide plan for coordinated
16 postsecondary education in the state and serve as the state commission
17 on postsecondary education required under sec. 1202 of Title XII of
18 the Higher Education Act of 1965, as amended by the Education Amend-
19 ments of 1972 (P.L. 92-318, sec. 196; 86 Stat. 324);

20 (2) establish a state advisory council on community col-
21 leges and develop a comprehensive statewide plan for the expansion and
22 improvement of the community colleges under sec. 1001 of Title X of
23 the Higher Education Act of 1965, as amended by the Education Amend-
24 ments of 1972 (P.L. 92-318, sec. 186; 86 Stat. 312, 313);

25 (3) serve as the state agency required under sec. 105 of
26 Title I (Community Service and Continuing Education), 603 of Title VI
27 (Financial Assistance for Undergraduate Education), 704 of Title VII
28 (Construction of Academic Facilities), and Part B of Title IV (Guaran-
29 teed Student Loan Program) of the Higher Education Act of 1965 (P.L.

1 89-329; 79 Stat. 1220, 1262; 20 U.S.C. 1005, 1123) as authorized by
2 sec. 1202(c) of Title XII of the Higher Education Act of 1965, as
3 amended by the Education Amendments of 1972 (P.L. 92-318, sec. 196; 86
4 Stat. 324);

5 (4) administer the provisions of AS 14.43.090 - 14.43.160
6 (student loan program) [, AND SERVE AS THE STUDENT FINANCIAL AID
7 COMMITTEE];

8 (5) administer the provisions of AS 14.48 (regulation of
9 postsecondary educational institutions);

10 (6) resolve any disputes that exist or arise under a con-
11 sortium or other cooperative agreement between institutions of public
12 and private higher education in the state.

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

14 (a) The commission may appoint an executive director as the
15 commission's executive officer. The executive officer is a member of
16 the exempt service under AS 39.25.110, serves at the pleasure of the
17 commission, and receives compensation fixed by the commission. The
18 executive officer appoints persons to the staff positions authorized
19 by the commission, and staff compensation is fixed by the commission.
20 [THE EXECUTIVE OFFICER IS THE EXECUTIVE SECRETARY OF THE STUDENT
21 FINANCIAL AID COMMITTEE.] Each employee of the commission shall elect
22 membership either in the state teachers' retirement system (AS 14.25),
23 if qualified, or in the public employees' retirement system (AS 39.-
24 35).

25 * Sec. 3. AS 14.43.090(d) is amended to read:

26 (d) The commission [STUDENT FINANCIAL AID COMMITTEE CREATED
27 UNDER AS 14.43.095] may sell or assign notes and other instruments
28 evidencing scholarship loans to the Alaska Student Loan Corporation
29 and enter into agreements with the corporation relating to loans, the

1 administration of the student loan fund created under AS 14.42.210,
2 and the payment of and security for bonds of the corporation. Pro-
3 ceeds from the sale or assignment of notes and other instruments shall
4 be deposited in the scholarship revolving loan fund.

5 * Sec. 4. AS 14.43.100(a) is amended to read:

6 (a) Applications shall be submitted to the executive director
7 [SECRETARY] of the commission [COMMITTEE].

8 * Sec. 5. AS 14.43.100(b) is amended to read:

9 (b) A person whose loan application is not approved [RECOMMENDED
10 OR PRESENTED TO THE COMMITTEE] by the executive director of the com-
11 mission [SECRETARY] may appeal to the commission [COMMITTEE THROUGH
12 THE CHAIRMAN OF THE COMMITTEE] and the commission [COMMITTEE] shall
13 consider the application.

14 * Sec. 6. AS 14.43.105 is amended to read:

15 Sec. 14.43.105. ADMINISTRATION OF PROGRAM. The executive direc-
16 tor [SECRETARY] shall administer the programs subject to review by the
17 commission [COMMITTEE] and in accordance with the regulations adopted
18 by the commission [COMMITTEE]. The adoption of these regulations is
19 subject to the Administrative Procedure Act (AS 44.62). A summary of
20 the regulations shall be distributed to each applicant.

21 * Sec. 7. AS 14.43.110 is amended to read:

22 Sec. 14.43.110. UNDERGRADUATE LOANS. The commission [STUDENT
23 FINANCIAL AID COMMITTEE] may make a loan, not to exceed \$5,500 in a
24 [ANY ONE] school year [,] to a full-time [AN] undergraduate student,
25 and not to exceed \$2,000 in a school year to a half-time undergraduate
26 student, eligible under AS 14.43.125. The commission [COMMITTEE] may
27 make a loan for a summer term, even if the total loan for the school
28 year exceeds the \$5,500 or \$2,000 maximum, if the loan for the summer
29 term is counted against the \$5,500 or \$2,000 maximum for the following

1 school year. The commission shall adopt regulations establishing a
2 minimum amount for which a loan may be made.

3 * Sec. 8. AS 14.43.115 is amended to read:

4 Sec. 14.43.115. GRADUATE LOANS. The commission [STUDENT FINAN-
5 CIAL AID COMMITTEE] may make a loan, not to exceed \$6,500 in a [ANY
6 ONE] school year [,] to a full-time graduate student, and not to
7 exceed \$2,500 in a school year to a half-time graduate student, who is
8 eligible under AS 14.43.125 and is pursuing an advanced degree. The
9 commission [COMMITTEE] may make a loan for a summer term, even if the
10 total loan for the school year exceeds the \$6,500 or \$2,500 maximum,
11 if the loan for the summer term is counted against the \$6,500 or
12 \$2,500 maximum for the following school year. The commission shall
13 adopt regulations establishing a minimum amount for which a loan may
14 be made.

15 * Sec. 9. AS 14.43.120(a) is amended to read:

16 (a) Proceeds from a scholarship loan to a full-time student
17 [LOANS] may only be used for books, tuition and required fees, and for
18 room and board. Proceeds from a scholarship loan to a half-time
19 student may only be used for books and tuition and required fees.

20 * Sec. 10. AS 14.43.120(b) is amended to read:

21 (b) Scholarship loans may only be used to attend a
22 (1) career education program that has been
23 (A) approved by the commission before July 1, 1986;
24 (B) [, OR HAS BEEN] operating for two years before the
25 borrower attends; or
26 (C) operating for one year before the borrower attends
27 and the commission determines the program is operating on a
28 fiscally sound basis; or

29 (2) a college or university that

1 (A) has been approved by the commission before July 1,
2 1986, or has been operating for at least two years before the
3 borrower attends;

4 (B) is accredited by a national or regional accredita-
5 tion association recognized by the Council on Postsecondary
6 Accreditation or is approved by the commission; and

7 (C) if the loans are federally insured, is approved by
8 the United States Secretary of Education.

9 * Sec. 11. AS 14.43.120(c) is amended to read:

10 (c) To maintain a loan awarded to a full-time student the stu-
11 dent must continue to be enrolled as a full-time student in good
12 standing in a career education program, college, or university that
13 meets the requirements [DESIGNATED] under (b) of this section. To
14 maintain a loan awarded to a half-time student, the student must con-
15 tinue to be enrolled as a half-time student in good standing in a
16 career education program, college, or university in the state that
17 meets the requirements under (b) of this section. The commission
18 shall adopt regulations defining "good standing" for purposes of this
19 subsection.

20 * Sec. 12. AS 14.43.120(g) is amended to read:

21 (g) Repayment of the principal and interest on the loan begins
22 not [NO] later than one year after the borrower's studies are termi-
23 nated. The loan shall provide for repayment of the total amount owed
24 in periodic installments in not more than 10 years from the commence-
25 ment of repayment if the loan is to a full-time student, or in not
26 more than five years from the commencement of repayment if the loan is
27 to a half-time student, except as provided in (k) and (m) of this
28 section. If the commission and the borrower agree to a different
29 repayment schedule, the borrower shall repay the loan in accordance

1 with the agreement. A borrower may make payments earlier than re-
2 quired by this subsection.

3 * Sec. 13. AS 14.43.120(k) is amended to read:

4 (k) Periodic installments of principal shall be deferred, but
5 interest shall accrue and be paid unless the borrower [STUDENT] is
6 eligible for interest payment benefits under (1) of this section,
7 during any of the following periods:

8 (1) if the borrower received a loan to attend as a full-
9 time student, return to full-time student status in good standing in a
10 career education program, college, or university that meets the re-
11 quirements under (b) of this section [AS PROVIDED IN (c) OF THIS
12 SECTION];

13 (2) if the borrower received a loan to attend as a half-
14 time student, return to at least half-time student status in good
15 standing in a career education program, college, or university in the
16 state that meets the requirements under (b) of this section; a borrow-
17 er is not eligible for deferral under this paragraph for a period
18 longer than eight years;

19 (3) -serving an initial period of up to six years on active
20 duty as a member of the armed forces of the United States;

21 (4) [(3)] serving, for up to three years, as a full-time
22 volunteer under the Peace Corps Act;

23 (5) [(4)] serving, for up to three years, as a full-time
24 volunteer under the Domestic Volunteer Service Act of 1973;

25 (6) [(5)] for a one-time period up to 12 months in which
26 the borrower is seeking and unable to find employment in the United
27 States; or

28 (7) during the period of disability [(6)] if the borrower
29 becomes 50 percent or more disabled as certified by competent medical

1 authority.

2 * Sec. 14. AS 14.43.120(m) is amended to read:

3 (m) In case of hardship, the commission [COMMITTEE] may extend
4 repayment of a loan for an additional period of up to five years in
5 increments no longer than 12 months each.

6 * Sec. 15. AS 14.43.125(a) is amended to read:

7 (a) A person may apply for and obtain a scholarship loan if the
8 person

9 (1) is

10 (A) enrolled as a full-time student in a career educa-
11 tion, associate, baccalaureate, or graduate degree program; [OR]

12 (B) enrolled as a half-time student in a career educa-
13 tion, associate, baccalaureate, or graduate degree program in the
14 state; or

15 (C) a graduate of a high school or the equivalent, or
16 scheduled for graduation from a high school within six months,
17 with sufficient credits to be admitted to a career education
18 program or to an accredited college or university;

19 (2) is not delinquent or in default on a previously awarded
20 scholarship loan; and

21 (3) is a resident of the state at the time of application
22 for the loan; for purposes of this section, a person qualifies as a
23 resident of the state if at the time of application for the loan the
24 person

25 (A) has been physically present in the state for at
26 least two years immediately before the time of application for
27 the loan;

28 (B) is dependent on a parent or guardian for care, the
29 parent or guardian has been present in the state for at least two

1 years immediately before the time of application for the loan and
 2 the person has been present in the state for at least one year of
 3 the immediately preceding five years except that the commission
 4 may by a two-thirds vote, acting upon a written appeal by the
 5 person, grant an exemption to the requirement that the person has
 6 been present in the state for one year of the immediately preced-
 7 ing five years;

8 (C) has been physically present in the state, or is a
 9 dependent of a parent or guardian who has been physically present
 10 in the state, for at least two years immediately before the
 11 applicant was absent from the state and the absence is due solely
 12 to

13 (i) serving an initial period of up to six years
 14 on active duty as a member of the armed forces of the United
 15 States;

16 (ii) serving [,] for up to three years as a full-
 17 time volunteer under the Peace Corps Act;

18 (iii) serving [,] for up to three years as a full-
 19 time volunteer under the Domestic Volunteer Service Act of
 20 1973;

21 (iv) required medical care for the applicant or
 22 the applicant's immediate family;

23 (v) being a person who otherwise qualifies as a
 24 resident and is accompanying a spouse who qualifies as a
 25 resident under (i) - (iv) of this paragraph; or

26 (D) has been physically present in the state, or is a
 27 dependent of a parent or guardian who has been physically present
 28 in the state, for at least two years immediately before the
 29 applicant or the parent or guardian was absent from the state and

1 the absence is due solely to

2 (i) participating in a foreign exchange student
3 program recognized by the commission;

4 (ii) attending a school as a full-time student;

5 (iii) full-time employment by the state;

6 (iv) being a member of or employed full-time by
7 the state's congressional delegation;

8 (v) being a person who otherwise qualifies as a
9 resident and is accompanying a spouse who qualifies as a
10 resident under (i) - (iv) of this paragraph; and

11 (4) does not have a past due child support obligation
12 established by court order or by the child support enforcement divi-
13 sion under AS 47.23.160 - 47.23.220 at the time of application.

14 16. AS 14.43.160 is amended by adding a new paragraph to read:

15 (7) "half-time student" means an undergraduate, graduate,
16 or career education student who during the semester is enrolled and is
17 in regular attendance at classes at one or more public or private
18 institutions of higher education for at least a total of six semester
19 credit hours or an equivalent of six semester credit hours, and in-
20 cludes a career education student enrolled and in regular attendance
21 in classes for at least 15 hours a week.

22 * Sec. 17. AS 14.43.255(c) is amended to read:

23 (c) The commission [STUDENT FINANCIAL AID COMMITTEE CREATED
24 UNDER AS 14.43.095] may sell or assign notes and other instruments
25 evidencing memorial scholarship loans to the Alaska Student Loan
26 Corporation and enter into agreements with the corporation relating to
27 loans, the administration of the student loan fund created under
28 AS 14.42.210, and the payment of and security for bonds of the corpo-
29 ration. Proceeds from the sale or assignment of a note or other

1 instrument shall be deposited in the appropriate memorial scholarship
2 loan fund account.

3 * Sec. 18. AS 14.43.320(a) is amended to read:

4 (a) The memorial scholarship loans provided for under AS 14.43.-
5 250 - 14.43.325 shall be administered by the executive director [SEC-
6 RETARY] of the commission [STUDENT FINANCIAL AID COMMITTEE UNDER
7 AS 14.43.095 AND 14.43.105], subject to review by the commission
8 [COMMITTEE] and to those regulations the commission [COMMITTEE] may
9 prescribe to carry out the purposes of AS 14.43.250 - 14.43.325.

10 * Sec. 19. AS 14.43.405(a) is amended to read:

11 (a) The educational incentive grant program established under
12 AS 14.43.400 - 14.43.500 shall be administered by the executive direc-
13 tor of the commission [SECRETARY OF THE STUDENT FINANCIAL AID COMMIT-
14 TEE UNDER AS 14.43.095 - 14.43.105], subject to review by the commis-
15 sion [COMMITTEE] and to those regulations the commission [COMMITTEE]
16 may adopt to carry out the purposes of AS 14.43.400 - 14.43.500.

17 * Sec. 20. AS 14.43.415(a) is amended to read:

18 (a) A student may apply for an educational incentive grant if
19 the student

20 (1) is a resident of Alaska;

21 (2) is either

22 (A) enrolled as a full-time undergraduate student in a
23 degree program in an accredited postsecondary educational insti-
24 tution; or

25 (B) eligible to be admitted to an accredited postsec-
26 ondary educational institution; and

27 (3) establishes financial need in accordance with standards
28 for determining financial need adopted by the commission [COMMITTEE]
29 under 20 U.S.C. 1070c-2.

1 * Sec. 21. AS 14.43.415(b) is amended to read:

2 (b) The commission [STUDENT FINANCIAL AID COMMITTEE] shall, by
3 regulation, establish a system of priority in the selection of recipi-
4 ents of grants under AS 14.43.400 - 14.43.500 under which students
5 from "low income" families or whose incomes are considered "low in-
6 come" shall be given preference in the award of the educational incen-
7 tive grants.

8 * Sec. 22. AS 14.43.620(b) is amended to read:

9 (b) The commission [STUDENT FINANCIAL AID COMMITTEE CREATED
10 UNDER AS 14.43.095] may sell or assign notes and other instruments
11 evidencing teacher scholarship loans to the Alaska Student Loan Corpo-
12 ration and enter into agreements with the corporation relating to
13 loans, the administration of the student loan fund created under
14 AS 14.42.210 and the payment of and security for bonds of the corpo-
15 ration. Proceeds from the sale or assignment of the notes or other
16 instruments shall be deposited in the teacher scholarship revolving
17 loan fund.

18 * Sec. 23. AS 14.43.630(a) is amended to read:

19 (a) The teacher scholarship loan program shall be administered
20 by the commission [STUDENT FINANCIAL AID COMMITTEE (AS 14.43.095)] in
21 accordance with regulations adopted by the commission [COMMITTEE].
22 The commission [COMMITTEE] shall

23 (1) allocate the loan awards available for teacher scholar-
24 ship loans annually to local school boards giving a preference to
25 rural school districts; and

26 (2) develop and distribute to the local school boards an
27 application form for teacher scholarship loans; the form shall include
28 a requirement that the applicant supply a high school academic tran-
29 script and a statement of intent to enter a teaching career at the

1 elementary or secondary school level in the state.

2 * Sec. 24. AS 14.43.650(a) is amended to read:

3 (a) To be eligible for a teacher scholarship loan, a student
4 must

5 (1) be a graduate of a public or private high school in the
6 state, with sufficient credits to be admitted to an accredited college
7 or university;

8 (2) be enrolled in or show evidence of intent to enroll in
9 a degree program directed at a teaching career at the elementary or
10 secondary school level;

11 (3) meet the conditions set by the student's local school
12 board with respect to the district's requirements for teachers in
13 particular subject areas;

14 (4) submit to the local school board an application provid-
15 ed by the commission [STUDENT FINANCIAL AID COMMITTEE] under AS 14.-
16 43.630(a)(2); an application may be submitted six months before grad-
17 uation from high school; and

18 (5) not have a past due child support obligation estab-
19 lished by court order or by the child support enforcement division
20 under AS 47.23.160 - 47.23.220 at the time of application.

21 * Sec. 25. AS 14.43.720(b) is amended to read:

22 (b) The commission [STUDENT FINANCIAL AID COMMITTEE CREATED
23 UNDER AS 14.43.095] may sell or assign notes and other instruments
24 evidencing family education loans to the Alaska Student Loan Corpo-
25 ration and enter into agreements with the corporation relating to
26 loans, the administration of the student loan fund created under
27 AS 14.42.210, and the payment of and security for bonds of the corpo-
28 ration. Proceeds from the sale or assignment of notes and other
29 instruments shall be deposited in the family education loan account.

1 * Sec. 26. AS 14.43.730 is amended to read:

2 Sec. 14.43.730. ADMINISTRATION. The family education loan
3 program shall be administered by the commission [STUDENT FINANCIAL AID
4 COMMITTEE (AS 14.43.095)] under regulations that it adopts [ADOPTED BY
5 THE COMMITTEE].

6 * Sec. 27. AS 14.43 is amended by adding a new section to article 9 to
7 read:

8 Sec. 14.43.990. DEFINITION. In this chapter, "commission" means
9 the Alaska Postsecondary Education Commission.

10 * Sec. 28. AS 14.43.095 and 14.43.160(2) are repealed.

11 * Sec. 29. This Act takes effect July 1, 1990.
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APR 09 1990

TREND *Setters*

April 5, 1990

Sen. Paul Fischer
Pouch V
Juneau, AK 99811

Dear Senator Fischer:

I have before me a copy of Amendment 2 to CSHB 208. This amendment concerns a reduction in the amount of time that a postsecondary school has to wait before being approved to handle Alaska Student Loans. As an owner of a vocational school in Alaska, I am concerned about this bill.

Currently, new postsecondary schools must wait two years or be nationally accredited prior to applying for approval to handle Alaska Student Loans. This rule is relatively new to Alaska but is a standard for other loan and benefit programs nationally. I can not speak for all accrediting agencies, but the National Accrediting Commission of Cosmetology Arts & Sciences requires two years of operation prior to accreditation. The Veterans Administration also requires two years of operation prior to approval for veterans training with VA benefits. There is also a two year residency rule for students to qualify for the loans.

The two year rule in Alaska was legislated after several years of problems involving catastrophic closings of schools that had enrolled students receiving Alaska Student Loans. These schools opened one day and were approved for Alaska Student Loans the next. As a result of the closures, students with loans were left without the education and without the money that they had borrowed to pay for that education.

Since the two year rule went into effect, there have been far fewer school closures. The current proposal to reduce the two year rule to one year will not only reduce the protection that is now in place but will move Alaska away from a national standard.

In opposing this amendment, I am not trying to limit my competition. In the past, the Commission on Postsecondary Education has responded to school closures with increased regulations for the schools that are left. Complying with these regulations increases my costs. I have gone as far as accepting students from a closed school without any additional tuition charge just to facilitate a smooth non-regulation producing transition.

I do not feel that this bill deserves passage. I believe that weakening the two year rule will defeat the original purpose of that rule. I hope that I can depend on the legislative process to see that this bill is not good for the State.

Sincerely,

Dennis Millhouse
Dennis Millhouse
Owner/Trend Setters

APR 09 1990



Alaska Junior College

800 E. Dimond Blvd.
Suite 3-350
Anchorage, Alaska 99515
(907) 349-1905
Fax (907) 349-9802

April 6, 1990

All Senators
Pouch V
Juneau, Alaska 99811

Dear Senator,

Currently before you is an amendment to CSHB 208. This amendment will reduce the time a career-vocational institution must be in operation before a borrower attends.

As a school President, I am opposed to the change of this statute. It was sound legislation when it was originally instated in order to protect the consumer. Many accrediting agencies, including the Veterans Administration, require schools to be in operation for two years.

Also, to reduce only career education programs and not universities and colleges seems to again be creating a double standard. I know the Postsecondary Commission has been working hard to develop regulations fair for both types of education.

Please note that there has been pressure from only one school owner to change this statute over the past year. The ACPE wisely voted to keep the two year rule intact. It seems to me you should support your Postsecondary Commission and remove this amendment from CSHB 208.

Sincerely,

Kathryn Smith
President

KJS/ads

A M E N D M E N T #2

OFFERED IN THE HOUSE

BY REP. BARNES

TO: CSHB 208(Finance)

Page 1, line 7, before "deferral":

Insert "loans to attend a career education program,"

Page 4, after line 10:

Insert a new bill section to read:

"* Sec. 9. AS 14.43.120(b) is amended to read:

(b) Scholarship loans may only be used to attend a

(1) career education program that has been approved by the commission before July 1, 1986, or has been operating for at least one year [TWO YEARS] before the borrower attends; or

(2) a college or university that

(A) has been approved by the commission before July 1, 1986, or has been operating for at least two years before the borrower attends;

(B) is accredited by a national or regional accreditation association recognized by the Council on Postsecondary Accreditation or is approved by the commission; and

(C) if the loans are federally insured, is approved by the United States Secretary of Education."

Renumber the following bill sections accordingly.

BARTENDING SCHOOL

April 6, 1990



Senator Fischer
Pouch V
Juneau, AK 99811

Dear Senator Fischer:

I am very concerned about an amendment to CSHB 208 that is currently before you. The amendment reduces the time a Post-secondary school has to be in business before being approved for Alaska Student Loans. The current law stipulates two years, the amendment would reduce the time to one year.

The Alaska Commission on Postsecondary Education has been pressured to do away with the two year rule, but they voted to keep the policy intact. The commission deals with schools on a daily basis, so they must have given careful consideration to this two year rule.

I am very worried about the increase in loan defaults and school closures that this amendment could cause. In the past when schools have closed, the existing schools have had to pay with increased bonding and loss of credibility of the entire vocational system. By giving unproven schools the opportunity to utilize Alaska Student Loans, you will increase school closures and the default rate, thus punishing the proven schools.

Protect the students and the Alaska Student Loan program. Please do not pass this amendment.

Sincerely,

A handwritten signature in cursive script that reads "Stanley M. Austin".

Stanley M. Austin
Owner

Brown Jug Beverage Dispensary School
4140 Old Seward Highway
Anchorage, AK 99503
(907) 563-5100
Toll Free in Alaska 800-478-5101

Academy of Hair Design

1921 W. Dimond Blvd, #110
Anchorage, Alaska 99515
(907) 349-4412

April 6, 1990
All Legislators
Juneau, Alaska

Dear Legislator:

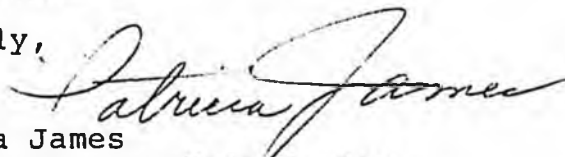
The House just passed CSHB 208 which has an amendment to it that, if passed, will reduce the time a Postsecondary school has before being approved to accept Alaska Student Loans from two years to only one year.

Giving unproven schools the opportunity to utilize the Alaska Student Loan Program will result in catastrophic closings and an increased default rate. From past experience we have found that the remaining schools have to provide increased bonding levels to protect the students in case of more school closures. Wouldn't it be better protection for the students and everyone concerned to leave the waiting period at the present two years? Most of the accrediting agencies, including the Veterans Administration, require schools to be in business for two years.

The adoption of this amendment will greatly hinder the efforts of the Alaska Commission of Postsecondary Education to assure quality education in our state. Passage of this amendment will be detrimental to all concerned except the one individual who is pushing for it's adoption.

The Alaska Commission of Postsecondary Education has wisely refused to be pressured into doing away with the two year rule. Passage of this amendment will hinder their power to administer these funds responsibly.

Sincerely,



Patricia James
Owner/Academy of Hair Design

Hair Studio School of Design

3801 Old Seward Highway, Suite 6 • Anchorage, Alaska 99503 • Phone (907) 562-2372



April 5, 1990

All Senators
Pouch V
Juneau, Alaska 99811

APR 03 1990

Dear Senator,

Currently before you is an amendment to CSHB 208. This amendment has to do with reducing the time a Postsecondary school has before being approved to accept Alaska Student Loans. The current law stipulates a school must be open for two years. The amendment before you reduces this time to one year.

As a school owner I am concerned about this amendment for several reasons including catastrophic closings and the increased default rate this measure would cause. Giving unproven schools the opportunity to utilize the Alaska Student Loans will certainly result in the above mentioned problems occurring. From past experience I know what happens to the remaining schools when schools are closed. We are asked by this same legislature to provide increased bonding levels in order to protect the student in case of more school closures. Why not protect the student now and leave the waiting period at two years? Many accrediting agencies, including the Veterans Administration, require schools to be in business for two years.

The Alaska Commission Of Postsecondary Education has adopted several policies to insure the quality of education in Alaska. With the adoption of this amendment you are taking a step backwards in this process. If you care about the quality of education in this state, you will not adopt this amendment.

There has been pressure for the past year for the Alaska Commission Of Postsecondary Education to do away with the two year rule. They wisely voted to keep the policy intact. By passing this amendment you will greatly reduce their power to administer these funds in a responsible manner.

Sincerely,

Jerri Jessop
Jerri Jessop
Owner

A M E N D M E N T #2

OFFERED IN THE HOUSE

BY REP. BARNES

TO: CSHB 208(Finance)

Page 1, line 7, before "deferral":

Insert "loans to attend a career education program,"

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(2) a college or university that

(A) has been approved by the commission before July 1, 1986, or has been operating for at least two years before the borrower attends;

(B) is accredited by a national or regional accreditation association recognized by the Council on Postsecondary Accreditation or is approved by the commission; and

(C) if the loans are federally insured, is approved by the United States Secretary of Education."

Renumber the following bill sections accordingly.

HB

216

SENATE COMMITTEE REPORT

FURTHER

5/2/89

DATE TURNED INTO OFFICE 5/4/89

Mr. President:

HESS

Committee considered CSHB 216 (FIN)

establishing an optional university retirement program for certain employees of the University of Alaska and certain community colleges; efd

and recommended

- replace with _____ CS _____) same title
- or adopt _____ CS _____) new title
- attached amendment(s) and technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) zero fiscal impact appropriation no FN

new updated previous

same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

Tim Kelly

Ray Jones

OTHER RECOMMENDATIONS

Paul Fish (Do Pass)
Chair. signature and recommendation

Committee Backup attached

Alaska State Legislature
Representative Niilo Koponen

Pouch V
Juneau, Alaska 99811
(907) 465-4992

House District 21

119 N. Cushman, Suite 207
Fairbanks, Alaska 99701
(907) 456-8172

SPONSOR STATEMENT FOR HB 216

House Bill 216 provides for an effective means for the University of Alaska to compete in the national academic market to attract and retain qualified professionals, with no additional cost to the State.

House Bill 216 would allow the Board of Regents to adopt an optional defined contribution retirement plan for its faculty and a small number of administrative officers. A choice of retirement plans is currently available to faculty and administrative officers in publicly supported institutions in thirty-six states and the District of Columbia, and in over 1,000 private colleges and universities.

In a defined contribution retirement plan the retirement benefits provided by the plan are fully and immediately vested in individual participants. Faculty and administrative officers would not then be constrained by pension considerations from moving within institutions of higher education within the country. Because an optional defined contribution plan eliminates the concern for future funding liability the University's pension obligation is discharged concurrently with the termination of employment.

FISCAL NOTE

REQUEST:

Revision Date: 3/28/89 Agency Affected: University of Alaska
 Title: "An Act establishing an optional university retirement program for certain employees of the University of Alaska and certain community colleges; and providing for an effective date." BRU: All
 Components: _____
 REQUESTOR: HESS Committee
 SPONSOR: Koponen, Boyer, Ulmer, Ellis, Collins, Gruenberg, and Hudson

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		-0-	-0-	-0-	-0-	-0-
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE		-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME					
PART-TIME					
TEMPORARY					

ANALYSIS : (Attach a separate page if necessary) The cost of the alternative optional university retirement program is projected at zero. It is the university's intent to establish rates for the optional retirement program at levels which will result in no additional cost. The optional retirement program will, however, increase the university's competitiveness in recruiting faculty and top administrators.

Prepared by: Jim Lynch Phone: 474-6573
 Division: Controller and Associate Vice President Date: 3/28/89
 Approved by Commissioner: Brian Rogers Date: 3/28/89
 Agency: Vice President for Finance

Distribution (by preparer):

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

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Administration
 Title: "An act establishing an optional university retirement program." BRU: Retirement and Benefits
 Sponsor: Koponen Components: Retirement and Benefits
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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	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)

See attached financial implication statement.

Prepared By: Sally Smith Phone: 465-4470
 Division: Retirement and Benefits Date: 3/29/89

Approved by Commissioner: John M. Andrews Date: 3/29/89
 Agency: Department of Administration

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

House Bill 216
Analysis of Fiscal Implications to the Retirement Funds
Prepared by Division of Retirement & Benefits
Department of Administration
March 23, 1989

Analysis: This bill would allow the University of Alaska to establish an additional retirement system for its faculty and administrator positions. Participation in this system would be optional and provide an alternative to participating in the appropriate Public Employees' (PERS) or Teachers' (TRS) Retirement System. The election will be irrevocable.

There would not be an adverse impact on the actuarial soundness of either the PERS or the TRS funds. The increase in the unfunded liability and the decrease in the funding ratio in each would be negligible.

HB

222

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: An Act relating to optometrists and opticians.
 Sponsor: House HESS Committee
 Requestor: House HESS Committee

Agency Affected: Commerce & Economic Dev.
 BRU: Occupational Licensing

Components: All

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
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)

Prepared by: Jennifer Strickler, Admin. Officer Phone: 465-2144
 Division: Occupational Licensing Date: 2/5/90

Approved by Commissioner: Larry Merculieff Date: 5 Feb 90
 Agency: Commerce and Economic Development

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES



P.O. BOX V, JUNEAU 99811
(907) 465-3759

MEMORANDUM

TO: Senator Paul Fischer, Chairman, Senate HESS Committee
FROM: Rep. Johnny Ellis, Chairman, House HESS Committee
RE: Scheduling of HB 222 *JE*
DATE: April 28, 1990

House Bill 222 was introduced by the House HESS Committee by request of optometrists across the state. This bill would allow optometrists to use certain drugs for therapeutic uses in their practices. The bill passed the House by a vote of 29 to 9.

Please schedule HB 222 for a hearing at your earliest possible convenience.

PENINSULA EYE CLINIC

PETER E. CANNAVA, M.D., A.P.C.
NORTH 161 BINKLEY
SOLDOTNA, ALASKA 99669
(907) 262-4462

April 24, 1990

Senator Paul Fischer
P.O. Box V
Juneau, Ak. 99811

RE: HB 222

Dear Paul,

I would like to bring to your attention HB 222, an act relating to the practice of optometry. This bill would grant optometrist the right to treat all eye diseases with pharmaceuticals.

You will recall the story the Optometrist (O.D.'s) told two years ago about simply wanting to use DIAGNOSTIC medicines so that they would not miss any eye diseases! You specifically asked them if they would be back in the future requesting additional privileges and they responded that they would not.

This bill illustrates the true intent of the O.D.'s and that is to legislate themselves into MEDICINE & SURGERY. Undoubtedly they will return in the future and go for the surgery of the eyes.

I would like you to vote against this bill as being detrimental to the people of Alaska!

Regards,



Peter E. Cannava, M.D.

FEC/rm

H B

325

FISCAL NOTE

REQUEST:

Revision Date: 3/6/90
Title: Public School health and personal safety education
Sponsor: Bover
Requestor: House Finance

Agency Affected: Education
BRU: Education Program Support
Components: Basic Education & Instructional Improvement

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	58.0	60.0				
TRAVEL	6.6	11.7				
CONTRACTUAL	70.4	70.4				
SUPPLIES	5	5				
EQUIPMENT	5.1					
LAND & STRUCTURES						
GRANTS, CLAIMS	100.0	100.0				
MISCELLANEOUS						
TOTAL OPERATING	240.6	242.6				

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND	240.6	242.6				
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

SEE ATTACHED ANALYSIS , and note last paragraph on page 2. for information regarding FY 93, 94, 95 & 96.

Prepared by: Mary Hakala
Division: Commissioner's Office

Phone: 465-2800
Date: 3/6/90

Approved by Commissioner: William G. Demmert
Agency: Education

Date: 3/6/90

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

Amended: 3/30/90
Offered: 2/5/90
Referred: Finance

6-1375E

Original sponsor(s): REP. BOYER, M.Davis, Ellis, Finkelstein, Goll, Jacko,
Koponen, Brown, Ulmer, Hudson

1 IN THE HOUSE BY THE HESS COMMITTEE

2 CS FOR HOUSE BILL NO. 325 (HESS) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - SECOND SESSION
5 A BILL

6 For an Act entitled: "An Act relating to public school health and personal
7 safety education."

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

9 * Section 1. PURPOSE. The purpose of this Act is to foster the devel-
10 opment and dissemination of educational activities and materials that will
11 assist students, teachers, administrators, and parents in the perception,
12 appreciation, and understanding of health principles and problems, and
13 responsible personal behavior.

14 * Sec. 2. AS 14.08.115 is amended to read:

15 Sec. 14.08.115. ADVISORY SCHOOL BOARDS AND COMMITTEES IN REGION-
16 AL EDUCATIONAL ATTENDANCE AREAS. A regional school board shall estab-
17 lish a health education curriculum advisory committee and may estab-
18 lish other advisory school boards or committees, and by regulation
19 shall prescribe their manner of selection and organization, and their
20 powers and duties.

21 * Sec. 3. AS 14.12.035 is amended to read:

22 Sec. 14.12.035. ADVISORY SCHOOL BOARDS AND COMMITTEES IN BOROUGH
23 SCHOOL DISTRICTS. A borough school district board shall establish a
24 health education curriculum advisory committee and may establish other
25 advisory school boards or committees, and by regulation shall pre-
26 scribe their manner of selection, organization, powers, and duties.

27 * Sec. 4. AS 14.30.360 is amended to read:

28 Sec. 14.30.360. CURRICULUM. (a) Each district in the state
29 public school system shall [BE ENCOURAGED TO] initiate and conduct a

May

CORRECTION

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

FISCAL NOTE

REQUEST:

Revision Date: 3/6/90
 Title: Public School health and personal safety education
 Sponsor: Rover
 Requestor: House Finance

Agency Affected: Education
 BRU: Education Program Support
 Components: Basic Education & Instructional Improvement

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	58.0	60.0				
TRAVEL	5.6	11.7				
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EQUIPMENT	5.1					
LAND & STRUCTURES						
GRANTS, CLAIMS	100.0	100.0				
MISCELLANEOUS						
TOTAL OPERATING	240.6	242.6				

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND	240.6	242.6				
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

SEE ATTACHED ANALYSIS , and note last paragraph on page 2. for information regarding FY 93, 94, 95 & 96.

Prepared by: Mary Hakala Phone: 465-2800
 Division: Commissioner's Office Date: 3/6/90
 Approved by Commissioner: William G. Jemert Date: 3/6/90
 Agency: Education

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

Narrative Outline - Fiscal Note for H.B.325
 Revised 3/6/90

Personal Services	\$58.0	Funding for PCN 1165, a currently unfunded PCN within the Division, to be reclassified from an Education Administrator I to an Education Specialist II. Note: Fiscal note assumes merit increase for position
Travel	\$6.6	10 trips for technical assistance & coordination Year 2: additional travel for other educators to provide on-site assistance and regional exchange of ideas, successes and approaches (5.1)
Contractual	\$70.4	phone/postage/photocopying costs (3.9) clerical support materials purchase to support training outlined below contracts: <ul style="list-style-type: none"> • Summer Institutes of 3 weeks for 20 practicing elementary teachers who would serve as building level "teacher leaders" - covers instructor fees and expenses, materials and partial scholarships for participants (17.0) • Local school inservices - training fees and expenses for experts to provide local assistance in comprehensive health and wellness teaching/learning strategies through Talent Bank (4.0) • Audioconferencing line fees (1.0) • Develop and produce materials for parents and community members to encourage participation in health education (10.0) Year 1 only • Develop and produce three Health Fair learning centers to encourage parents and other community members to participate in comprehensive school health education (20.0) Year 2 • Same as above plus additional Training Institutes at regional locations (20.0)
Commodities	.5	Supplies
Equipment	5.1	Year 1 only: One computer workstation (1.8); equipment and supplies for training programs, above.
Grants	100.0	Incentive mini-grants to local school sites for implementing comprehensive health promotion activities
Total =	\$240.6	

Funding for comprehensive health education function in years three through six contingent upon legislative authorization and school district needs.

Amended: 3/30/90
Offered: 2/5/90
Referred: Finance

6-1375E

Original sponsor(s): REP. BOYER, M.Davis, Ellis, Finkelstein, Goll, Jacko,
Koponen, Brown, Ulmer, Hudson

1 IN THE HOUSE BY THE HESS COMMITTEE
2 CS FOR HOUSE BILL NO. 325 (HESS) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - SECOND SESSION

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27 * Sec. 4. AS 14.30.360 is amended to read:

28 Sec. 14.30.360. CURRICULUM. (a) Each district in the state
29 public school system shall [BE ENCOURAGED TO] initiate and conduct a

May

1 program in comprehensive health education for kindergarten through
2 grade 12. The program must [SHOULD] include

3 (1) age appropriate instruction in physical health and
4 personal safety including

5 (A) alcohol and substance [DRUG] abuse and fetal
6 alcohol syndrome education;

7 (B) first aid, including cardiopulmonary resuscitation
8 (CPR);

9 (C) human growth and development, including human
10 sexuality, reproductive health, pregnancy prevention, prevention
11 and control of diseases, including acquired immune deficiency
12 syndrome and other sexually transmitted diseases;

13 (D) mental and emotional health, including suicide
14 prevention;

15 (E) [,] early cancer prevention and detection, nutri-
16 tion, dental health, family health, environmental health;

17 (F) [,] the identification and prevention of child
18 abuse, child abduction, neglect, and sexual abuse, and domestic
19 violence; [,] and

20 (G) appropriate use of health services;

21 (2) training, support groups, and pertinent literature
22 designed to assist parents and other members of the community to
23 participate in health and personal safety education;

24 (3) a district curriculum and curriculum materials devel-
25 oped in conjunction with the district health education curriculum
26 advisory committee; and

27 (4) a method of notifying parents of students of the con-
28 tent of instructional materials used in the human growth and develop-
29 ment program and of the parents' option to ~~exempt their child from~~

1 human growth and development instruction; a district shall use proce-
2 dures to provide that students ~~exempted from~~ the program are not
3 embarrassed by the exemption.

4 (b) The state board shall establish guidelines for a comprehen-
5 sive health and personal safety education program. Personal safety
6 guidelines shall be developed in consultation with the Council on
7 Domestic Violence and Sexual Assault. Upon request, the Department of
8 Education, the Department of Public Safety, the Department of Health
9 and Social Services, and the Council on Domestic Violence and Sexual
10 Assault shall provide technical assistance to school districts in the
11 development of personal safety curricula. A school health and person-
12 al safety education specialist position shall be established and
13 funded in the department to coordinate the program statewide. Ade-
14 quate funds to enable curriculum and resource development, adequate
15 consultation to school districts, and a program of [TEACHER] training
16 and periodic staff development for administrators and teachers in
17 health and personal safety education shall be provided.

18 * Sec. 5. AS 14.30.360 is amended by adding a new subsection to read:

19 (c) In this section,

20 (1) "family health" includes

21 (A) an understanding of the physical, mental, emotion-
22 al, social, economic, and psychological aspects of close personal
23 relationships and an understanding of the physiological, psycho-
24 logical, and cultural foundations of human development;

25 (B) the development of responsible personal values and
26 behavior and the establishing of a strong family life for stu-
27 dents in the future, with emphasis on the responsibilities of
28 parenting;

29 (C) knowledge of the law relating to the sexual

1 conduct of minors and sexual abuse of minors, including criminal
2 sexual conduct;

3 (2) "health and personal safety education" includes health
4 education in a school setting that is planned and carried out with the
5 purpose of maintaining, reinforcing, or enhancing the health, health-
6 related skills, and health attitudes and practices of children and
7 youth that are conducive to their good health and that promote well-
8 ness, health maintenance, and disease prevention; it includes age-
9 appropriate, sequential instruction in health either as part of an
10 existing course or as a special course;

11 (3) "pregnancy prevention" includes

12 (A) abstaining from sexual activity until marriage;

13 (B) skills to enable students to resist peer pressure
14 and abstain from sexual activity;

15 (C) methods of contraception, and the risks and bene-
16 fits of each method;

17 (4) "reproductive health" includes human physiology, con-
18 ception, prenatal care and development, fetal alcohol syndrome,
19 childbirth, and postnatal care.

20 * Sec. 6. TRANSITION. Each district shall begin development of the
21 comprehensive health education curriculum required by this Act by July 1,
22 1990, and shall have in place a program of comprehensive health education
23 required by this Act by August 1, 1992.

Alaska State Legislature

REPRESENTATIVE
MARK BOYER

VICE-CHAIRMAN, HOUSE
HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

MEMBER, HOUSE LABOR AND
COMMERCE COMMITTEE

CHAIR, CHILDREN'S CAUCUS



FAIRBANKS

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FAIRBANKS, ALASKA 99701
(907) 456-6473

JUNEAU

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STATE CAPITOL
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(907) 465-3466

House of Representatives

M E M O R A N D U M

April 30, 1990

TO: All Members
Senate Health, Education and Social Services
Committee

FROM: Representative Mark Boyer *MB*

RE: CSHB 325 (HESS) am, "An Act relating to public
school health and personal safety education."

I am asking for your support of CSHB 325 (HESS), "The Healthy Student Bill", which requires each school district to initiate and conduct an age appropriate program in comprehensive health and personal safety education for kindergarten through grade 12. Under the HESS committee substitute, the curriculum shall include instruction in the general areas of alcohol and substance abuse and fetal alcohol syndrome; first aide, including CPR; human growth and development to include specifically human sexuality, reproductive health, pregnancy prevention; prevention and control of diseases to include AIDS and other sexually transmitted diseases; mental and emotional health including suicide prevention; early cancer prevention and detection, nutrition, dental health, family health, environmental health; the identification and prevention of child abuse, child abduction, neglect, and sexual abuse; domestic violence and appropriate use of health services.

CSHB 325 (HESS) was amended on the House floor to include language that emphasizes the importance of understanding the various aspects of close personal relationships, responsible personal values and the merits of a strong family life with emphasis on the responsibilities of parenting. When presenting information in the health and personal safety education section which relates to pregnancy prevention, students will be instructed on methods of contraception, skills to resist peer pressure and abstain from sexual activity and the concept of abstaining from sexual activity until marriage.

FAIRBANKS 20B

500,000 / 1/2

If we begin teaching children about the dangers of drugs and potential hazards of alcohol misuse and abuse at an early age, if we can delay experimentation, the rate of abusive or addictive behavior decreases significantly. The statistics are very clear, we have all seen them. We all know that Alaska's teen pregnancy rate is 13 percent higher than the national average; the suicide rate of adolescent parents is seven times that of non-parenting teens; 50% of teenage mothers don't complete high school; sixty percent of AFDC recipients were teen parents; 33 percent of drug arrests were youth under the age of 18; to call attention to a few. Withholding information only increases the risk of teen pregnancy, sexually transmitted diseases, failure to cope, low self esteem and exploitation. All of these problems make learning math, English and science even tougher.

I am committed to community ownership of the curriculum and the HESS committee substitute establishes local advisory committees to work with school boards in the planning and development of curriculum materials. Clearly, without family and community ownership and commitment, the curriculum will not be successful in dealing with a particular district's demographics. The fiscal note reflects our commitment to community involvement by providing for \$100,000 in grants to districts for consensus building in developing and implementing comprehensive health promotion and activities.

CSHB 325 (HESS) has the support of the Department of Education; the State Board of Education; and the support of the following organizations:

Church Women United in Alaska
Resource Center for Parents and Children
Department of Public Safety
Alaska Council of School Administrators
Alaska Health Education Consortium
Medical Advisory Committee of the Anchorage School District
Action for Alaska's Children
ACCESS Alaska
Arctic Alliance for People
American Lung Association of Alaska
North and Northwest Alaska Mayors' Conference
National Education Association - Alaska
Bristol Bay Area Health Corporation
Alaska Youth and Parent Foundation
American Association of University Women
Alaska Women's Lobby
A.W.A.R.E., Inc.
Planned Parenthood of Alaska
Alaska Native Health Board
Fairbanks Native Association, Inc.
Volunteers of America
Central Council, Tlingit and Haida Indian Tribes of Alaska
Sitka Teen Resource Center
Bearing Sea Women's Group

Governor's Health Care Commission

I encourage you to join in the support of this important legislation. Health and personal safety need to be an educational priority. We have too much to lose; Alaska's future is our youth.

April 17, 1990
P.O. Box 020658
Juneau, Ak 99802

APR 18 1990

Sen. Paul Fischer, Chairman
Senate HESS Committee
Alaska State Legislature
Pouch V
Juneau, Ak 99811

Dear Sen. Fischer:

Reference is made to CSHB 325 relating to public school health education.

I am opposed to mandatory development of a sex education program with contraceptive instruction in our schools. Our children must be taught that we expect them to abstain from pre-marital sex. There are good moral, social and public health reasons for doing so. Sex education which includes contraceptive instruction and is presented as "value free" will only increase the problem. It simply tells the student that the moral aspect is not important or that sex is morally neutral. Missing from this approach is the strong moral imperative that is so important to influence behavior. Knowledge isn't enough. Does anyone believe, for example, that our children do not know about drugs and smoking? Yet that information, by itself, is not enough to have them say "No"! Society and peer pressure must reinforce that decision.

Evidence is mounting that sex education does not reduce teen pregnancy. For years throughout our country we have seen more and more emphasis put on sex education at younger and younger ages and yet the problem continues to increase. When are we going to recognize that much of what we call sex education contributes to the problem not the solution? Sex requires maturity and responsibility for its natural outcome which is the procreation of children. Outside of marriage its use can be a disruptive force, the results of which we see in our society today.

Telling our children about contraceptives clearly lets them know that we expect them to have sex. That is the wrong message. Sex education programs should teach respect for sex in the context of marriage. Period. Teaching about contraceptives only undermines the message of abstinence. It's like telling our children to say "no" to drugs and then offer them "clean" hyperdermic needles. Our children should know that we expect them to abstain from pre-marital sex.

We seem to have forgotten that self control and self denial are the proper avenues to avoid teen pregnancy as well as sexually transmitted diseases. It is hard to find a more offensive concept than the idea of "safe sex" which has become

the craze now with the AIDS scare. It is typical of our approach to problems stemming from the misuse of sex. We don't demand that the misuse stop, we simply develop protective measures which we hope will allow us to continue the perverted behavior safely. Our society appears to be willing to pay the price of human heartbreak and misery.

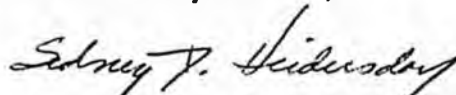
Our educational approach is designed to respond to the lowest common denominator of behavior and the program is applied across the board when it is made mandatory. Rather than uplifting children on the margins of acceptable behavior by demanding that they rise to higher standards of behavior they are drawn in the opposite direction by programs which address the improper behavior of other students which is then considered the norm. As the problem gets worse we react with yet another round of programs which in turn makes things worse in a never ending spiral. Placement of adolescent "health" clinics in our schools, the primary purpose of which is to stem the tide of teen pregnancy, is the latest venture sweeping the country. These are basically sex clinics which provide contraceptive education and distribution as well as abortion counseling. The legacy of these clinics is clear. They don't work. Proponents speak of a reduction in the teen birth rates, but follow-up studies have shown an increase in teen abortions but not a reduction in pregnancy.

Conventional wisdom argues that we cannot teach morality and besides teens are going to have sex anyway. If so, teen sexual promiscuity and the associated teen pregnancy problem will continue unchecked.

I hope for something better for our children. Our schools are becoming more and more like social welfare agencies rather than academic institutions. Social problems are discussed in our schools at younger and younger ages. This makes life styles that cause problems sound natural and normal. In addition, to such subjects as divorce, venereal disease, child sexual abuse, teen pregnancy, and abortion we now talk about mandatory courses in death, suicide and mental health. Our schools cannot nor should we expect them to solve these problems.

We need our legislature to say "no" to requests for more money and legislation which will enshrine the notion that more sex education and contraceptives will solve our problems. Our children deserve more than condoms and talk about death and suicide. It's going to be difficult to turn this whole business around but parents must take primary responsibility for their children, not the schools. As a first step I ask that you not contribute to the problem by making these programs mandatory for schools.

Sincerely Yours,


Sidney D. Heidersdorf

April 9, 1990

Senator Fischer:

I am writing to urge your full support of a mandatory statewide comprehensive health curriculum. The KPBSD has instated a School Board approved and mandated districtwide comprehensive health curriculum. The School Board vote was 5-2 in favor of our locally mandated curriculum. This vote in favor was primarily influenced by a very vocal community desire to require such a curriculum.

Three years ago the district convened a community driven Community Health Advisory Committee and conducted a series of community hearings throughout the peninsula regarding this issue. The current curriculum was based on input developed from the community and its committee. Subsequent hearings have continued to show strong support from the majority of the community. Of course there is a minority voice expressing opposition to certain elements of any health curriculum. However, I feel confident in saying that the Kenai Peninsula communities recognize the need for this type of curriculum and would like to see it required throughout the grades and throughout the state.

Again, I urge you to support this measure.

Sincerely,



Mo Scott

District Parent Advisory Committee Coordinator
Grants Administration
Kenai Peninsula Borough School District

APR 19 1990

MEMORANDUM

TO: ALL ALASKA SENATORS

FROM: VIVIAN ECHAVARRIA
P.O. BOX 441
DILLINGHAM, AK 99576

DATE: APRIL 16, 1990

RE: HB 325

Echavarría

PLEASE CONSIDER THE PASSAGE OF HB 325 UNAMENDED. I AM AN ADVOCATE FOR ANY HEALTH EDUCATION TAUGHT IN SCHOOLS. IT IS A KNOWN FACT THAT BEHAVIOR CHANGE OCCURS WITH REPEATED, COMPREHENSIVE EXPOSURE TO A PARTICULAR SUBJECT. CURRENTLY, OUR YOUTH ARE RECEIVING "HIT AND MISS" HEALTH EDUCATION.

I HAVE SPOKEN WITH NUMEROUS RURAL EDUCATORS AND ALASKA NATIVE RESIDENTS WHO ARE ALSO IN FAVOR OF THIS BILL. ONE WOMAN IN TOGIAK, ALASKA CONVEYED TO ME HER APPRECIATION TO DILLINGHAM CITY SCHOOL DISTRICT'S COMPREHENSIVE HEALTH EDUCATION CURRICULUM. IT TAUGHT HER SUBJECT MATTER SHE HAD NEVER BEEN EXPOSED TO LIKE: PERSONAL HYGIENE, MENSTRUATION-MENOPAUSE, AND SAFETY TO NAME A FEW.

I APPLAUD OUR LEGISLATURE FOR THEIR COMMITMENT TO HEALTH. I'VE HEARD ABOUT THE SUCCESS OF THE LEGISLATIVE HEALTH FAIR, AND THE NUMEROUS HEALTH-RELATED BILLS THAT HAVE BEEN PASSED AND BILLS THAT ARE CURRENTLY IN THE LEGISLATIVE PROCESS. NOW, CONSIDER THE CONSUMERS OF THIS STATE WHO ARE CONTINUALLY BOMBARDED WITH ADVERTISEMENTS REGARDING CHOLESTEROL AND ALSO CONSIDER THOSE YOUNGER INDIVIDUALS WHO HAVE NEVER BEEN TOLD ABOUT GOOD TOUCH AND BAD TOUCH (SEXUAL ABUSE), OR CONSIDER THOSE YOUNG ADOLESCENTS WHO DO NOT FULLY UNDERSTAND PUBERTY AND THE CHANGES OF THE BODY. LEARNING ABOUT HEALTH IS FUN AND A LOT OF APPLICATION IS HANDS ON, EXPERIENTIAL. I AM AN ATHABASCAN INDIAN AND I LEARN BEST WHEN I HAVE TO DO HANDS ON ACTIVITIES.

TO CONTINUE TO DENY OUR FUTURE GENERATIONS A SOUND KNOWLEDGE BASE FROM BASIC NUTRITION PRINCIPLES TO HOW TO PREVENT HYPOTHERMIA IS UNCONSCIONABLE.

PLEASE CONSIDER THIS LETTER IN YOUR DECISION-MAKING. I THANK YOU FOR THIS OPPORTUNITY TO EXPRESS WHAT I CONSIDER A VERY IMPORTANT ISSUE.

APR 17 1990

Shirley Moss
2705 David Street
Juneau, AK 99801

April 14, 1990

Honorable Paul A. Fischer
Rm. 508, Capitol Building
P. O. Box V
Juneau, AK 99811

Dear Senator Fischer,

This letter is to express my fervent support for HB325, an act relating to required comprehensive school health education, and to urge you to schedule it for a hearing in the HESS Committee.

I am a public health professional with nearly five years experience teaching health in schools and communities throughout Alaska. I regularly observe first-hand many of the causes and consequences of poor health. A lack of adequate comprehensive, skills-based health education by trained teachers and other adults is an important contributing factor to the health and social problems in Alaska. If youth were assured of a quality health education, one that is comprehensive, age-appropriate, and sequential, throughout their childhood, I am sure society would not be paying the tremendous costs of health and social problems that we pay today. We cannot afford to let this opportunity for prevention pass by a failure to act on HB325 this legislative session!

In my estimation, HB325 is necessary: youth must have a comprehensive health education, and school districts must have health a required part of the curriculum. Without it, health education will continue to be a hit-or-miss smattering of (mostly) poorly taught classes by (mostly) untrained staff. It would be nice if school districts could be counted on to implement a quality health education program without the requirement (indeed, a few have), but my conversations with teaching and administrative staff and school board members indicate this will not happen. While a few are not convinced health education is valuable, the majority indicate to me that they would *like* to have such a program but cannot fit it into the curriculum. HB325 would establish health as a priority subject area so that school district staff would fit it into the curriculum. It would also provide the essential teacher training.

The Alaska Association of School Administrators, Alaska Education Association, and the Alaska Association of School Board Presidents all endorse HB325, which to me is an amazing indicator of support. Parents and students I have discussed this with also support the bill. Please don't let this important piece of legislation die!

I know you are very concerned that parents' rights and responsibilities of child rearing are not usurped by school instruction, and I appreciate this position. I would like to suggest, however, that a comprehensive school health education is an opportunity to enhance parents' involvement and skills in child rearing rather than diminish it. I have taught a number of family life education classes for students and parents, and have been rewarded by the number of times I see parent-child communication increase. And for the students who unfortunately live in dysfunctional families with little or no nurturing, school health classes may be the only way they can explore important issues in a safe, supportive, and informative environment. The requirement in HB325 that local districts establish a health education advisory committee is a good requirement, as it should promote parents and other community members to become involved.

AIDS, teenage pregnancy, drug and alcohol abuse, FAS/FAE, suicide, violence and abuse... these are the realities facing youth -- and indeed us all -- without providing youth with adequate information and skills related to health. Coping skills, self-respect, positive relationships, ambition, self-confidence, physical health, and life free of addictions is what a comprehensive school health education program can foster. For the individual, social, and economic wellbeing of youth and adults throughout this state, please schedule HB325 to be heard, and please support this bill without amendments!

Respectfully yours,


Shirley Moss, MHA

HB

364

Alaska State Legislature

HOUSE OF REPRESENTATIVES



APR 06 1990

Doc

REPRESENTATIVE FRAN ULMER

MEMORANDUM

April 3, 1990

TO: Senator Paul Fischer, Chair
Senate Health and Social Services Committee

FROM: Rep. Fran Ulmer *[Signature]*

RE: CSHB 364, relating to information regarding the fetal health effects of alcohol consumption, drug usage, and battering during pregnancy

I would like to request a hearing for CSHB 364 at the committee's earliest opportunity. This is an uncontroversial bill which has the support of a wide spectrum of constituent organizations including the National Council on the Prevention of Alcohol and Drug Abuse, the Council on Domestic Violence, and others. The bill provides for a broad informational program to prevent the damage which occurs to a fetus from alcohol consumption, drug usage and battering during pregnancy. Education is the only effective means of addressing this problem.

Thank you for your consideration of this request.

[Signature]
FU/dl

District 4B — Juneau

P.O. Box V • Juneau, Alaska 99811-3100 • (907) 465-4947

SENATE COMMITTEE REPORT

DATE: 7/16/90

FURTHER: Finance

DATE TURNED INTO OFFICE: 4/19/90

H E S S

Committee considered

CSHB 364 (HESS) am

"An Act relating to distribution of information about fetal health effects of alcohol consumption, chemical abuse, and battering during pregnancy."

and recommended:

replace with _____ CS
 or adopt _____ CS

same title
 new title
 technical title change (HB only)

attached amendment(s)

_____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

fiscal note(s) _____ Dept/Date: _____

zero fiscal note(s) _____

appropriation-no fiscal note

APPROVES PREVIOUS:

fiscal note(s) _____ Dept/Date: _____
Health & SS

zero fiscal note(s) _____
Public Safety

Governor's bill w/fiscal note

SIGNING DO/PASS:

Jim Seneca
Ally Apat
Lois [Signature]

OTHER RECOMMENDATIONS:

Paul Frick (Do Pass)

Chair: Signature and Recommendation

FISCAL NOTE

REQUEST:

Revision Date: 2/2/90
 Title: Relating to Requiring Marriage Licensing Officers to Distribute
 Sponsor: Representative Ulmer
 Requestor: _____

Agency Affected: Health & Social Services
 BRU: Administrative Services
 Components: Office of Prevention

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	6.0					
SUPPLIES	6.2	6.2	6.2	6.2	6.2	6.2
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	12.2	6.2	6.2	6.2	6.2	6.2
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND	12.2	6.2	6.2	6.2	6.2	6.2
FEDERAL FUNDS						
OTHER						
TOTAL	12.2	6.2	6.2	6.2	6.2	6.2

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

FY 90 Fiscal Impact is "0".

See attached for additional analysis.

Prepared by: Sally Mead, Coordinator Phone: 561-4211
 Division: Office of Prevention Date: _____
 Approved by Commissioner: Myra M. Munson Date: 2/22/90
 Agency: Department of Health & Social Services

Distribution (by preparer):

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

FISCAL NOTE FOR CSHB 364 (HESS)

"An Act requiring marriage licensing officers to distribute"

Analysis:

Based on the cost of a similar project, the Office of Prevention estimates that \$6,000 would be needed to prepare and print an Alaska-specific brochure for distribution. Additionally, the Department estimates that approximately 25,000 brochures per year will be needed for distribution to public hospitals, clinics, and health facilities in the State, in accordance with sec. 1 of the bill. We estimate that each brochure will cost \$.25 to duplicate for a total duplication cost of \$6,250.

Alaska State Legislature

HOUSE OF REPRESENTATIVES



REPRESENTATIVE FRAN ULMER

M E M O R A N D U M

April 17, 1990

TO: Senator Paul A. Fischer, Chair
Senate Health, Education and Social Services Committee

FROM: Rep. Fran Ulmer

TO: CSHB 364, relating to the distribution of information about fetal health effects of alcohol consumption, chemical abuse and battering during pregnancy

CSHB 364 requires the state to distribute information regarding Fetal Alcohol Syndrome (FAS), and the effects of drug abuse and battering during pregnancy. This information is to be distributed to public hospitals and health clinics, as well as with each marriage license issued by the state.

Children born with FAS suffer from a combination of irreversible physical and mental birth defects caused when alcohol crosses the placenta and damages the fetus. These defects include:

- (1) Pre and/or post natal growth retardation (weight, length, and/or head circumference below the tenth percentile);
- (2) Central nervous system problems (intellectual impairment, developmental delay, and neurological abnormality);
- (3) Characteristic facial features (including crossed eyes, small eyes, short nose, or abnormalities of the mouth such as cleft palate).

Alaska has the highest estimated incidence of FAS births in the nation. Certain portions of the state record the highest FAS rate among any population in the world (e.g., nationally: 1.7 per 1,000 births; Copper River, Alaska: 250 per 1,000 births). FAS ranks as the number one cause of congenital mental retardation in Alaska. It is the only cause of mental retardation which is totally preventable.

District 4B — Juneau

P.O. Box V • Juneau, Alaska 99811-3100 • (907) 465-4947

Approximately 29 babies are born each year with FAS in Alaska; 26 of these survive the first year. Ten years ago, almost all of these infants died at birth. Today, the developments of medical technology keep them alive. However, the costs associated with FAS and FAE children are staggering and few, if any, families can afford to pay them. FAS babies typically need intensive hospital care at birth, at an average cost of \$2,400 per day. Hospital costs per FAS birth average \$99,740; physician fees average \$11,065 per birth, for a total of \$110,805 per child. It is common for FAS babies to be rehospitalized during the first year, at an average cost of \$40,410 per hospital stay.

In addition, 10 times as many babies are born with a lesser set of symptoms known as Fetal Alcohol Effects (FAE). These children, while less severely damaged, may actually have a greater financial impact on state and community services. For example, the IQ of the average FAS baby is below 70; FAE babies' IQ ranges between 70 and 100. It is these children who typically require added counseling, legal and corrections services.

The attached chart itemizes the costs associated with each FAS and FAE patient. The lifetime cost per FAS birth is approximately \$1.4 million. This figure reflects only the most basic medical and therapeutic services necessary. It does not include the additional financial and social costs of welfare payments, child abuse, sexual abuse, learning disabilities and incarceration.

In addition to FAS and FAE, Alaska is increasingly experiencing the effects of substance abuse during pregnancy. Crack and drug addicted babies demonstrate striking abnormalities in their emotions. They have serious difficulty relating to their world, making friends, or feeling love for their mothers.

Battering a pregnant woman also poses significant risks to the fetus. One of every 12 pregnant women in Alaska is beaten by a male partner. These women are 4 times more likely to deliver low birthweight babies and twice as likely to miscarry. While abuse against expectant mothers occurs in all racial and socioeconomic groups, anecdotal evidence indicates that, during pregnancy, physical abuse may become more severe and will be directed toward the fetus.

Education, through efforts like the brochure proposed in CSHB 364, is the surest route to prevention of these tragic and costly conditions. Oregon, Wisconsin, New Hampshire, Rhode Island and Illinois currently distribute information regarding FAS through offices issuing marriage licenses. Last year, in response to a request from Senator John Binkley, the Alaska court system began distributing a pamphlet on FAS which was supplied by the March of Dimes. The purpose of this bill is to ensure that this practice becomes a permanent, on-going effort of the state in order to improve the health of babies in Alaska. Distribution of this information to the 315 health clinics in the state, 15 hospitals, and to the approximately 6000 marriage license applicants will cost the state less than \$10,000 annually.

TABLE I

LIFETIME COST ESTIMATES OF SPECIFIC BIRTH DEFECTS IN FAS BIRTHS -- ALASKA

Birth Defect	Annual Cost per Patient	Number of Times or Years	Lifetime Cost per Patient	Prevalence	Number Per Yr (% x 26)	Lifetime Cost: All Born 1988
ANNUAL FAS BIRTHS (29 BIRTHS; 26 SURVIVORS)						
1 Neonatal Unit/Providence	99,740	1	99,740		11	1,097,140
2 Neonatal Physician	11,065	1	11,065		11	121,715
3 First Year Rehospitalization	13,470	1	13,470		3	40,410
4 Initial Audio Screening	100	1	100	52%	15	1,500
5 Audio Check-up	100	4	400	100%	26	10,400
6 Otitis Media Surgery	1,224	1	1,224	56%	15	18,360
7 Hearing Aid	1,260	14	17,640	33%	9	158,760
8 Hearing Aid Mold	50	65	3,250	33%	9	29,250
9 Heart Surgery	75,000	1	75,000	5%	1	75,000
10 Cleft Palate Surgery	65,000	1	65,000	12%	3	195,000
11 Infant Learning Program (HSS)	2,513	3	7,539	100%	26	196,014
12 H/C Child: phys defect (HSS)	8,700	18	156,600		7	1,096,200
H/C Child: devel delay (HSS)	8,700	3	26,100	58%	15	391,500
13 Minimal Special Educatn (DOE)	4,000	15	60,000	42%	11	660,000
14 Child Mental Retardation (DOE)	20,000	15	300,000	58%	15	4,500,000
15 DD Child (HSS)	25,000	18	450,000	58%	15	6,750,000
16 Alaska Youth Initiative (HSS)	90,000	12	1,080,000		1/2	540,000
17 DD Adult Initial Training(HSS)	45,000	3	135,000	58%	15	2,025,000
18 DD Adult Supervised Work (HSS)	22,500	44	990,000	58%	15	14,850,000
19 Institution	109,000	65	7,085,000	3%	1	7,085,000
Lifetime Costs for FAS Births: 1988						39,841,249
Lifetime Costs per FAS Birth						1,373,836
ANNUAL FAE BIRTHS AT TWICE FAS RATE (58)						
20 Infant Learning Program (HSS)	2,513	3	7,539	58%	34	256,326
22 DD Child (HSS)	25,000	18	450,000	58%	34	15,300,000
23 Child Mental Retardation (DOE)	20,000	15	300,000	58%	34	10,200,000
24 DD Adult Initial Training(HSS)	45,000	3	135,000	58%	34	4,590,000
25 DD Adult Supervised Work (HSS)	22,500	44	990,000	58%	34	33,660,000
Lifetime Costs for FAE Births: 1988						64,006,326
Total FAS/FAE Births						103,847,575

NOTES TO FAS COST TABLE

Numbers refer to line numbers on the table.

1. Neonatal Unit. Charges per FAS patient in the Providence Hospital Neonatal Intensive Care Unit were \$68,910 in 1987 and \$130,570 in 1988, for an average of \$99,740. Average length of stay of FAS infants in the Neonatal Intensive Care Unit more than doubled between 1987 and 1988. It was 27 days in 1987 and 65 days in 1988 (v. 19.7 and 23.7 days for all low birthweight babies in the unit). Statistics provided by Lisa Wolf of Providence Hospital.
2. Neonatal Physician. Physician costs per FAS child were \$6,130 in 1987 and \$16,000 in 1988, for an average of \$11,065. Estimates by Sharon Lee of Alaska Neonatal-Perinatal Associates.
3. First-year rehospitalization. Cost estimate is based on 1988 Providence Hospital pediatric charges of \$900/day. The number of infants and average length of stay (12.5 days for moderately low birthweight infants and 16.2 days for very low birthweight babies) are from the National Institute of Medicine and are for all low birthweight infants. Applied to FAS births, these may be underestimates. Streissguth reports it is "usual" for FAS babies to be rehospitalized in the first few months of life.
4. Initial Audio Screening. The state audiologist, Communicative Disorders Program, Anchorage, reports all FAS children need a workup. This report estimates that 11 infants receive a workup in intensive care; the 15 remaining surviving infants are counted in this entry.

5. Audio Check-up. FAS children need three to four follow up checks. The \$100 charge is from the Alaska Treatment Center in Anchorage; the check-up estimate is from the state audiologist.
6. Otitis Media Surgery. Estimate is from the Geneva Woods Ear Nose and Throat Associates. Source of 56% prevalence is Harwood and Napolitano. These costs do not include less severe ear problems common to 93 percent of FAS patients (Alaska Treatment Center). Twenty-nine percent of FAS patients have permanent hearing loss.
7. Hearing Aid. A hearing aid for a baby costs \$1,260; it is replaced once every five years for life at this cost. Cost estimate from Alaska Treatment Center.
8. Hearing Aid Mold. A \$50 ear mold must be replaced annually. Estimate from Alaska Treatment Center.
9. Heart Surgery. Up to 70 percent of FAS patients have heart problems (Streissguth reports the portion at 30-40 percent; Hild reports 70 percent). Harwood and Napolitano report 10 percent require heart surgery, but reduce the estimate to 5 percent to reflect cases actually having surgery. Cost estimates from Vicki Hild, Alaska Native Health Board FAS coordinator.
10. Cleft Palate. Costs include an average of four surgeries, dental and orthodontics work. They do not include long term speech therapy at \$96/session twice or three times a week. Estimates from Vicki Hild. The 12% estimate is average of Abel and Sokol (11.5%) and Harwood and Napolitano (12.5%).