

ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672

7392 SENATE HEALTH EDUCATION & SOCIAL SERVICES

ATTENDANCE PATTERNS

For a number of years there has been a pattern of increased attendance in Alaska. However, the out-of-state attendance has been surprisingly consistent. As can be seen in Figures 1 and 2, and Tables 2 and 3, there is a very heavy dominance of attendance in the West. After Alaska, the top five states of preference have consistently been Washington, Oregon, California, Arizona, and Colorado.

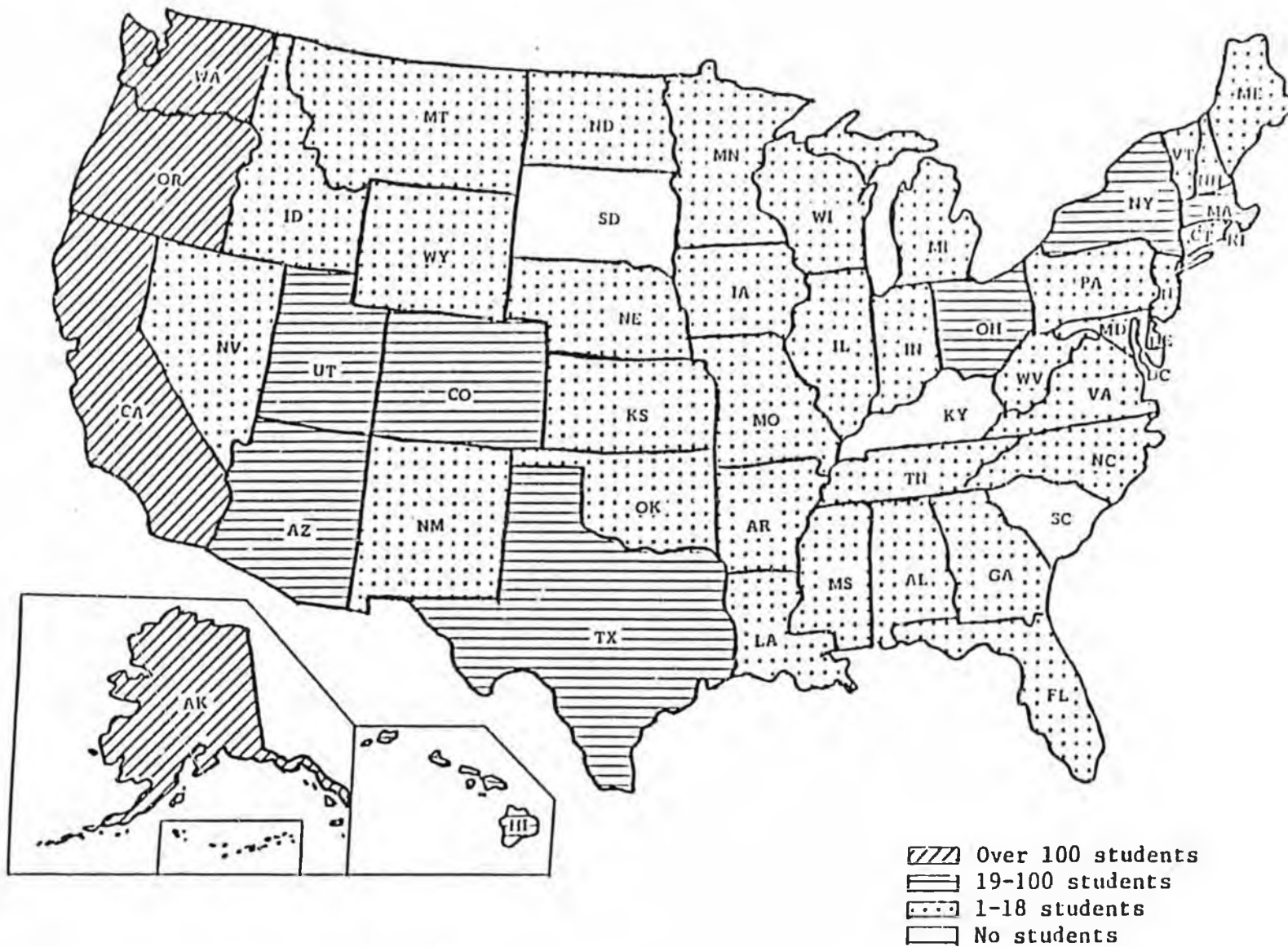


FIGURE 2
GEOGRAPHIC DISTRIBUTION OF ALASKANS UTILIZING
STATE LOANS FOR GRADUATE EDUCATION IN 1984-85

TABLE 2
 DISTRIBUTION OF ALASKA STATE LOANS
 FOR STUDENTS ATTENDING IN ALASKA
 (1985-86 Loans as of November 15, 1985)

Institution	1985-86	
	No.	Amount
University of Alaska, Fairbanks	1,884	\$ 8,158,300
University of Alaska, Anchorage	1,504	7,193,575
Anchorage Community College	1,206	5,889,910
University of Alaska, Juneau	303	1,508,525
Kenai Peninsula Community College	271	1,365,525
Alaska Pacific University	234	1,220,575
Alaska Masonry School	233	1,274,500
Alaska Computer Institute of Technology	201	1,113,895
Bookkeeping Concepts	160	336,375
Alaska Technical Institute	155	811,310
Matanuska-Susitna Community College	153	783,400
Alaska Vocational-Technical Center	125	395,490
Tanana Valley Community College	120	636,250
The Travel Academy	104	493,650
Sheldon Jackson College	96	482,900
Alaska Business College	92	527,700
Alaska Vocational School	80	372,200
Testing Institute of Alaska	73	413,650
Clerical Skills Training	65	342,000
Ketchikan Community College	54	269,750
New Anchorage Beauty School	47	258,250
Alaska Travel Institute	43	177,500
Air Cusnion Guides, Inc.	41	225,225
North Pacific Business Institute	39	220,300
Trend Setters School of Beauty	38	220,490
Charter College	36	201,200
Aviation Network	36	170,700
Prince William Sound Community College	35	183,900
Hutchison Career Center	35	152,250
Wilburs Flight Operation	32	174,400
Academy of Hair Design	32	167,500
Aviation North	31	169,890
Aero Tech Flight School	28	160,700
Elmendorf Aero Club	28	151,750
Kuskokwim Community College	28	119,850
Victorian Academy of Cosmetology and Barbering	26	174,400
Islands Community College	26	124,550
Kodiak Community College	25	123,650
Kotzebue Technical Center	24	111,600
People Count, Inc.	23	107,000
Fort Wainwright Flying Club	21	116,800
New Concepts Beauty School	21	114,950
High Tech Helicopters	21	112,265
Anchorage Alaska School of Barbering	20	115,675

TABLE 2
(Continued)

Institution	1985-86	
	No.	Amount
Delta Greely Rural Educational Center	20	\$ 30,200
World Security Police Academy	18	71,650
Alaska Air Academy	17	102,000
Alaska Flying Network	17	97,000
St. Herman's Theological Seminary	17	71,150
Alaska School of Professional Floral Design	17	36,750
Scruples II, Action School of Broadcasting	15	70,350
American Pacific Aviation	14	75,000
Headquarters Barber & Beauty Academy	14	74,650
Fort Richardson Flying Club	13	72,000
Mat-Su Busn Flying	13	62,075
Vernair	12	66,250
Larry's Flying Service	11	63,000
Peninsula Hair Styling Academy	10	43,800
A.I.R. Center	9	53,700
Peninsula Institute of Welding Technology	8	46,950
Chapman College	6	29,550
Alaska Bible College	6	26,200
Fairbanks Beauty School	5	27,600
Action Helicopter	5	27,000
University of LaVerne	5	25,500
Amicus Curiae School of Court Reporting	2	12,000
Chukchi Community College	2	8,500
Northwest Community College	2	7,950
University of Alaska, Rural Education	2	7,200
Satellite Technicians Applied Research and Development	1	6,000
Arctic Bible Institute	1	3,050
TOTAL	8,111	\$39,185,400

TABLE 3
 INSTITUTIONS AT WHICH AT LEAST FIFTY ALASKA
 STUDENT LOAN BORROWERS ATTENDED
 (1985-86 Loans as of November 15, 1985)

Institution	1985-86	
	No.	Amount
*University of Alaska, Fairbanks	1,884	\$8,158,300
*University of Alaska, Anchorage	1,504	7,193,575
*Anchorage Community College	1,206	5,889,910
*University of Alaska, Juneau	303	1,508,525
*Kenai Peninsula Community College	271	1,365,525
University of Washington (WA)	270	1,553,535
*Alaska Pacific University	234	1,220,575
*Alaska Masonry School	233	1,274,500
University of Oregon (OR)	221	1,187,300
Oregon State University (OR)	215	1,157,875
*Alaska Computer Institute of Technology	201	1,113,895
Arizona State University (AZ)	171	926,400
Northern Arizona University (AZ)	171	899,775
Washington State University (WA)	160	897,800
*Bookkeeping Concepts	160	836,375
Western Washington University (WA)	159	843,075
*Alaska Technical Institute	155	811,310
*Matanuska-Susitna Community College	153	783,400
Brigham Young University (UT)	143	545,500
*Alaska Vocational-Technical Center	125	395,490
*Tanana Valley Community College	120	636,250
University of Puget Sound (WA)	113	689,550
*The Travel Academy	104	493,650
Central Washington University (WA)	102	547,400
DeVry Institute of Technology (AZ)	101	567,425
University of Arizona (AZ)	98	519,550
*Sheldon Jackson College	96	482,900
*Alaska Business College	92	527,700
Willamette University (OR)	91	539,100
University of Idaho (ID)	82	432,950
Southern Oregon State College (OR)	81	460,400
*Alaska Vocational School	80	372,200
Montana State University (MT)	79	406,850
Gonzaga University (WA)	77	461,150
*Testing Institute of Alaska	73	413,650
University of Montana (MT)	71	335,100
Seattle University (WA)	68	381,000

*Alaskan Schools

TABLE 3
(Continued)

Institution	1985-86	
	No.	Amount
Denver Automotive & Diesel College (CO)	67	386,800
*Clerical Skills Training	65	342,000
University of Colorado, Boulder (CO)	62	346,450
Eastern Washington University (WA)	61	335,550
University of Hawaii, Manoa (HI)	59	293,500
Lewis and Clark College (OR)	59	215,000
Stanford University (CA)	58	345,550
Pacific Lutheran University (WA)	57	312,000
Seattle Pacific University (WA)	54	310,250
Colorado State University (CO)	54	308,950
*Ketchikan Community College	54	269,750
West Coast Training Services (OR)	52	216,300

*Alaskan School

ALTERNATIVES FOR AMENDING THE ALASKA STUDENT LOAN PROGRAM

The Alaska Commission on Postsecondary Education, faced with denying loans to thousands of Alaskans, has explored a great number of changes in the loan program. During the past year, seventeen such alternatives have been examined. Two have now been adopted, three others have been targeted for further consideration, and the others have been discarded as being undesirable or unworkable. A short summary of those seventeen alternatives is presented here.

Alternatives adopted.

1. Require each borrower to contribute at least \$500 from a non-state-loan source toward eligible loan items. The Alaska Student Loan Program does not require a needs test or needs analysis in order to qualify for a loan, but a borrower must list eligible costs and indicate what resources are available to meet those costs. The loan amount will not exceed the difference between those two totals. The funding sources listed on the current application include:

SEIG, Pell Grant
Parents
Student Savings
Other Scholarships and Grants
WICHE
VA Benefits
Other

It is currently estimated that between 70-75 percent of all 1985-86 applicants list no resources available to meet the costs of tuition/fees, room/board, and books/supplies. Using this estimate, the \$500 requirement would result in a reduced program cost of around \$4.0 to \$4.3 million in 1985-86, or, could have the effect of funding an additional 1,500 students.

Commission Action. This requirement has now been adopted through regulation, 20 AAC 15.030(c), for all loans beginning with the 1986-87 borrowing year. The one problem with this alternative is that it almost solely affects University of Alaska students and vocational students.

2. Restrict loans to U.S. citizens or permanent alien residents. In order to be eligible to apply for an Alaska Student Loan, an individual must be a two-year Alaska resident, or be a dependent of a two-year Alaska resident. It is possible for a non-U.S. citizen to move to Alaska, wait two years, and qualify for a loan. In fact, the loan may even be obtained to study out-of-state or out-of-country.

The reduced program cost would be quite small, probably less than \$75,000 to \$100,000 per year.

Commission Action. Upon further investigation, the Department of Law determined that the residency requirement of AS 14.43.125 actually involves two tests. One, the applicant must be an Alaska resident, and two, the applicant must have been physically present in Alaska for two years. The first requirement of residency is further defined in AS 01.10.55 which states that to be a resident (among other things) a person must declare residency "with an intent to remain a resident." By the terms of a student visa, an individual may not make such a declaration. Therefore, we have ceased awarding loans to students attending school on a student visa.

Alternatives for further consideration.

3. Reduce the maximum loan available. The 1981 Legislature increased the undergraduate borrowing maximum from \$3,000 per year to \$6,000 per year, and the graduate maximum from \$5,000 to \$7,000 per year. The next year, the program experienced a 70 percent increase in borrowers and a 288 percent increase in loan funds requested. A great number of students who could not afford full-time schooling, now were enabled to attend, and program participation has remained high (with steady growth) since that time.

Reducing the borrowing maximum would directly affect the cost of the program. However, its impact on individual borrowers is far less certain. We do not know the balance between loan amount and denying access to the needy student.

Approximate reductions in program costs resulting from reducing the loan maximum are:

<u>Amount of Reduction</u>	<u>Reduced Cost</u>
\$ 250	\$1.2 million
\$ 500	\$2.5 million
\$1,000	\$6.2 million

Translating this into spreading available funds to more students, the reduced maximums could mean 285, 595, or 1,476 additional borrowers for the \$250, \$500, and \$1,000 reductions, respectively.

Commission Action. The Commission considered this action in concert with alternative one listed above. A regulatory change reducing the borrowing maximum by \$500 would, when combined with alternative one, treat all borrowers equally. However, this alternative was not adopted. There remains a good deal of question as to whether an agency should "undo" a legislatively-enacted statute with an administrative regulation.

4. Establish a two-tier loan program. The state could continue to emphasize loans as its principal means of providing student assistance, but it could offer two programs. The first could be available to all students in the same manner as the current program, except the borrowing

maximum would be set at \$4,000. The second program would be need-based and available for up to \$3,000 in additional loan funds if the borrower could demonstrate (through a needs analysis mechanism) the need for the assistance.

It is felt that this approach, despite requiring additional staff, would result in reduced loan fund demand. A large majority of borrowers would not bother with the supplemental loan, since so few would qualify and since the needs analysis form is rather cumbersome. Estimated fund reduced demand would be about \$8.0 to \$10.0 million.

Commission Action. The absence of a needs test is one of the most popular aspects of the Alaska Student Loan Program. While remaining strongly opposed to a required needs test for all borrowers, the Commission feels this alternative may be a necessary compromise if demand continues to exceed available funds. This alternative would require statutory change.

5. Define institutional eligibility for student loan purposes as: (1) being accredited by a national or regional accreditation association recognized by the Council on Postsecondary Accreditation (COPA); or (2) having been approved for authorization to operate by the Alaska Commission on Postsecondary Education and having operated for two consecutive years prior to becoming eligible. Current regulations provide that a school is eligible to enroll students on Alaska Student Loans if the school is accredited or approved by the Commission. The two-year requirement is similar to that needed for federal VA benefit approval, or for certain accreditation minimums (AICS and NATTS). The largest impact of this change would be on vocational borrowers and vocational schools. If there were no "grandfather clause," a number of private Alaska vocational schools would become ineligible. Only one vocational school currently has COPA-recognized accreditation, and as many as 30 currently-authorized vocational schools have been in operation less than two years.

The resulting reduced program cost would be dependent upon whether or not existing schools were "grandfathered" in. If the Commission imposed a strict requirement of accreditation only, the reduced cost would be around \$13.0 million. If the Commission imposed accreditation and/or the two-year rule, with no "grandfather clause," the reduced cost would be around \$6.1 million, and if the "grandfather clause" were included, the reduction would be negligible.

Commission Action. Much of the consideration of this alternative centered on the issue of "grandfathering" existing schools. Since grandfathering resulted in such negligible savings, no further action was taken.

Alternatives opposed.

6. Raise the grade-point requirements for good standing. In order to receive a student loan, a borrower must be attending school full time and be in "good standing." Good standing is defined by the Commission (through regulations) as enrolling in and successfully completing the minimum full-time student requirement each term while maintaining a cumulative grade point average (GPA) of 2.0 for undergraduate and 3.0 for graduate students. Additionally, no single term GPA may fall below 1.5 or 2.5 for undergraduate or graduate students, respectively.

Two actions are available. The Commission could raise the single term minimums, or the Commission could raise the cumulative GPA minimums. Raising the single term minimum, to 1.8 and 2.8 or 2.0 and 3.0, would eliminate some borrowers since they would be declared ineligible. The largest impact would be on first term freshmen having difficulty adjusting to college.

Raising the cumulative GPA would have a profound effect across all student levels. It is estimated that raising the single term GPA could result in reduced program costs of \$250,000, while raising the cumulative GPA could result in reduced program costs of as much as \$25.0 to \$30.0 million.

Commission Action. The existing good-standing requirement meets the intent of the statute and is not unduly prohibitive or discriminatory. Raising the required grade point average would simply deny educational opportunity to too many persons. The Commission opposes this alternative.

7. Award out-of-state loans only if the program is unavailable in Alaska. This approach has been debated in the Legislature in the past, and the problems are many. Should the choice of students, who are incurring a debt, be restricted in what could be viewed as an attempt to increase in-state enrollments? Is the state willing to fund the cost of greatly increased enrollments? Who is to compare programs, i.e., is a Music Degree at a state school the same as at Julliard, is engineering the same at a state school as it is at M.I.T., and so on?

However, depending upon how "unavailable" was defined, the resulting reduction in loan fund demand could be rather substantial. On the average, a student borrowing to attend in-state qualifies for a lower loan than one attending out-of-state. Added to this is the hypothesis that at least some students would attend out-of-state even if the loan program were unavailable. This savings would be offset somewhat by the increased cost of providing the education in-state, so a sound fiscal impact is difficult to predict.

Commission Action. The Commission is opposed to creating a financial barrier to student choice. This alternative is opposed.

8. Restrict loans to collegiate borrowers. The loan program was originally established to assist collegiate students. Vocational borrowers were included in 1971. If all students cannot be accommodated, the college community should be served first. Eliminating the vocational borrowers would reduce the loan fund requirement by around \$15 million.

Arguments against this alternative would be that quite often the students in this classification are those most needing assistance. These students normally borrow much less than college students, since their programs are much shorter in duration, and the heavy representation of these students attend in Alaska also argues against such an alternative.

Commission Action. The Commission opposed this alternative and can find no sound basis for its support.

9. Eliminate the graduate student borrowing differential. The borrowing maximum for graduate borrowers could be reduced to the same level as undergraduate borrowers. Graduate students tend to be older more established students, and hence, may be better able to absorb a portion of the cost of college attendance. Quite often the credit hour cost is exactly the same for graduate and undergraduate students, and graduate students enroll in fewer hours per term. The reduced loan demand resulting from this alternative would be around \$500,000 per year.

Commission Action. As with alternative 3, such an action by the Commission could be viewed as circumventing the statutes adopted by the legislature. Secondly, the savings may not warrant singling out this group to impact. The Commission opposes this alternative.

10. Restrict loans to vocational borrowers and collegiate borrowers above the freshman level. Freshmen borrowers are among the worst credit risks, since quite often they do not complete their programs of study and are less likely to feel compelled to repay the state for benefits received. Eliminating freshmen borrowers would reduce the loan fund demand by nearly \$20 million.

Arguments against this alternative include that it works against educational opportunities and access and in many ways penalizes those individuals, who need assistance most.

Commission Action. The Commission views this alternative as undesirable and opposes it.

11. Eliminate forgiveness. If a borrower resides in Alaska after completion of the program study for which a loan was obtained, up to 50 percent of the loan may be forgiven. This forgiveness (partial cancellation) is earned at a rate of 10 percent per year of residence after entering repayment. This alternative would result in saving a great deal of money eventually. The only impact on the funding level for

the first few years would be the possible change in borrowing patterns. It could be that persons would not borrow as much if they did not anticipate only having to pay back half.

Commission Action. The Commission supports maintaining the forgiveness provisions and opposes this alternative.

12. Raise the interest rate charged on loans. The current interest rate on Alaska Student Loans is 5 percent. Federal Guaranteed Student Loans (GSL) currently have an interest rate of 8 percent. An interest rate of 5 percent, combined with the absence of a needs test, provides no disincentive for borrowing as much as one can possibly borrow. A higher interest rate produces more income in four or five years and could result in some borrowers borrowing less.

Commission Action. The Commission, in adopting alternative one, attempted to provide some immediate ease to the demand for additional loan funds. Raising interest does not impact the program for years, and while the Commission opposes raising interest at this time. If interest rates are changed on all subsidized loan programs, an adjustment may be appropriate for student loans as well.

13. Restrict loans to study in the United States. Loans may currently be used at any approved postsecondary educational institution. In 1984-85, 76 students borrowed to study in eighteen foreign countries. The loan program could be restricted for use in the United States.

The reduced program cost of this alternative is quite small, since it is believed that a number of students would not study abroad without the assistance of the loan program. The net result would be around \$300,000.

Commission Action. As with alternative nine, the Commission felt the savings to be questionable justification for singling out this group of borrowers. The alternative is opposed.

14. Require a needs test and award loans based upon demonstrated need. If there is not enough money to fund all persons wishing to borrow, then those who can demonstrate the most need should receive support. The state could require all loan applicants to submit a needs analysis form (similar to the CSS Financial Aid Form). The applicant would obtain the form, complete it, and mail it and a processing fee to a regional processing center (probably California). The center would provide the results to the applicant and to the Commission.

Since the regional processing would produce a federally-defined need level, it would be necessary for the Commission to use the raw data and re-calculate need based upon an Alaskan definition. All persons meeting the need criteria would be eligible for funding, and all others would be denied.

Critics of this approach cite philosophical differences of relying upon parental income, home equity, etc., as factors in computing need. Others refer to the increased requirement for staff at the state level and the increased processing time.

A substantial amount of program costs could be reduced--even with the increased administration costs--depending upon how restrictive the definition of need is made.

Commission Action. The Commission opposes this alternative and any general comprehensive needs requirement. Alternative four is believed to be much more desirable.

15. Eliminate the interest subsidy during the grace year. Interest could be charged during the 12-month grace period and added to the total indebtedness when the student enters repayment. Over a number of years, this would produce quite a bit of program income, but not much in the short term.

Commission Action. The Commission opposes this alternative since it simply places an added financial burden to the borrower at a time when unemployment is quite likely.

16. Reduce the grace period to six or nine months. The grace period is currently twelve months, and has been since the program began. By reducing the grace period, borrowers enter repayment earlier and the cash flow of the program is greatly altered. The net effect is zero, since receipts in later months are forgone for receipts in earlier months.

The federal GSL program, after moving from a twelve-month grace period to a six-month grace period, is now moving back up to a nine-month grace period. The reason for this reversal in Congress was given as the shortened grace period resulted in increased loan defaults, and with the government guaranteeing the loans, the result was a loss.

Commission Action. The Commission opposes this alternative and cannot endorse repeating the mistake of the federal program.

17. Increase full-time definition to 15 credit hours for undergraduate students. This would reduce demand greatly, since it would eliminate a large number of borrowers. The students would be forced to carry a heavier load and many would not meet good standing. It is estimated that this change could reduce fund demand by around \$5 million.

Commission Action. The Commission opposes this alternative since it feels it could unduly impact first-time freshman borrowers, particularly those from rural Alaska.

ALASKA COMMISSION ON POSTSECONDARY EDUCATION
ADOPTED STATEMENT ON THE
ALASKA STUDENT LOAN
PROGRAM

The State of Alaska can make no better commitment of resources than investing in the education of its citizens. Direct support of Alaska's public elementary, secondary, and postsecondary school systems is vital to the state's continued growth and development. It is in the best interest of the state to provide access to these educational resources for the citizens of Alaska.

The best method of assuring access and opportunity is through the direct provision of educational services, but this is not always practical or possible, particularly at the postsecondary level. Therefore, the most effective and efficient method of attaining these goals of access and opportunity is through a system of low interest loans which allow the students to choose the educational setting most appropriate for their particular needs.

The Commission endorses and recommends the continuation and full-funding of the Alaska State Student Loan Program. Amendments which restrict access by denying loans to groups of Alaskans, either by design or by default, are vigorously opposed.

APPENDICES

TABLE 4
STUDENT FINANCIAL AID ADMINISTRATION
Personnel Summary
Projected to 1988-89

Year	Loan Awards	Awards Staff	Awards/Staff	Accounts	Repayment/	Repayment	Accounts/	Records	Accounting/	Total Staff	
				In Repayment*	Staff	Clerks	Clerk	Staff	Support	Full-Time	Seasonal
1971-72	1,081	2.0	540.5	0	0	0	N.A.	0	0	2.0	0
1972-73	1,748	3.0	582.7	0	0	0	N.A.	0	0	3.0	0
1973-74	1,665	3.0	555.0	0	0	0	N.A.	0	0	3.0	1.0
1974-75	1,457	3.0	485.7	1,626	2.0	1.0	1,626.0	0	0	5.0	1.0
1975-76	1,719	3.0	573.0	2,153	4.0	2.0	1,076.5	0	0	7.0	2.0
1976-77	1,921	3.0	640.3	2,775	4.0	2.0	1,387.5	0	0	7.0	2.0
1977-78	2,265	3.0	755.0	3,470	5.0	3.0	1,156.7	0	1.0	9.0	4.0
1978-79	2,795	4.0	698.8	4,289	7.0	4.0	1,072.3	0	3.0	14.0	4.0
1979-80	3,918	4.0	979.5	5,301	9.0	6.0	883.5	0	5.0	18.0	0
1980-81	6,460	6.0	1,076.7	7,196	9.0	6.0	1,199.3	0	5.0	20.0	4.0
1981-82	9,898	7.0	1,414.0	10,683	10.0	6.0	1,780.5	1.0	6.0	24.0	5.0
1982-83	13,058	13.0	1,004.5	15,669	16.0	11.0	1,424.4	6.0	13.0	48.0	8.0
1983-84	14,785	13.0	1,137.3	21,771	14.0	11.0	1,979.2	6.0	13.0	46.0	8.0
1984-85	17,173	14.0	1,226.6	27,886	15.0	11.0	2,535.1	6.0	13.0	48.0	9.0
1985-86*	16,130*	15.0	1,075.3*	36,341*	15.0	11.0	3,303.7*	6.0	13.0	49.0	6.5
<u>Projections</u>											
1986-87	18,431	15.0	1,228.7	46,280	15.0	11.0	4,207.3	6.0	13.0	49.0	6.5
1987-88	18,950	15.0	1,263.3	55,123	19.0	15.0	3,674.9	7.0	15.0	56.0	8.0
1988-89	19,325	15.0	1,288.3	63,380	22.0	18.0	3,521.1	8.0	16.0	61.0	9.0
1989-90	21,493	16.0	1,343.3	72,557	24.0	20.0	3,627.9	9.0	17.0	66.0	9.0
1990-91	23,373	17.0	1,374.9	82,765	27.0	23.0	3,598.5	10.0	17.0	71.0	10.0

*Repayment account totals are for June 30 of each year. All 1985-86 data are as of 1/24/86.

Note: At 242 work days (normal work year minus holidays and two weeks annual leave - no sick leave, in 1985-86, each repayment clerk will be able to devote about 33 minutes per year per account.

TABLE 5
STUDENT FINANCIAL AID ADMINISTRATION
COST OF ADMINISTRATION

Year	100 Pers. Svcs.	200 Travel	300 Contractual	400 Commodities	500 Equipment	Total	Full-Time Staff	Part-Time Staff
1971-72	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	2.0	-0-
1972-73	\$ 45.9	\$ 3.5	\$ 23.0	\$ 1.8	\$ 2.4	\$ 76.6	3.0	-0-
1973-74	58.1	3.9	23.8	2.3	.3	88.4	3.0	1.0
1974-75	94.6	3.1	35.9	1.4	5.5	140.5	5.0	1.0
1975-76	128.8	4.6	41.1	1.9	2.5	178.9	7.0	2.0
1976-77	165.9	6.7	71.6	4.7	.7	249.6	7.0	2.0
1977-78	261.5	3.1	60.3	5.1	5.9	335.9	9.0	4.0
1978-79	349.4	6.8	135.1	2.0	2.7	496.0	14.0	4.0
1979-80	386.1	6.6	181.0	3.1	1.2	578.0	18.0	-0-
1980-81	527.5	41.7	312.5	11.3	117.9	1,010.9	20.0	4.0
1981-82	835.4	11.8	438.5	17.1	80.8	1,383.6	24.0	5.0
182-83	1,454.6	9.3	845.8	39.5	78.7	2,427.9	48.0	8.0
1983-84	1,511.3	28.3	414.4	48.9	58.4	2,061.3	46.0	8.0
1984-85	1,665.7	7.1	322.4	48.9	26.9	2,071.0	48.0	9.0
1985-86*	1,732.0	7.0	341.1	58.6	-0-	2,138.7	49.0	6.5
1986-87*	1,732.0	5.3	411.4	58.6	-0-	2,207.3	49.0	6.5

*1985-86 figures are adjusted base, and 1986-87 are Governor's budget.

TABLE 6
ALASKA STUDENT LOAN BORROWING PATTERN
CUMULATIVE--3Y MONTH

MONTH	1982-83		1983-84		1984-85		1985-86	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
July	4,680	\$22,726,850	9,786	\$48,324,850	12,132	\$62,227,500	11,890	\$62,666,089
August	11,160	53,216,600	11,908	58,301,100	13,646	69,467,614	15,562	81,100,011
September	11,895	56,597,800	12,679	61,742,800	14,315	72,998,672	16,175	83,961,724
October	12,225	57,877,591	13,026	62,557,928	14,929	75,583,557	16,239	83,682,839
November	12,670	59,015,013	13,333	63,104,118	15,272	75,460,007	15,935	81,364,183
December	13,233	60,478,565	13,320	62,019,340	15,851	76,411,779	16,189	81,992,969
January	13,249	59,577,042	13,778	63,008,166	16,816	78,688,853	16,130	80,675,498*
February	12,827	56,635,639	14,118	63,271,889	17,066	78,717,063		
March	12,863	55,673,321	14,240	62,926,298	16,865	76,536,740		
April	12,910	55,249,483	14,435	63,401,369	16,992	75,624,824		
May	12,990	55,213,197	14,637	63,517,081	17,279	76,764,350		
June	13,053	55,007,395	14,785	62,912,316	17,173	75,075,883		

*As of January 24, 1986

1/24/86

S B

7 7

FISCAL NOTE

No. 1
 Bill Version: SB77
 (S) Publish Date: 2/19/91

STATE OF ALASKA
 1991 LEGISLATIVE SESSION

Revision Date: _____ Department Affected: Education
 Title: RE: Loans for half-time students BRU: Postsecondary Education/Student Loan C
 Component: Student Loan Fund. Student Loan A
 Sponsor: Pourchot
 Requestor: Senare HESS COMPONENT SERIAL NO.

0	2	1	3
---	---	---	---

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
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 Corp. Receipts	42.0	42.0	42.0	42.0	42.0	42.0
TOTAL	42.0	42.0	42.0	42.0	42.0	42.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

Costs for printing and mailing of loan documents.

Changes in SB77 HES
 reflect NO FISCAL CHANGE from the original
 fiscal note. This fiscal note is appropriate.
1/19/91 HES
 date Comte Aide (initial)

Prepared By: Jane Bvers Mavnard, Executive Director Phone: 465-2165
 Division: Alaska Commission on Postsecondary Education Date: January 28, 1991

Approved by Commissioner: _____ Date: _____
 Agency: _____

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

SB 77
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 1992 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.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SB 77

Revision Date: _____ Department Affected: Education
 Title: RE: Loans for half-time students BRU: Postsecondary Education/Student Loan Corp.
 Component: Student Loan Fund. Student Loan Admin.

Sponsor: Pourchot
 Requestor: Senate HESS COMPONENT SERIAL NO.

--	--	--	--

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
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 Corp. Receipts	42.0	42.0	42.0	42.0	42.0	42.0
TOTAL	42.0	42.0	42.0	42.0	42.0	42.0

POSITIONS:

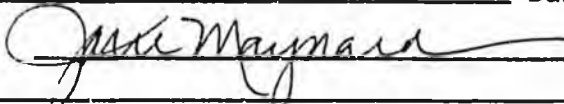
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Costs for printing and mailing of loan documents.

Prepared By: Jane Byers Maynard, Executive Director Phone: 465-2165
 Division: Alaska Commission on Postsecondary Education Date: January 28, 1991

Approved by Commissioner:  Date: _____
 Agency: _____

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

SB 77
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 1992 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.

#0579N

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE,
CO-CHAIR



ANCHORAGE
P.O. BOX 104836
ANCHORAGE, AK 99510
(W) (907) 561-7623
(H) (907) 338-2425

JUNEAU
P.O. BOX V
STATE CAPITOL
JUNEAU, AK 99811
(907) 465-3712

Senator Pat Pourchot

MEMORANDUM

TO: Senator Arliss Sturgulewski, Chair
Senate Committee on Health, Education, and Social Services

FROM: Senator Pat Pourchot *Pat*

RE: Scheduling of SB 77, Loans for Half-Time Students

DATE: January 28, 1991

I would like to request a hearing on SB 77, which would broaden the group of persons eligible for the state student loan program to include certain half-time students.

The bill is intended to address the needs of the "serious" half-time student; students who because of work, family, a disability, or some other demand 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 able to attend school full-time. "Seriousness" is ensured by the requirement that the half-time student be enrolled in good standing in at least six semester credit hours in a career education or degree program.

Eligibility requirements for half-time loans would be the same as for full-time loans. Loan terms would be less than half what they are for full-time students. In contrast to the full-time loan, half-time loan funds could be used only at in-state schools and only for tuition, books, and fees. All other provisions of the current loan program would apply to half-time loans -- the rate of interest would be 8%, repayment would begin within one year of completing study, and interest would accrue during the grace year.

Loans would be administered by the Postsecondary Education Commission as part of the existing full-time student loan portfolio. An increase in program funding would not be required -- loan funds would come from repayment of existing loans and state general funds appropriated annually to the program. While it is hard to predict what the demand for half-time loans might be, it is anticipated that any competition between half-time and full-time students for loan funds would be minimal. Funds have exceeded demand the last couple of years; in addition, existing statute allows for 3% program growth annually.

Back-up materials, including a supportive statement from the Postsecondary Education Commission, are attached. Thank you for your consideration of this request.

ALASKA STATE LEGISLATURE



SENATE FINANCE COMMITTEE,
CO-CHAIR

Senator Pat Pourchot

ANCHORAGE
P.O. BOX 104836
ANCHORAGE, AK 99510
(W) (907) 561-7623
(H) (907) 338-2425

JUNEAU
P.O. BOX V
STATE CAPITOL
JUNEAU, AK 99811
(907) 465-3712

SPONSOR'S STATEMENT **SB 77, RELATING TO LOANS FOR HALF-TIME STUDENTS**

SB 77 would expand the use of existing state student loan funds to include certain half-time students.

The bill is intended to address the needs of the "serious" half-time student; students who because of work, family, a disability, or some other demand 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 able to attend school full-time. "Seriousness" is ensured by the requirement that the half-time student be enrolled in good standing in at least six semester credit hours in a career education or degree program.

Eligibility requirements for half-time loans would be the same as for full-time loans. Loan terms would be less than half what they are for full-time students. In contrast to the full-time loan, half-time loan funds could be used only at in-state schools and only for tuition, books, and fees. All other provisions of the current loan program would apply to half-time loans.

Loans would be administered by the Postsecondary Education Commission as part of the existing full-time student loan portfolio. An increase in program funding would not be required -- loan funds would come from repayment of existing loans and state general funds appropriated annually to the program. While it is hard to predict what the demand for half-time loans might be, it is anticipated that any competition between half-time and full-time students for loan funds would be minimal as funds have exceeded demand the last couple of years. In the future, should demand increase, existing statute allows for 3% program growth annually.

FREQUENTLY ASKED QUESTIONS ABOUT CSSB 77(HES):

1. What is the financial impact of expanding the student loan program to include half-time students?

Due to a number of occurrences in the late 1980's -- probably including the downturn in the state's economy and changes made to the student loan program to accommodate bonding (repeal of forgiveness, increased interest rate, and accrual of interest during the grace period) -- demand for student loans has dropped.

During this same period, revenues available to the program have increased. A reduced default rate and the fact that loans made in the high volume years are coming due have resulted in increased loan repayments. Repayments have been supplemented with bond proceeds since 1988, and an annual general fund appropriation of \$10 million.

Evensen Dodge, Inc., the financial advisor to the Student Loan Corporation, predicts that if this funding pattern continues and loan demand remains static, the loan fund will be revolving by the year 2000-2002. It is conceivable that demand for half-time and full-time loans combined will not result in total program growth -- full-time demand may continue to decline; current full-time borrowers may convert to half-time borrowing.

Under no circumstance will borrowing grow unchecked. Current statute limits loan awards to a total value that exceeds by no more than 3% the loans awarded the previous year, regardless of demand. Even with the inclusion of half-time borrowers, it is unlikely that demand will grow in the near term at this rate.

According to Evensen Dodge, Inc., with an annual \$10 million general fund appropriation and 8% default rate:

	<u>1% Decline</u>	<u>No Growth</u>	<u>1.5% Growth</u>	<u>3% Growth</u>
Last year for bonds	1998	1999	2003	2006
Last year for GF	2000	2002	2004	2006

2. What if loan demand (half-time and full-time combined) exceeds the amount of loan funds available?

The amount of loan money available is controlled by the statutory limit on growth and by legislative appropriations to the fund. It is not anticipated that additional money would be appropriated, but rather that available funds would be allocated between half-time and full-time students, which is the current practice for vocational loans. A Senate Finance Committee letter of intent addresses this allocation.

3. What has loan demand been the last several years?

Highest year	FY 85	75.1 million	(17,173 borrowers)
	FY 86	75.0 m	(15,983)
	FY 87	71.6 m	(16,566)
	FY 88	68.6 m	(16,453)
	FY 89	61.1 m	(14,625)
	FY 90	55.4	(13,065)
	FY 91	54.0 m	(11,000)
Estimate	FY 92	56.0 m	

4. What is the program's default rate?

7.5%

5. What is the definition of a half-time borrower?

A student must be enrolled in good standing in a career education, associate, baccalaureate, or graduate degree program and must be taking at least 6 semester credit hours or be in regular attendance in career education classes at least 15 hours a week.

6. How many half-time borrowers are we talking about?

While it is hard to predict how many students would actually seek a half-time loan, we do know that there are many students currently attending school half-time. Fall 1989 University of Alaska students taking 6-12 credit hours:

Undergraduate	2,847	(average age 31)
Graduate	190	(average age 31)

7. What would the loan terms be?

Loan terms would be less than half what they are for full-time students.

	<u>HALF-TIME</u>	<u>FULL-TIME</u>
UNDERGRAD MAXIMUM	\$2,000/YR.	\$5,500/YR.
GRADUATE MAXIMUM	\$2,500/YR.	\$6,500/YR.
REPAYMENT	5 YEARS	10 YEARS
INTEREST	8%	8%

In addition, there are two major differences in the use of loan funds.

<u>HALF-TIME</u>	<u>FULL-TIME</u>
BOOKS, TUITION, FEES	BOOKS, TUITION, FEES, ROOM, BOARD
IN-STATE SCHOOLS ONLY	IN-STATE & OUT-OF-STATE SCHOOLS

8. What is the average cost of half-time attendance?

Use of half-time loan funds is limited by SB 77 to books, tuition, and fees. Loan awards are based on each student's actual costs.

	<u>6 Credits</u>	<u>9 Credits</u>	<u>6 Graduate</u>
UAA	\$855	\$1,283	\$1,374
UAF	\$702	\$1,285	\$1,230
APU	\$2,974	\$4,461	\$3,346

9. How many years would a borrower be able to receive a half-time student loan?

Current statute limits the number of years that a borrower may receive a loan to 5 years of undergraduate study, 5 years of graduate study, or not more than 8 years of undergraduate and graduate study combined. Half-time borrowing or a combination of half-time and full-time borrowing would be limited to these same maximums.

10. Does limiting use of half-time loans to in-state schools present a Constitutional problem?

No, according to an opinion released by the Legislative Legal Division.

11. What is the effect of the amendment made in Senate HESS (add Sec. 14)?

Under current statute, interest accrual on loans is delayed (the statute reads "the state shall pay the interest"; this has always been implemented as a simple delay in payments) until the student leaves school. Sec. 14 would apply this same provision to half-time students. This was the original intent of the sponsor; Sec. 14 corrects an oversight in the original bill.

12. What is the role of the Student Loan Corporation?

The corporation was created in 1987 to finance student loans through the issuance of bonds, notes, or other obligations. Its 5-member board of directors is appointed by the Governor. 1990 was the third year the corporation issued bonds.

13. What is the make-up of the Postsecondary Education Commission?

Established in 1974, the commission has 14 members representing public and private postsecondary education in Alaska.

SB 77. AN ACT RELATING TO STUDENT LOANS

Broadens the group of persons eligible for the student loan program to include the serious half-time student.

MUST BE ENROLLED IN GOOD STANDING IN A CAREER EDUCATION, ASSOCIATE, BACCALAUREATE, OR GRADUATE DEGREE PROGRAM

MUST TAKE AT LEAST 6 SEMESTER CREDIT HOURS OR BE IN REGULAR ATTENDANCE IN CAREER EDUCATION CLASSES AT LEAST 15 HOURS A WEEK

Loan terms would be less than half what they are for full-time students.

	<u>HALF-TIME</u>	<u>FULL-TIME</u>
UNDERGRAD MAXIMUM	\$2,000/YR.	\$5,500/YR.
GRADUATE MAXIMUM	\$2,500/YR.	\$6,500/YR.
REPAYMENT	5 YEARS	10 YEARS
INTEREST	8%	8%

Two major differences.

<u>HALF-TIME</u>	<u>FULL-TIME</u>
BOOKS, TUITION, FEES IN-STATE SCHOOLS ONLY	BOOKS, TUITION, FEES, ROOM, BOARD IN-STATE AND OUT-OF-STATE SCHOOLS

Half-time loans would be awarded within the statutory cap (AS 14.42.032 allows 3% growth above the prior year's award). Applications would be processed by existing staff. Fiscal note of \$42,000 (corporate receipts) to print half-time loan application forms.

Minimal competition between half-time and full-time students. Loan funds have exceeded demand the last several years as demand has declined. No clear estimate of the number of half-time applicants. The Postsecondary Education Commission will likely set aside a portion of funds specifically for half-time loans (currently set aside 20% for vocational students).

Bond counsel has determined that the bill will have no impact on the indenture or other financing documents used in connection with the issuance of the corporation's bonds.

Legislative Legal Division finds no Constitutional problem with limiting half-time loans to attendance at schools in the state.

Postsecondary Education Commission has endorsed the concept of half-time loans.

SECTIONAL SUMMARY
SB 77, RELATING TO HALF-TIME STUDENT LOANS

Sec. 1-6 Delete references to the Student Financial Aid Committee, which has not been operative for several years. Duties have all been assumed by the Postsecondary Education Commission.

Sec. 7 Establishes the undergraduate loan limit for half-time students at \$2,000 (full-time limit is \$5,500). Requires that regulations be adopted establishing the minimum amount for which a loan may be made.

Sec. 8 Establishes the graduate loan limit for half-time students at \$2,500 (full time limit is \$6,500). Requires adoption of regulations establishing minimum loan amount.

Sec. 9 Limits the use of half-time loan funds to books, tuition, and required fees. Full-time loan funds may also be used for room and board.

Sec. 10 Allows loans to be made to institutions that have been operating only one year if the commission determines the program is operating on a fiscally sound basis. Current statute requires two years of operation.

Sec. 11 Requires that half-time loan recipients be enrolled in good standing in a career education program, college, or university in the state. These are the same requirements that full-time students must meet, except that full-time loan recipients may attend school out of state.

Sec. 12 Requires repayment of a half-time loan within five years from the commencement of repayment. This is half of the 10 year repayment period for full-time loans.

Sec. 13 Allows for deferral of principal and interest when a half-time borrower returns to school (this same deferral provision applies to full-time students). Specifies that deferral of a half-time loan may not exceed eight years (no such limitation applies to full-time loans). Clarifies that the student must be enrolled full-time, not half-time, in order to defer a full-time loan.

A SECTION NEEDS TO BE ADDED (SEE ATTACHED AMENDMENT) THAT WOULD ALLOW FOR DEFERRAL OF INTEREST PAYMENTS WHILE THE HALF-TIME BORROWER IS IN SCHOOL (SEC. 13 APPLIES ONLY TO A BORROWER WHO RETURNS TO SCHOOL). THIS GENERAL DEFERRAL CURRENTLY APPLIES TO FULL-TIME STUDENTS.

Sec. 14 Conforming amendment per defunct Student Financial Aid Committee.

Sec. 15 Amends the eligibility provisions of the student loan program to include half-time, as well as full-time, enrollment in a career education, associate, baccalaureate, or graduate degree program in the state. Full-time students may enroll out of state also.

Sec. 16 Defines half-time student as an undergraduate, graduate, or career education student enrolled and in regular attendance at classes for at least six semester credit hours, or a career education student enrolled and in regular attendance at classes for at least 15 hours a week. The definition of a full-time student is enrollment and regular attendance in at least 12 semester credit hours or the equivalent of undergraduate or career study, or 9 hours of graduate study.

Sec. 17-26 Conforming amendments per defunct Student Financial Aid Committee.

Sec. 27 Defines "commission" as the Alaska Postsecondary Education Commission.

Sec 28 Two repealers per defunct Student Financial Aid Committee.

Sec. 29 Effective date of July 1, 1991.

NOTE: All sections of SB 77 amend sections of existing law. Provisions of existing law that currently apply to full-time students but that are not referenced in SB 77 would apply to half-time students as well (8% interest, interest accrual during grace period, begin repayment within one year of completing study, default at 120 days, maximum five years worth of loans except eight years if obtain loans for both undergraduate and graduate study, garnishment of Permanent Fund dividends for defaulted loans, two year residency requirement).

SENATE BILL 77

reasons for limiting eligibility for half-time loans to in-state students

1. Sponsor's desire so as to help the bill pass
2. it would be impossible to monitor residency of half-time students Outside, because of the likelihood that they would be working, paying taxes, etc. which jeopardizes their Alaska residency
3. It would increase costs greatly

#2 UC o/c.
AMENDMENT

OFFERED IN THE SENATE
TO: CSSB 77(HES)

BY SENATOR POURCHOT
AND ZHAROFF

Page 4, line 26, after "standing in":

Insert "(1)"

Page 4, line 27, after "section":

Insert "or (2) a career education program, college, or university that meets the requirements under (b) of this section and be physically present in the state while attending the career education program, college, or university"

Page 5, line 16, after "standing in":

Insert "(A)"

Page 5, line 17, after "section":

Insert "or (B) a career education program, college, or university that meets the requirements under (b) of this section and the borrower is physically present in the state while attending the career education program, college, or university"

Page 6, line 11, after "in":

Insert "(i)"

Page 6, line 12, after "state":

Insert "; or

(ii) a career education, associate, baccalaureate, or graduate degree program and is physically present in the state while attending the career education, associate, baccalaureate, or graduate degree program"

13 Feb 91

AMFNDMENT
Sen. Pourchot

order CS

Legal Services, Fax 405-2029

TO: SB 77, AN ACT RELATING TO LOANS FOR HALF-TIME STUDENTS....

Page 5, after line 28, add a new section.

amended by committee

Sec. AS 14.43.120(l) is amended to read:

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

(1) the period in which the borrower is a full-time or a half-time student;

(2) deferments under (k) of this section.

Rationale: Under current statute, interest accrual on loans is delayed until the student leaves school. (Repayment is delayed an additional year -- the "grace period" -- during which interest accrues but is not paid.) In addition, if a student who has left school returns to school, interest accrual is again delayed during the period the student is enrolled.

It was the intent of the sponsor that these same provisions apply to half-time students. AS 14.43.120(k), which addresses a student's return to school, was properly amended in SB 77. Subsection (l) should also have been amended; the amendment proposed herein would correct this oversight.

Please ~~not~~ prepare final CS to SB 77 incorporating this amendment.

Acelisa Fouse
Staff, Senate/ESS Committee

Alaska State Legislature

Sen. Pat Pourchot, Co-Chairman
Sen. Jay Kerttula, Co-Chairman

Sen. Al Adams
Sen. Jim Duncan
Sen. Lyman F. Hoffman
Sen. Dick Shultz
Sen. Rick Uehling




P.O. Box V
State Capitol
Juneau, Alaska 99811

907-465-3712

Senate Finance Committee

MEMORANDUM

TO: Senator Sturgulewski, Chair
Senate Committee on Health, Education,
and Social Services

FROM: Senator Pat Pourchot 

RE: Questions Raised During Hearings on SB 77, An Act
Relating to Loans for Half-Time Students

DATE: February 11, 1991

1. Number of years that loans may be obtained

Under current statute, interest accrual and loan payments are deferred while the loan recipient is enrolled in school. Senator Fischer expressed concern that individuals would continue to take out loans so they could stay in school -- enrolling in a new program as soon as one was completed -- simply to delay loan payments. I would call the committee's attention to the following provisions:

AS 14.43.120(c) limits the number of years that a borrower may receive a loan to 5 years of undergraduate study, 5 years of graduate study, or not more than 8 years of undergraduate and graduate study combined. Half-time borrowing or a combination of half-time and full-time borrowing would be limited to these same maximums.

Sec. 13 of SB 77 limits the number of years that a half-time borrower is eligible for loan deferral (for continuing to stay enrolled in school) to 8 years.

2. Financial impact of expanding student loan program to include half-time students

Due to a number of occurrences in the late 1980's -- probably including the downturn in the state's economy and changes made to the student loan program to accommodate bonding (such as the repeal of the forgiveness provision, an increase in the interest rate, and accrual of interest during the grace period) -- demand for state student loans has dropped from a high of 17,173 borrowers in FY 85 (total cost \$75.1 million) to 11,000 in FY 91 (total cost \$54 million).

During this same period of time, revenues available to the student loan program have increased. A reduced default rate (due to aggressive loan collection efforts), and the fact that loans made in the high volume years are coming due, have resulted in increased loan repayments. Repayments have been supplemented with bond proceeds since 1988, and an annual general fund appropriation of \$10 million.

This mixture of funding has accommodated loan demand. Evensen Dodge, Inc., the financial advisor to the Student Loan Corporation, predicts that if this funding pattern continues and loan demand remains static, the loan fund will be revolving by the year 2000-2002. It is conceivable that, in the short term at least, demand for half-time and full-time loans combined will not result in total program growth -- full-time demand may continue to decline; current full-time borrowers may convert to half-time borrowing.

Under no circumstance will borrowing grow unchecked. Current statute (AS 14.42.032) limits loan awards to a total value that exceeds by no more than 3% the loans awarded the previous year, regardless of demand. Even with the inclusion of half-time borrowers, it is unlikely that demand will grow in the near term at this rate.

According to Evensen Dodge, Inc., with an annual \$10 million general fund appropriation and 8% default rate:

	<u>1% Decline</u>	<u>No Growth</u>	<u>1.5% Growth</u>	<u>3% Growth</u>
Last year for bonds	1998	1999	2003	2006
Last year for GF	2000	2002	2004	2006

While it is possible to determine the number of students who would be eligible for half-time loans, it is difficult to determine how many of these students would choose to apply for a loan. It is conceivable that at some point in the future loan demand will exceed available loan funds, and that full-time students will be competing with half-time students for loan funds. In my opinion, this is not necessarily a "bad" situation. The goal of the student loan program is to enhance educational opportunities for Alaskans -- students who are not able to attend school full time are no less entitled, in my opinion, to state support for their education.

To handle any potential competition, the Postsecondary Education Commission will likely set aside a portion of funds (perhaps 15%) specifically for half-time borrowers. The Commission now sets aside 20% for vocational loans. This serves as a maximum amount; if demand for vocational loans in any given year is less, the funds are loaned to full-time students.

3. Cost of half-time attendance

Please find attached a memorandum prepared by the Postsecondary Education Commission addressing award cost data requested by the committee.

STATE OF ALASKA

ALASKA COMMISSION ON POSTSECONDARY EDUCATION


STEVE COWPER, GOVERNOR

P.O. BOX FP
JUNEAU, ALASKA 99811-0599
PHONE: (907) 465-2854

MEMORANDUM

TO: Members of the Senate HESS Committee

The Honorable Arliss Sturgulewski, Chair
The Honorable Sam Cotten
The Honorable Paul Fischer
The Honorable Lyman Hoffman
The Honorable Curt Menard

FROM: Jane Byers Maynard, Executive Director 
Alaska Commission on Postsecondary Education

THROUGH: The Honorable Pat Pourchot
Alaska State Senate

SUBJECT: SB 77: Half-Time Loans

DATE: February 8, 1991

This information is in response to the Committee's request for half-time loan award cost data. The following are examples of maximum allowable costs based on actual expenses at the campuses listed.

<u>SCHOOL</u>	<u>UNDERGRADUATE</u>		<u>GRADUATE</u>
	<u>6 CREDIT HRS.</u>	<u>9 CREDIT HRS.</u>	<u>6 CREDIT HRS.</u>
<u>University of Alaska Anchorage</u>			
Tuition/Fees	\$ 635	\$ 953	\$1,154
Books/Supplies	220	330	220
Total Costs	\$ 855	\$1,283	\$1,374
Maximum Award	\$ 850	\$1,250	\$1,350
<u>University of Alaska Fairbanks</u>			
Tuition/Fees	\$ 552	\$1,060	\$1,080
Books/Supplies	150	225	150
Total Costs	\$ 702	\$1,285	\$1,230
Maximum Award	\$ 700	\$1,250	\$1,200
<u>Alaska Pacific University</u>			
Tuition/Fees	\$2,724	\$4,086	\$3,096
Books/Supplies	250	375	250
Total Costs	\$2,974	\$4,461	\$3,346
Maximum Award	\$2,000	\$2,000	\$2,500

Members of the Senate HESS Committee
February 8, 1991
Page 2

We are unable to provide an adequate answer to the Committee concurring potential delinquency and default rates of half-time borrowers. An assumption could be made that since most of these individuals are currently employed and since many are seeking training to upgrade their skills for better employment opportunities, they should have adequate ability to repay loans after program completion.

We have no reason to suspect that this borrowing population's payback record would be less than that of full-time borrowers. Since the total borrowing is expected to remain about the same, the default rate should not be adversely affected.

Finally, federal loan default rates are not delineated for half-time versus full-time borrowers, so there appears to be no historical data to rely on to fully address this concern.

STATE OF ALASKA

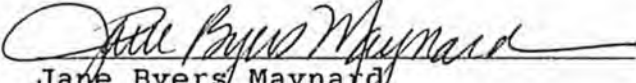
ALASKA COMMISSION ON POSTSECONDARY EDUCATION

STEVE COWPER, GOVERNOR

P.O. BOX FP
JUNEAU, ALASKA 99811-0599
PHONE: (907) 465-2854

Senate Bill No. 77

The members of the Commission on Postsecondary Education endorse the concept of a half-time Student Loan Program to provide opportunities for those Alaskan students who are unable or disinclined to pursue postsecondary education on a full-time basis.


Jane Byers Maynard
Executive Director

University of Alaska

Statewide System

SENATE BILL 77

Sen. Pat Pourchot

"An Act Relating to loans for half-time students, loans to attend a career education program, deferral of loan repayment, conditions of scholarship loans, and to the Alaska Postsecondary Education Commission; repealing the student financial aid committee; and providing for an effective date."

Position Paper

The Alaska Student Loan Program, while providing financial support for thousands of Alaskan students to pursue higher education opportunities, has effectively discriminated against the majority of students attending the University of Alaska. Nearly 70% of the 32,000 students attending the University of Alaska campuses during the past year were part-time students, and thus ineligible for participation in the Alaska Student Loan program.

This inequity is compounded by the demographics of our part-time student population, which represents a significantly older group of students as well as a larger proportion of women and minority students.

A further impact of the current program has been to essentially disenfranchise rural students from access to financial assistance. Over 90% of the 7500 students attending the branch campuses last year were part-time students.

Providing student loan opportunities for part-time students will be an excellent investment for Alaska:

- Part-time students are more likely to be permanent and committed residents of the state who will apply the benefits of their education in Alaska;
- Part-time students are often seeking career up-grades or job-training that will allow them to earn higher salaries and thus contribute more to the Alaska economy;
- Providing loans for part-time students will encourage more individuals to seek educational opportunities that will enhance their performance and productivity;

The University of Alaska strongly supports this legislation and urges its adoption by the Senate HESS Committee.

contact: Wendy Redman, Vice President
 University Relations
 474-7582
 February 8, 1991



UNIVERSITY OF ALASKA ANCHORAGE

3211 Providence Drive
Anchorage, Alaska 99508

STUDENT SERVICES

February 11, 1991

Senate Health and Social Services Committee
c/o The Honorable Senator Pat Pourchot
P.O. Box V
Juneau, Alaska 99811

Members: The Honorable Senator Al Adams
The Honorable Senator Arliss Sturgulewski
The Honorable Senator Pat Pourchot

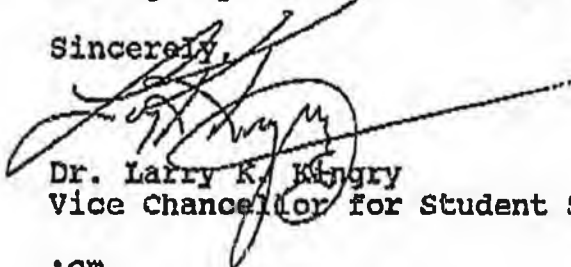
Dear Senators:

I would like to confirm UAA's and the University of Alaska's support for SB 77, and our commitment to part-time students. UAA has long supported the financial aid needs of our part-time students, many of whom are older and single parents. UAA's - Anchorage campus contains a majority of part-time students as well as its extended campuses in Kenai, Mat-Su, and Kodiak where over ninety percent of the students are part-time.

It is important to understand that the norm for students completing degrees across the nation significantly exceeds four years for the Baccalaureate and exceeds two years for the Associate. Part-time students desiring to earn college credentials have demographic profiles that demonstrate financial needs that meet or exceed their younger, full-time counterparts. UAA's Student Government and its administration have worked diligently over the years to help part-time students obtain financial aid to support their obtainment of higher education.

Please help us to reduce one more barrier to higher education for this group of students and rule favorably on SB 77.

Sincerely,



Dr. Larry K. Kingry
Vice Chancellor for Student Services

:cm

cc: Don Behrend, Chancellor



UNIVERSITY OF ALASKA FAIRBANKS

Associated Students University of Alaska Fairbanks
Fairbanks, Alaska 99775-0220 • (907) 474-7355 • FAX (907) 474-5157

February 6, 1991

To: Members of the HESS Committee
From: Rick Whitbeck, ASUAF Legislative Coordinator
Re: Support for SB 77

Please note, for the record, that I am in support of SB 77, "An Act relating to loans for half-time students...and providing for an effective date".

The passage of this bill would make it more affordable for part-time students to obtain an education, but would not hinder the full-time students' efforts to obtain the same. The monetary amount of being able to receive no more than \$2000.00 per (undergraduate) academic year from the loan program is fair; not only to the students who will be taking out the loan, but to those of us who are full-time and are able to receive up to \$3300.00 during the same amount of time.

Furthermore, the repealing of the student financial aid committee, and the replacement of this body by a Postsecondary Education Commission, is a good idea, and is one which should be implemented. This new commission's purpose, under (the amended) AS 14.42.030(b), would be of much greater benefit to the students who are seeking a postsecondary education in this state.

Please note that this support is my own; it does not necessarily reflect any of the other UAF students' views.

Thank you for your consideration. Please support SB 77.

Post-It™ brand fax transmittal memo 7871		# of pages > 2
To: Sandra Shubert	From: UAF	
Co. Sen. Pat Pouchot	Co. Student Govmt.	
Dept. Al. State Senate	Phone # 474-6036	
Fax # 465-2069	Fax #	

To: The Hess and Finance Committees

Re: Support for SB 77 .

I have reviewed SB 77 by Senator Pourchot, and as a student of the University of Alaska Fairbanks, I would like to express my support. By the passing of SB 77, the Legislature of the State of Alaska will be providing prospective students a better chance for a college education. Not only students struggling to pay for a full-time student status would benefit; but students that can only work on part-time status (because of a wide array of reasons) would also benefit. Most important is the ability for students to attend college who never before could have afforded a higher education. To me, SB 77 would provide not only a benefit to the students of Alaska, but will also benefit greatly the future of our great state.

This testimony is my own opinion, and does not necessarily reflect every students' view. I thank you for the opportunity to be heard. Please pass SB 77.

Sincerely,



John Brojakowski, ASUAF Legislative Coordinator

Alaska State Legislature



SENATOR
ARLISS STURGULEWSKI

3111 C STREET, SUITE 550
ANCHORAGE, ALASKA 99503
(907) 561-7615

While in Juneau
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3818

Senate

March 13, 1991

Mr. Ernie Mangrobang
3161 Norm Circle
Anchorage, Alaska 99507

Dear Ernie:

Thank you for your message in support of SB 77 relating to loans for half-time students. As you know, I am a co-sponsor of this legislation.

Senate Bill 77 had a hearing and passed out of the Senate Health, Education and Social Services Committee, which I chair, on February 15. It was then referred to the Senate Finance Committee. I am pleased to report that a hearing was held on SB 77 in that committee on March 8 and the bill has now moved on to the Senate Rules Committee. I will work to see that the bill is scheduled to come before the full Senate.

Continuing education is very important and this bill would be helpful to students who are trying to balance work and school.

Kindest regards,

A handwritten signature in cursive script, appearing to read "Arliss".

Arliss Sturgulewski
Alaska State Senator

The
54C
Ar
Te

PUBLIC OPINION MESSAGE

DEAR: SENATOR STURGULEWSKI

NAME: MR. ERNIE MANGROBANG
TITLE:
ADDRESS: 3161 NORM CIRCLE
CITY: ANCHORAGE
PHONE: 563-2133
BILL NO: SB 77
SUBJECT: STUDENT LOANS: 1/2 TIME, CAREER ED, ETC.
MESSAGE: SB 77 IS ESSENTIAL IN EDUCATING ADULT ALASKANS. THE AVERAGE AGE OF THE STUDENTS AT UAA IS 28. MAJORITY OF STUDENTS ARE EITHER A WORKING PARENT AND/OR WORKING AND GOING TO SCHOOL PART TIME. I URGE YOU TO SUPPORT SB 77. /CMR

ZIP: 99507



1 of pages > 2
rifer Dinter
SB 77-
-3 8-8-80

POMID: 03102805
DATE: 91/03/11
TIME: 10:28:05
LOCATION: ANCHORAGE LIO

COPIES: SENATORS

- ADAMS
- COLLINS
- COTTEN
- DUNCAN
- ELIASON
- FAHRENKAMP
- FISCHER
- FRANK
- HALFORD
- HOFFMAN
- JONES
- KERTTULA
- NEHARD
- PEARCE
- POURCHOT
- RODEY
- SHULTZ
- UEHLING
- ZHAROFF

secondary career
high standards for
well as funding or

secondary technical
and the educational

ators' Pourchot and
imony opportunity on
these comments and

ed changes >

r (b)(1) all of paragraph

ommission determines the

ges the statute which
utilize the Alaska Student
to one year of operation.

ture, there had been a rash
e the enactment of the two-
problems have been reduced
/ return some students to the
staining the two-year rule.

nge the last two lines of the

paragraph, so ...

), u

no action

no action

CORRECTION

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

PUBLIC OPINION MESSAGE

DEAR: SENATOR STURGULEWSKI

NAME: MR. ERNIE MANGROBANG

TITLE:

ADDRESS: 3161 NORM CIRCLE

CITY: ANCHORAGE

ZIP: 99507

PHONE: 563-2133

BILL NO: SB 77

SUBJECT: STUDENT LOANS: 1/2 TIME, CAREER ED, ETC.

MESSAGE: SB 77 IS ESSENTIAL IN EDUCATING ADULT ALASKANS. THE AVERAGE AGE OF THE STUDENTS AT UAA IS 28. MAJORITY OF STUDENTS ARE EITHER A WORKING PARENT AND/OR WORKING AND GOING TO SCHOOL PART TIME. I URGE YOU TO SUPPORT SB 77. /CMR

POMID: 03102805

DATE: 91/03/11

TIME: 10:28:05

LIONAME: ANCHORAGE LIO

COPIES: SENATORS

ADA MS
COLLINS
COTTEN
DUNCAN
ELIASON
FAHRENKAMP
FISCHER
FRANK
HALFORD
HOFFMAN
JONES
KERTTULA
MENARD
PEARCE
POURCHOT
RODEY
SHULTZ
UEHLING
ZHAROFF

The Travel Academy

540 West International Airport Road

Anchorage, Alaska 99518

Telephone (907) 563-7575



February 12, 1990

Senator Arliss Sturgulewski,

Post-It™ brand fax transmittal memo 7671 # of pages > 2

To Senator Sturgulewski	From Jennifer Ditz
Co.	Co.
Dept.	Phone # 543 1-575
Fax # 463-3818	Fax # 543 8850

The Alaska Association of Private Career Educators is a cohesive body of postsecondary career educators operating in the state of Alaska. The association strives to ensure high standards for quality education by communicating with all relevant bodies regulating as well as funding or supporting postsecondary technical and career education in Alaska.

The association serves the interests of the Alaska community of private postsecondary technical and career education in order to better service the education needs and the educational accessibility of the students of Alaska.

As discussed with Sandra Schubert and Melissa Furst with Senators' Pourchot and Sturgulewski the association was not aware of the public hearing and testimony opportunity on Friday. On behalf of the Association I would like to submit these comments and recommendations regarding SB77.

We recommend that the committee consider the following two suggested changes >

1. On page 4 of the printed bill (SB77) under Sec. 10, omit under (b)(1) all of paragraph (c) as follows:

"operating for one year before the borrower attends and the commission determines the program is operating on a fiscally sound basis;"

Rationale: the language of the bill as currently drafted changes the statute which requires two years of continuous operation for a school to utilize the Alaska Student Loan Program. The new language reduces the requirement to one year of operation.

Prior to the enactment of the two-year statute by the Legislature, there had been a rash of school failures and serious losses for some students. Since the enactment of the two-year statute, schools have been more financially stable and problems have been reduced significantly. To reduce now the two-year requirement may return some students to the level of jeopardy they faced earlier. We recommend maintaining the two-year rule.

2. On page 7 of the printed bill (SB77), under Sec. 16, change the last two lines of the paragraph, so that they read:

no action

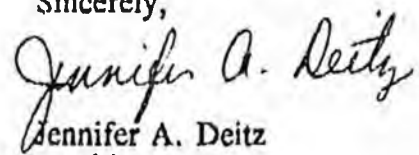
no action

"or equivalent of six semester credit hours, and includes a career education student enrolled and in regular attendance in class for no less than one-half the time required for full-time career education students as defined by the Alaska Commission on Postsecondary Educations."

Rationale: the current regulation by the Commission for full-time career education students provides several options, such as "twenty-five hours of attendance plus a minimum of ten hours of home assignment." There is good reason for this in that private career education teaches some academic courses, such as English, math and law. In addition some private career education curricula have been built around the Commission's current regulation. Any change would require major curricula and scheduling restructuring.

Moreover, the generic language suggested here provides for simplicity and flexibility should the Commission in the future find good reason to review and modify the definition of a full-time career education student. In that case the half-time student is automatically adjusted requiring no time-consuming statutory changes.

Sincerely,



Jennifer A. Deitz
President
Alaska Association of Private Career Educators

cc: Senator Pourchot

Jane Maynard
Alaska Commission on Postsecondary Education

Delivered by Fax

More States Are Providing Aid to Those Who Study Part Time

By GOLDIE BLUMENSTYK

Pamela J. Powell has a demanding schedule. A single parent of two grade-school-aged children, she commutes 30 minutes each way to her job at a drug company, and spends two evenings a week and Saturday afternoons in classes at the Newark campus of Rutgers University.

Fortunately for Ms. Powell, who aspires to be a lawyer, New Jersey's student financial-aid policies no longer force her to choose between a job and a college education. Ms. Powell, whose load of three courses a semester makes her a part-time student, can continue to receive state financial aid under a special program started this year.

Changing Nature of Student Body

Unluckily for Jennifer J. Daniels, the State of Washington does not have a similar program. Ms. Daniels is blind and says it is too difficult for her to attend Tacoma Community College full time because transportation poses special problems and she would need to spend an extra \$700 a semester to pay people to read to her.

But students like Ms. Daniels could soon receive help. This year state lawmakers are expected to approve a new program that would provide money to needy part-time students.

"It's really a recognition of the changing composition of the student body," says State Rep. Ken G. Jacobsen, chairman of the Higher Education Committee.

Washington is not alone. Increasingly, state officials are

dealing with the financial needs of the fastest-growing segment of the higher-education market by expanding their financial-aid programs so that working people, parents, and students with disabilities who must attend college part time can receive state aid. Today at least 30 states offer some kind of financial aid for part-timers, although some of the programs are restricted to certain kinds of students.

For example, the New Jersey program that serves Ms. Powell is only for students accepted under special conditions and who require academic help and counseling.

More than half of the 11,000 students in the program come from families with annual incomes of less than \$6,000, and even though they also qualify for federal financial aid, "there's pressure on them to pick up some additional money," says Kwaku Armah, executive director of the program.

Some students, like Ms. Powell, seek to study on a part-time basis so that they can take a better-paying job, he says. Others are advised to take a lighter course load to help them adjust to college work. But until the state changed its financial-aid policy for them, they could not afford to do so.

In several other states—including Maryland, where the Higher Education Commission will re-evaluate its entire range of state student-aid programs next summer—coordinating boards are considering proposals to create such programs.

State Action Called Overdue

The federal government has made Pell Grants available since 1980 to students carrying at least a "half load" of courses. Beginning in 1990 needy students enrolled for less than half a course load also would be eligible, although it is still unclear whether there will be enough money in the

budget to meet the demand after first satisfying the needy full- and half-time students.

Typically, the financial aid for part-time students provided by states is available only to students taking at least a half load, although Vermont provides aid for students not pursuing a degree if they are taking courses related to their job, and Iowa next year will expand its part-time aid program to include students who take even one course.

For many advocates of financial aid to part-time students, state action of any kind is long overdue.

Students who are working or supporting families "need the help the most," says Joseph S. Murphy, chancellor of the City University of New York and a leading proponent of government support for part-time students.

New York has had such a program for five years. Even so, CUNY lobbyists this year hope to remove some of what Mr. Murphy calls the program's "onerous" requirements. If the student fails to maintain a passing grade-point average, the colleges must return most of the aid to the state, a cumbersome and expensive process. As a result, Mr. Murphy says, institutions are reluctant "to advertise the program, make it widely available, or even participate."

Lawrence N. Gold, a lobbyist in Washington who used to be employed by CUNY and worked to expand the Pell Grant program to students attending less than half time, says the problems with the New York program illustrate a more troublesome issue. Even in states where officials have committed substantial resources—\$11-million in the case of New York—other factors can undermine the effectiveness of programs.

Working students often cannot go to a financial-aid office during regular business hours, and sometimes program budgets do not provide enough money for those offices to maintain

evening hours. Also, Mr. Gold says, some financial-aid officials are reluctant to promote the programs. They require more work than preparing an aid package for a full-time student, since smaller sums are distributed to a greater number of students.

To overcome such barriers, states such as Michigan, which spent \$2-million for aid to part-time students last year, sponsor special campaigns to publicize the programs, including public-service announcements on radio and television stations.

Still, in some states, lawmakers and higher-education officials have rejected the idea of using state money for such programs altogether.

In some of those states, the officials believe the part-time student "is probably not a very serious student, whatever serious means," says Jerry S. Davis, director of policy and research analysis for the Pennsylvania Higher Education Assistance Authority. He compiles an annual survey on state financial-aid programs.

In Pennsylvania, for example, a bill to establish an aid program for part-time students has failed to win support from the General Assembly for each of the last three years, although the state does have an extensive financial-aid program for full-timers.

'A Solomon-Like Decision'

Lawmakers believe "their need isn't as great because they have a job and they're only paying half the tuition and most of them are attending lower-cost community colleges," Mr. Davis says.

Others see the need to help part-time students, but believe that the states should not be the ones to meet it.

W. Ann Reynolds, chancellor of the California State University System, contends that it is a much more appropriate role for the federal government. She notes that many states, including California, are constrained financially by laws that restrict state spending and by cyclical economic conditions.

"We don't have the funding" to pay for the needs of both full-time and part-time students, she says. Deciding which group to serve would present "a Solomon-like decision for us and kind of an awful one."

Ms. Reynolds says California already assists part-time students with its low college costs.

The opposite is true in Vermont, a state with a policy of charging high tuition in public colleges and matching it with large financial-aid awards for needy students.

The Vermont experience also illustrates another problem for state financial-aid programs. Before Vermont started its aid program for part-time students, it was able to meet 60 per cent of the financial-aid needs of full-timers. Today it can afford to meet only 40 per cent of those needs.

Suzanne A. Valenti, executive director of the Vermont Higher Education Planning Commission, says that is the reason she was initially uneasy about the program, now in its fourth year.

"I had some questions about divvying up the pie," she says. "I think it has hurt in that regard."

But Ms. Valenti says she also realizes that not every student "needs or wants a degree," and that many of the part-time students—81 per cent of whom are women—could not have had a college experience without the state program.

"There was obviously an erosion of aid for traditional students," she says, but "it's probably helping the people who need it most."

S B

7 9

Alaska State Legislature

Al Adams
District L

WHILE IN SESSION
P.O. Box V
State Capitol
Juneau, Alaska 99811
(907) 465-3707

OUT OF SESSION
P.O. Box 333
Kotzebue, Alaska 99752
(907) 442-3245

311 C Street
Anchorage, Alaska 99503
(907) 561-7622

Official Business

TO: Senator Arliss Sturgulewski, Chair and members of the
Senate Health, Education and Social Services Committee

FROM: Senator Al Adams *AK*

RE: Senate Bill 79, "An Act relating to a curriculum for
environmental education."

DATE: January 24, 1991

I appreciate your scheduling of the aforementioned legislation.

This bill grasps the nationwide concept of environmental education and seeks to emphasize the importance of that concept in Alaska school studies. While other states have mandated the inclusion of this type of curriculum as an adjunct to basic academic studies, I have concerns with the possibility of diluting focus on core curriculum, particularly at a time when we are already concerned with school performance.

Instead this bill asks for educators to infuse environmental concepts into regular curriculum. At the elementary level, knowledge of the environment can easily be mixed into math, spelling, reading and writing courses. In high school, courses such as physics, chemistry and literature can blend knowledge of personal and industrial environmental ethics into traditional course material.

Section 1 of the bill requests that school districts include in their annual "School District Report Card To The Public" a summary of environmental education activities. This is hoped to have a dual purpose of eliciting compliance and the sharing of successes in environmental education among districts.

Section 2 of the bill adds environmental education to our education statutes, encourages programs, suggests subject matter and directs that the subject matter be infiltrated into regular studies.

Page 2

Memo to Sen. Sturgulewski regarding SB 79

January 24, 1991

Included in the packet of information for your committee are:

- a copy of the bill
- a draft of the "Strategic Plan for Establishing the EPA Environmental Education Program"
- The U.S. House of Representatives Congressional Record on the National Environmental Education Act
- a memorandum from Alaska's Department of Education regarding materials and activities in regards to environmental education
- a December 24, 1990 relevant *Time* magazine article
- a December 16, 1990 *Anchorage Times* article on education successes using environmental education
- an interview with the superintendent of the North Slope Borough School District from *Quasagniq*, the North Slope Borough newsletter
- sample curriculum on safe drinking water developed by the Village Safe Water Program of the State of Alaska.

A fiscal note has been requested and is pending receipt.

STATE OF ALASKA
 OFFICE OF MANAGEMENT & BUDGET
 DIVISION OF BUDGET REVIEW

DATE: 01/28/91
 TIME: 10:01:41
 PROG: SWFLXCUT

OPERATING BUDGET FUNDING SUMMARY, ALL FUNDS, BY AGENCY, BRU & COMPONENT

AGENCY: Debt Service & Misc Programs

BUDGET REQUEST UNIT/COMPONENT	FY90 ACGF	FY90 ACMH	FY91 AUGF	FY91 AUMH	FY92 GOGF	FY92 GOMH
*** AGENCY GRAND TOTALS ***	0.0	0.0	0.0	0.0	0.0	0.0
AGENCY FUNDING SUMMARY						
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0
General Fund	0.0	0.0	0.0	0.0	0.0	0.0
Other Funds	0.0	0.0	0.0	0.0	0.0	0.0

LEGEND: "ACGF"=ACTUAL GF; "ACMH"=ACTUAL MENTAL HLTH; "AUGF"=AUTH GF
 "AUMH"=AUTH MENTAL HLTH; "GOGF"=GOV GF; "GOMH"=GOV MENTAL HLTH

STATE OF ALASKA
OFFICE OF MANAGEMENT & BUDGET
DIVISION OF BUDGET REVIEW

DATE: 01/28/91
TIME: 10:01:49
PROG: SHFLXCUT

OPERATING BUDGET FUNDING SUMMARY, ALL FUNDS, BY AGENCY

AGENCY NAME/FUNDING SOURCE	FY90 ACGF	FY90 ACMH	FY91 AUGF	FY91 AUMH	FY92 GOGF	FY92 GOMH
DEPARTMENT OF HEALTH & SOCIAL SERVICES						
FEDERAL RECEIPTS	0.0	0.0	0.0	0.0	0.0	0.0
GENERAL FUND	301,475.5	42,043.9	350,387.4	92,989.8	376,784.5	94,437.6
OTHER FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
*** TOTAL FUNDS ***	301,475.5	42,043.9	350,387.4	92,989.8	376,784.5	94,437.6
DEPARTMENT OF LABOR						
FEDERAL RECEIPTS	0.0	0.0	0.0	0.0	0.0	0.0
GENERAL FUND	10,816.9	0.0	13,412.0	0.0	10,840.0	0.0
OTHER FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
*** TOTAL FUNDS ***	10,816.9	0.0	13,412.0	0.0	10,840.0	0.0
DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT						
FEDERAL RECEIPTS	0.0	0.0	0.0	0.0	0.0	0.0
GENERAL FUND	68,228.0	0.0	59,959.9	0.0	57,977.2	0.0
OTHER FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
*** TOTAL FUNDS ***	68,228.0	0.0	59,959.9	0.0	57,977.2	0.0
DEPARTMENT OF MILITARY & VETERANS AFFAIRS						
FEDERAL RECEIPTS	0.0	0.0	0.0	0.0	0.0	0.0
GENERAL FUND	13,465.4	0.0	9,274.4	0.0	9,938.1	0.0
OTHER FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
*** TOTAL FUNDS ***	13,465.4	0.0	9,274.4	0.0	9,938.1	0.0
DEPARTMENT OF NATURAL RESOURCES						
FEDERAL RECEIPTS	0.0	0.0	0.0	0.0	0.0	0.0
GENERAL FUND	48,244.1	0.0	49,597.2	0.0	49,109.2	0.0
OTHER FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
*** TOTAL FUNDS ***	48,244.1	0.0	49,597.2	0.0	49,109.2	0.0

LEGEND: "ACGF"=ACTUAL GF; "ACMH"=ACTUAL MENTAL HLTH; "AUGF"=AUTH GF
"AUMH"=AUTH MENTAL HLTH; "GOGF"=GOV GF; "GOMH"=GOV MENTAL HLTH

CORRECTION

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

S T A T E O F A L A S K A
 OFFICE OF MANAGEMENT & BUDGET
 DIVISION OF BUDGET REVIEW

DATE: 01/28/91
 TIME: 10:01:41
 PROG: SWFLXCUT

OPERATING BUDGET FUNDING SUMMARY, ALL FUNDS, BY AGENCY, BRU & COMPONENT

AGENCY: Debt Service & Misc Programs

BUDGET REQUEST UNIT/COMPONENT	FY90 ACGF	FY90 ACMH	FY91 AUGF	FY91 AUMH	FY92 GOGF	FY92 GOMH
*** AGENCY GRAND TOTALS ***	0.0	0.0	0.0	0.0	0.0	0.0
AGENCY FUNDING SUMMARY						
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0
General Fund	0.0	0.0	0.0	0.0	0.0	0.0
Other Funds	0.0	0.0	0.0	0.0	0.0	0.0

LEGEND: "ACGF"=ACTUAL GF; "ACMH"=ACTUAL MENTAL HLTH; "AUGF"=AUTH GF
 "AUMH"=AUTH MENTAL HLTH; "GOGF"=GOV GF; "GOMH"=GOV MENTAL HLTH

S T A T E O F A L A S K A
OFFICE OF MANAGEMENT & BUDGET
DIVISION OF BUDGET REVIEW

DATE: 01/28/91
TIME: 10:01:47
PROG: SWFLXCUT

OPERATING BUDGET FUNDING SUMMARY, ALL FUNDS, BY AGENCY

AGENCY NAME/FUNDING SOURCE	FY90 ACGF	FY90 ACMH	FY91 AUGF	FY91 AUMH	FY92 GOGF	FY92 GOMH
OFFICE OF THE GOVERNOR						
FEDERAL RECEIPTS	0.0	0.0	0.0	0.0	0.0	0.0
GENERAL FUND	15,208.1	0.0	19,651.3	0.0	15,629.4	0.0
OTHER FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
*** TOTAL FUNDS ***	15,208.1	0.0	19,651.3	0.0	15,629.4	0.0
DEPARTMENT OF ADMINISTRATION						
FEDERAL RECEIPTS	0.0	0.0	0.0	0.0	0.0	0.0
GENERAL FUND	158,163.4	0.0	161,258.4	1,538.2	158,752.8	7,918.2
OTHER FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
*** TOTAL FUNDS ***	158,163.4	0.0	161,258.4	1,538.2	158,752.8	7,918.2
DEPARTMENT OF LAW						
FEDERAL RECEIPTS	0.0	0.0	0.0	0.0	0.0	0.0
GENERAL FUND	44,200.1	0.0	35,312.9	66.7	34,167.6	69.7
OTHER FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
*** TOTAL FUNDS ***	44,200.1	0.0	35,312.9	66.7	34,167.6	69.7
DEPARTMENT OF REVENUE						
FEDERAL RECEIPTS	0.0	0.0	0.0	0.0	0.0	0.0
GENERAL FUND	31,140.4	0.0	32,099.2	0.0	27,399.5	0.0
OTHER FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
*** TOTAL FUNDS ***	31,140.4	0.0	32,099.2	0.0	27,399.5	0.0
DEPARTMENT OF EDUCATION						
FEDERAL RECEIPTS	0.0	0.0	0.0	0.0	0.0	0.0
GENERAL FUND	645,218.5	0.0	670,729.3	2,225.7	646,186.2	2,459.8
OTHER FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
*** TOTAL FUNDS ***	645,218.5	0.0	670,729.3	2,225.7	646,186.2	2,459.8

LEGEND: "ACGF"=ACTUAL GF; "ACMH"=ACTUAL MENTAL HLTH; "AUGF"=AUTH GF
"AUMH"=AUTH MENTAL HLTH; "GOGF"=GOV GF; "GOMH"=GOV MENTAL HLTH

S T A T E O F A L A S K A
OFFICE OF MANAGEMENT & BUDGET
DIVISION OF BUDGET REVIEW

DATE: 01/28/91
TIME: 10:01:49
PROG: SWFLXCUT

OPERATING BUDGET FUNDING SUMMARY, ALL FUNDS, BY AGENCY

AGENCY NAME/FUNDING SOURCE	FY90 ACGF	FY90 ACMH	FY91 AUGF	FY91 AUMH	FY92 GOGF	FY92 GOMH
DEPARTMENT OF HEALTH & SOCIAL SERVICES						
FEDERAL RECEIPTS	0.0	0.0	0.0	0.0	0.0	0.0
GENERAL FUND	301,475.5	42,043.9	350,387.4	92,989.8	376,784.5	94,437.6
OTHER FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
*** TOTAL FUNDS ***	301,475.5	42,043.9	350,387.4	92,989.8	376,784.5	94,437.6
DEPARTMENT OF LABOR						
FEDERAL RECEIPTS	0.0	0.0	0.0	0.0	0.0	0.0
GENERAL FUND	10,816.9	0.0	13,412.0	0.0	10,840.0	0.0
OTHER FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
*** TOTAL FUNDS ***	10,816.9	0.0	13,412.0	0.0	10,840.0	0.0
DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT						
FEDERAL RECEIPTS	0.0	0.0	0.0	0.0	0.0	0.0
GENERAL FUND	68,228.0	0.0	59,959.9	0.0	57,977.2	0.0
OTHER FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
*** TOTAL FUNDS ***	68,228.0	0.0	59,959.9	0.0	57,977.2	0.0
DEPARTMENT OF MILITARY & VETERANS AFFAIRS						
FEDERAL RECEIPTS	0.0	0.0	0.0	0.0	0.0	0.0
GENERAL FUND	13,465.4	0.0	9,274.4	0.0	9,938.1	0.0
OTHER FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
*** TOTAL FUNDS ***	13,465.4	0.0	9,274.4	0.0	9,938.1	0.0
DEPARTMENT OF NATURAL RESOURCES						
FEDERAL RECEIPTS	0.0	0.0	0.0	0.0	0.0	0.0
GENERAL FUND	48,244.1	0.0	49,597.2	0.0	49,109.2	0.0
OTHER FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
*** TOTAL FUNDS ***	48,244.1	0.0	49,597.2	0.0	49,109.2	0.0

LEGEND: "ACGF"=ACTUAL GF; "ACMH"=ACTUAL MENTAL HLTH; "AUGF"=AUTH GF
"AUMH"=AUTH MENTAL HLTH; "GOGF"=GOV GF; "GOMH"=GOV MENTAL HLTH

STATE OF ALASKA
OFFICE OF MANAGEMENT & BUDGET
DIVISION OF BUDGET REVIEW

DATE: 01/28/91
TIME: 10:01:52
PROG: SWFLXCUT

OPERATING BUDGET FUNDING SUMMARY, ALL FUNDS, BY AGENCY

AGENCY NAME/FUNDING SOURCE	FY90 ACGF	FY90 ACMH	FY91 AUGF	FY91 AUMH	FY92 GOGF	FY92 GOMH
DEPARTMENT OF FISH & GAME						
FEDERAL RECEIPTS	0.0	0.0	0.0	0.0	0.0	0.0
GENERAL FUND	46,501.4	0.0	47,941.0	0.0	45,449.3	0.0
OTHER FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
*** TOTAL FUNDS ***	46,501.4	0.0	47,941.0	0.0	45,449.3	0.0
DEPARTMENT OF PUBLIC SAFETY						
FEDERAL RECEIPTS	0.0	0.0	0.0	0.0	0.0	0.0
GENERAL FUND	76,995.9	0.0	81,229.9	0.0	78,426.2	759.0
OTHER FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
*** TOTAL FUNDS ***	76,995.9	0.0	81,229.9	0.0	78,426.2	759.0
DEPARTMENT OF TRANSPORTATION/PUBLIC FACILITIES						
FEDERAL RECEIPTS	0.0	0.0	0.0	0.0	0.0	0.0
GENERAL FUND	174,896.2	0.0	163,910.9	0.0	131,402.9	0.0
OTHER FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
*** TOTAL FUNDS ***	174,896.2	0.0	163,910.9	0.0	131,402.9	0.0
DEPARTMENT OF ENVIRONMENTAL CONSERVATION						
FEDERAL RECEIPTS	0.0	0.0	0.0	0.0	0.0	0.0
GENERAL FUND	18,067.4	0.0	27,322.8	0.0	25,862.2	0.0
OTHER FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
*** TOTAL FUNDS ***	18,067.4	0.0	27,322.8	0.0	25,862.2	0.0
DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS						
FEDERAL RECEIPTS	0.0	0.0	0.0	0.0	0.0	0.0
GENERAL FUND	123,616.1	0.0	123,146.3	0.0	117,436.3	0.0
OTHER FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
*** TOTAL FUNDS ***	123,616.1	0.0	123,146.3	0.0	117,436.3	0.0

LEGEND: "ACGF"=ACTUAL GF; "ACMH"=ACTUAL MENTAL HLTH; "AUGF"=AUTH GF
"AUMH"=AUTH MENTAL HLTH; "GOGF"=GOV GF; "GOMH"=GOV MENTAL HLTH

S T A T E O F A L A S K A
OFFICE OF MANAGEMENT & BUDGET
DIVISION OF BUDGET REVIEW

DATE: 01/28/91
TIME: 10:01:56
PROG: SWFLXCUT

OPERATING BUDGET FUNDING SUMMARY, ALL FUNDS, BY AGENCY

AGENCY NAME/FUNDING SOURCE	FY90 ACGF	FY90 ACMH	FY91 AUGF	FY91 AUMH	FY92 GOGF	FY92 GOMH
DEPARTMENT OF CORRECTIONS						
FEDERAL RECEIPTS	0.0	0.0	0.0	0.0	0.0	0.0
GENERAL FUND	95,771.9	0.0	97,881.1	1,221.7	98,515.2	1,221.5
OTHER FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
*** TOTAL FUNDS ***	95,771.9	0.0	97,881.1	1,221.7	98,515.2	1,221.5
UNIVERSITY OF ALASKA						
FEDERAL RECEIPTS	0.0	0.0	0.0	0.0	0.0	0.0
GENERAL FUND	161,014.6	0.0	164,324.6	0.0	152,634.9	0.0
OTHER FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
*** TOTAL FUNDS ***	161,014.6	0.0	164,324.6	0.0	152,634.9	0.0
ALASKA COURT SYSTEM						
FEDERAL RECEIPTS	0.0	0.0	0.0	0.0	0.0	0.0
GENERAL FUND	39,293.0	0.0	41,841.0	0.0	38,793.5	0.0
OTHER FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
*** TOTAL FUNDS ***	39,293.0	0.0	41,841.0	0.0	38,793.5	0.0
LEGISLATURE						
FEDERAL RECEIPTS	0.0	0.0	0.0	0.0	0.0	0.0
GENERAL FUND	30,869.5	0.0	30,982.8	0.0	28,639.0	0.0
OTHER FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
*** TOTAL FUNDS ***	30,869.5	0.0	30,982.8	0.0	28,639.0	0.0
DEBT SERVICE & MISC PROGRAMS						
FEDERAL RECEIPTS	0.0	0.0	0.0	0.0	0.0	0.0
GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
OTHER FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
*** TOTAL FUNDS ***	0.0	0.0	0.0	0.0	0.0	0.0

LEGEND: "ACGF"=ACTUAL GF; "ACMH"=ACTUAL MENTAL HLTH; "AUGF"=AUTH GF
"AUMH"=AUTH MENTAL HLTH; "GOGF"=GOV GF; "GOMH"=GOV MENTAL HLTH

S T A T E O F A L A S K A
 OFFICE OF MANAGEMENT & BUDGET
 DIVISION OF BUDGET REVIEW

DATE: 01/28/91
 TIME: 10:02:05
 PROG: SWFLXCUT

OPERATING BUDGET FUNDING SUMMARY, ALL FUNDS, STATEWIDE TOTALS

AGENCY NAME/FUNDING SOURCE	FY90 ACGF	FY90 ACMH	FY91 AUGF	FY91 AUMH	FY92 GOGF	FY92 GOMH
* * * STATEWIDE GRAND TOTALS * * *						
FEDERAL RECEIPTS	0.0	0.0	0.0	0.0	0.0	0.0
GENERAL FUND	2,103,186.4	42,043.9	2,180,262.4	98,092.1	2,103,944.0	106,865.8
OTHER FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
*** TOTAL FUNDS ***	2,103,186.4	42,043.9	2,180,262.4	98,092.1	2,103,944.0	106,865.8

LEGEND: "ACGF"=ACTUAL GF; "ACMH"=ACTUAL MENTAL HLTH; "AUGF"=AUTH GF
 "AUMH"=AUTH MENTAL HLTH; "GOGF"=GOV GF; "GOMH"=GOV MENTAL HLTH

MEMORANDUM

State of Alaska
Department of Education

TO: Steve Hole
Acting Commissioner

DATE: January 3, 1991

THRU: Darby Anderson *DA*
Administrator *DA*

FILE NO: mec438

FROM: Peggy Cowan *PC*
Science Specialist

TELEPHONE NO: 465-2841

SUBJECT: Environmental Education
Activities of Department

Darby asked me to outline the Department's work in Environmental Education (EE). The Department, though we do not have a specific mandate for environmental education, both leads and is involved in a variety of environmental education programs. I'll define Environmental Education and then outline the EE programs we manage, list the EE individual projects we've led, and describe the EE programs with which we collaborate, and finally summarize the status of EE legislation.

Environmental Education, as a field of education, spans a number of disciplines of education. As we define it for our programs, the goal of environmental education (from UNESCO conference in Tblisi) is "to develop citizens who are aware of, and interested in their environment and who have the knowledge, attitudes, commitment and skills to work individually and collectively towards solutions of current environmental problems and the prevention of new problems." Many of our programs, specifically in science and social studies, and even technology, world languages, and language arts, work toward this goal. A key element of EE is that it brings students from awareness to action. So students are aware of environmental issues, and know enough and have the skills to be equipped to act.

The total environment, both natural and human-built, is covered in Environmental Education. Because of Alaska's rich natural environment, most of the programs the Department manages or is involved with deal with the natural world or natural resources. The environmental education programs the Department leads are:

- Alaska Resources Kit: Minerals
- Science-Technology-Society Leadership Cadre
- Voc-ed Resource Projects and Curriculum

I've attached a brochure on the minerals kit program which is a collaborative project between the Department and the minerals and energy industries in the state. This program moves from awareness to action through science and social studies lessons.

The Science-Technology-Society Leadership Cadre is a science and social studies staff development initiative of the Department. STS instruction deals with science and technology topics in a social context. The topics are not limited to environmental areas, biogenetics and abortion are also included, but again because of our rich natural environment, most of the lessons in Alaska deal with the environment. The instruction goes from awareness to action.

The Office of Adult and Vocational Education sponsors grant programs in fisheries education and have curriculums in both renewable and non-renewable natural resources. The programs focus on employment skills rather than the awareness to action continuum. They probably account for the bulk of the Department's activity in terms of money and staff time in natural resources.

The Office of Basic Education also sponsors a number of individual projects in environmental education. Most of these were one time events, rather than the on-going projects listed above. They include:

- Oil Spill Education Packet
- ANWR, Oil Spill, Marine Litter and Garbage Talkbacks
- Geographic Alliance Environment Activities
- Preparing for the Decade of the Environment in Education in Alaska, audioconference course
- Earth Day Science Fair Awards, and Educator's Packets
- Dealing with Controversial Issues Brochure

On a policy level, the term environmental education is not used explicitly in any of our curriculum guides. Internationally, the preferred approach to environmental education is through infusion. Rather than teaching it as a separate discipline, environmental topics and the necessary skills are taught through the other disciplines. The interdisciplinary nature of environmental education makes it a motivator and help to teachers in Alaska, rather than a burden of an additional topic. Environmental education concepts and activities are infused in the state model curriculum guides especially health, science and social studies. The Commissioner's White Paper also strongly promotes education using the local environment as a motivator of instruction. This year is the first year that the state's professional environmental education association was invited to officially join the Curriculum Cabinet.

Our Office also promotes environmental education through the leadership of our specialists. We serve on a number of local, state-wide, regional and national advisory groups. Our participation allows us to influence these programs to sponsor projects that will impact student achievement in Alaska and also provide models from elsewhere to transfer to Alaska. They include:

- Alaska Natural Resources and Outdoor Education Association
- Northwest Association of Marine Educators
- Juneau Resource Education Committee
- USSR Environmental Education and Beringia Project
- Alaska Sea/River Week Project of the University of Alaska
- Project Learning Tree Steering Committee
- Project WILD and Alaska Wildlife Week of the Department of Fish and Game
- Western Regional Environmental Education Council
- North American Association for Environmental Education

An activity that does not fit under any of these categories is my personal involvement and leadership in EE. I've published a variety of articles and written and edited instructional materials and academic publications in environmental and marine education. Because of my work and the state's leadership activities, Alaska was invited to present testimony at the Senate hearing on the National Environmental Education Act. We were the only state agency invited and one of six presenters.

The National Environmental Education Act passed. It establishes an Office of Environmental Education in the Environmental Protection Agency and an Environmental Education Foundation. There is no national mandate for Environmental Education in this or any other bill. A number of states do have mandates for Environmental Education. I've been most impressed with the legislation in Florida and Arizona. Wisconsin, Minnesota, and Washington also have mandates. The Western Regional Environmental Education Council is currently studying the status of Environmental Education legislation and will publish a summary of state laws by July. I can get early drafts of this document and the information from various states.

STRATEGIC PLAN

	<p>Strategic Plan For Establishing The EPA Environmental Education Program</p>

DRAFT

July 1990

'In the end, environmental education boils down to a simple yet profoundly important imperative: preparing ourselves for life and all its surprises in the next century. When the 21st century rolls around, it will not be enough for a few specialists to know what is going on while the rest of us wander around in ignorance'

- William K. Reilly, Administrator
U.S. Environmental Protection Agency

PREFACE

In November, 1989, EPA Deputy Administrator F. Henry Habicht established an Environmental Education Task Force to provide a cross-media and cross-program forum for discussing the Agency's current environmental education activities, and to develop a Strategic Plan for the new EPA Office of Environmental Education.

Marylouise Uhlig, of EPA's Office of Toxic Substances, is the Co-Chair of the Task Force, along with Philip Smith, of the National Governors Association. Appendix A provides a complete list of the Task Force's members.

In addition to developing this Strategic Plan, the Task Force also

- Organized a Youth Environmental Action Forum, which was held in Washington, D.C. in May, 1990;
- Completed an inventory of current Agency environmental education activities and resources; and
- Recommended several innovative strategies for raising funds to be used to support environmental education efforts.

All of these efforts have produced significant benefits which the Agency's Office of Environmental Education will build upon in establishing a program to carry-out the important mandate which is described in this Strategic Plan.

STRATEGIC PLAN

1. Introduction

The U.S. Environmental Protection Agency's mission is to protect the public from environmental hazards and to enhance the quality of our natural environment. The Agency believes that taking a leadership role in promoting more environmentally-oriented scientific and technical education is fundamental to accomplishing this mission. Education can enhance our knowledge of man's impact on the environment, and can improve our understanding of the environmental consequences of individual and collective actions. This knowledge and understanding are collectively referred to as an *environmental ethic*, because they shape the values which are expressed concretely in environmentally responsible behavior.

Overview of Education Program

The Agency is establishing an Office of Environmental Education with the mandate to foster an enhanced environmental ethic in society by improving the environmental literacy of our youth and increasing the public's awareness of environmental problems. The Office will provide national leadership in these areas, and will build upon the ongoing work of public, non-profit and private sector groups which are already pursuing these goals. The Agency's efforts are being coordinated with, and will fully support the President's National Education Priority Framework, which stresses the need to improve the overall quality of scientific and technical training in our nation's schools. The Program will emphasize four specific themes: wise use of natural resources, prevention of environmental problems, the importance of environmentally sensitive personal behavior, and the need for additional action at the community level to address environmental problems.

Program Focus - Education and Public Awareness

The Environmental Education Program will focus on education and public awareness. Education includes both formal training in scientific and technical disciplines at the K-12th grade and college levels, and informal educational activities such as experiential learning in informal settings. The Program's approach will emphasize improving our youth's literacy in the core environmental sciences, developing a greater understanding of man's impact on the environment, and increasing the number of environmental professionals.

STRATEGIC PLAN

**Strategic Plan as
Basis for Broad
Review**

The public awareness part of the Program will target the general public, with initiatives designed to promote a more informed and environmentally responsible citizenry. Central to this effort will be communicating the program's themes via an effective media strategy, and closely coordinating with public, non-profit, and private sector organizations to effectively reach and actively involve the public. The intent is to stimulate a strong, grassroots interest in the environment, and an understanding of what individuals can and must contribute to maintaining a healthy environment.

This Strategic Plan outlines the Agency's approach to establishing the Environmental Education Program, the Program's goals and objectives, and the major planned tasks and activities. Following an internal Agency review, The Plan will be circulated for review and comment by Federal, state, local and non-profit sector leaders in the field of environmental education. Once the Program has been established, the Plan will be evaluated and updated at regular intervals to reflect evolving needs and opportunities.

Legislation has been introduced in the House of Representatives and Senate which calls for establishing an Environmental Education Program and Office within EPA. This Strategic Plan is generally consistent with the proposed legislation, and it assumes that this Program will be modified appropriately, based on any subsequent Congressional mandate. For planning purposes, it is assumed that this Program would consist of approximately ten FTEs and \$5-10 million in resources.

STRATEGIC PLAN

II. Problem Statement

"To accomplish the magnitude of behavior change necessary to the task, it will be necessary to go beyond traditional environmental management methods of command and control."

- National Advisory Council for Environmental Technology Transfer

"... These problems are complex and require comprehensive and complex solutions. Education is a part, a vital part of that solution."

- Dr. Constantine Curris, President University of Northern Iowa

"We have got to get that word 'protection' out of being just part of the EPA's mission and make environmental protection everybody's mission."

- Dr. Erhard Joeres University of Wisconsin

The seriousness and complexity of our nation's environmental problems require fundamental shifts in how we approach their solution. Having concluded that the traditional "end of the pipe" strategy is not sufficient, the EPA Administrator has articulated a new approach, which emphasizes problem prevention, sustainable development, and the need for an enhanced environmental ethic among all segments of the public.

The ultimate success of this new approach will be greatly influenced by the public's understanding of the seriousness of problems like ozone depletion and solid waste disposal, and the role which each individual can play in reducing or eliminating them. The challenge is a dual one -- raising the scientific and technical literacy of our youth so that they approach environmental problems responsibly throughout their lives, and raising the level of awareness of today's adults, so that they actively support the shift to a vision of sustainable development and pollution prevention which are critical to addressing today's problems.

Enhancing the environmental literacy of our youth involves confronting a number of problems which many Federal, state and local organizations are also addressing as part of a national effort to improve our youth's scientific and technical skills. These problems include the lack of teaching material which integrates scientific and technical subjects into the teaching of other disciplines, the need to improve the teaching skills of educators in the scientific and technical subjects, and the need to provide young people with information about career opportunities in the environmental professions to motivate them to acquire more scientific and technical training.

A key challenge to broadening the public's awareness of environmental problems, and articulating the need for more environmentally sensitive personal behavior, is the problem of how to communicate information about specific changes in personal behavior which is both concrete and persuasive to a broad cross-section of the general public. Bringing about changes in professional behavior could be even more difficult, since it involves convincing public and private sector decisionmakers that they need to view problem prevention and sustainable development as economic necessities as well as environmental realities.

STRATEGIC PLAN

III. Program Goals and Approach

"Because the best resources that we have to respond to these problems are our citizens, whether at the national, state, or local level, it is critically important that our young people have a strong foundation in science and math".

*- F. Henry Habicht II
Deputy Administrator
U.S. Environmental
Protection Agency*

Finally, as we develop a strategic vision for the next several years, it is more clear than ever that we need an adequate supply of world-class scientists and engineers to develop and promote more innovative and preventative solutions to environmental problems. As the public becomes more aware of the urgency of global environmental problems, EPA and other agencies will be required to respond with high quality research, innovative analysis, and sound strategies for public involvement. Thus, as a nation we have a strong vested interest in assuring that students emerging from the education "pipeline" are math and science literate, and motivated to pursue environmental careers. The major challenge to achieving this goal involves reversing a growing shortfall for professional scientists and engineers in America that could be as much as half-a-million people by the year 2000.

In developing a strategic plan which equips the Office of Environmental Education to address the challenges discussed above, the Environmental Education Task Force consulted with numerous leaders in this field, and participated in the ongoing discussions which FCCSET is coordinating to develop a National Education Priority Framework. Based on these discussions and other fact-finding, the Task Force has structured a Program which emphasizes a leadership role in articulating specific national goals for environmental education and working with and supporting existing organizations and networks to accomplish those goals.

The Agency's Environmental Education Program will foster an enhanced environmental ethic in society by:

- Educating our youth in the environmental sciences and about man's impact on the environment;
- Training future environmental professionals; and
- Building public awareness and understanding of major environmental problems on both a national and international level.

The Program will initially focus on two areas. The first is education, where the emphasis will be on improving the basic environmental literacy of our youth, and stimulating interest in environmental careers among college and technical school students. The second area is targeted toward the general public

STRATEGIC PLAN

Fundamentally, EPA views support of better math and science education -- in all sectors -- as important to society's well-being.

EPA submission to FCCSET's Education and Human Resources Committee

A. Youth Education Activities

and involves creating a deeper understanding of the impact of personal and professional behaviors on the environment.

The educational component is structured to fully support the President's education goals in science, engineering and technology and, in particular, the goals of preparing our youth for responsible citizenship, and of being first in the world in science and mathematics achievement. The Program focuses on three specific groups: students in grades K through 12; college, university, and school of education students; and community and technical college students.

In the public awareness component of the Program, the emphasis will be on changing our thinking about environmental problems - from "an end of the pipe" approach to one which emphasizes prevention - and on articulating a vision of sustainable development, where a sound economy coexists with a healthy environment. To do this successfully, the Program must reach as many people as possible with a rich mix of information and specific ideas, to motivate environmentally responsible behavior and to inform the public about the role which it can play to make that vision a reality.

Both aspects of the Program are structured to take full advantage of the leverage offered by working with and supporting the efforts of Federal, non-profit, and private sector organizations whose goal is to promote informed, responsible environmental citizenship.

The intent of the educational program is to substantially increase the amount and quality of basic environmental education being taught, and the number of students being reached. The Program defines "environmental education" to include a mix of educational disciplines and contexts, ranging from classroom-based instruction in science and mathematics to experiential learning in outdoor settings.

STRATEGIC PLAN

**The Program is
Consistent with
National
Education Priority
Framework**

The Program's strategic objectives and major activities are consistent with those of the President's National Education Priority Framework, as defined by the Federal Coordinating Council on Science, Engineering and Technology's (FCCSET) Committee on Education and Human Resources. The Program will closely coordinate its activities with those of the other Federal, state and local agencies which are pursuing these objectives to ensure the maximum possible benefit to the American public.

The Program has identified specific goals and activities for three major student audiences: K-12th grade; college and university; and community college and technical school students.

**1. K-12th Grade
Students**

Substantially expanding the amount of basic environmental education being provided to children in the K through 12th grade age group, is key to increasing the scientific literacy of our youth. This area of the Program will also strongly emphasize development of an environmental ethic which encourages environmentally responsible behavior, since this objective is more achievable with a youthful audience. It also reflects the finding that a major obstacle in current efforts to inform and motivate changes in adult behavior is the historic gap in the basic education of students in grades K through 12 in basic science and technology.

To address these challenges, the Program has established three broad objectives for improving the environmental literacy of K-12th grade students:

**Three Objectives
for K-12th Grade
Students**

- Encourage states to increase the amount of environmental education being provided to students in these grades;
- Ensure that topical environmental issues are part of an environmental education curriculum, and that students are also exposed to a range of experiences and opportunities for learning about environmental issues; and
- Infuse environmental education topics into all basic subjects taught in grades K through 12, where they can provide an integrating context for subjects such as math, English, government, economics, and help capture the interest and enthusiasm of our youth for scientific and mathematics subjects in general.

STRATEGIC PLAN

These objectives reflect the Program's overall strategic approach of articulating a clear national goal -- in this case, reaching all students in grades K through 12th with training in environmental science -- and working with and supporting other organizations in a common effort to achieve this goal.

Program Tactics

Among the specific tactics which the Program will pursue to achieve its objectives for K through 12th grade students are the following:

- Working to incorporate environmental education topics in the new national testing program for grades 4, 8, 12;
- Utilizing grants and other funding mechanisms to facilitate the development of comprehensive teaching materials which will better equip teachers to teach environmental education subjects; and
- Developing an inexpensive system to distribute teaching materials, and provide training and support to teachers.

The chart on the next page provides more specific details on the key activities of this Program area.

2. College, University and School of Education Students

At the college and university level, environmental science is rarely included as a core component of liberal arts or technical degree programs. As a result, relatively few college graduates are adequately trained for, or interested in, careers in environmental professions. Further, there is little sustained effort to build upon the environmental science training which some students are now receiving in grades K through 12th.

In addition, Schools of Education have only recently begun to develop programs which emphasize improving the scientific and technical literacy of future teachers. Quality environmental education at all levels requires teachers who are proficient in the basic environmental sciences, and who are trained in how to incorporate environmental topics into all of the subjects being taught in our schools.

STRATEGIC PLAN

Overview of Strategy for K-12 Audience

<i>Objectives</i>	<i>Summary of Approach</i>	<i>Major Tasks</i>
<ul style="list-style-type: none"> • States increase the amount of environmental education being provided to students • Ensure that topical environmental issues are part of an environmental education curriculum • Infuse environmental education topics in all other core subjects (math, geography, literature, etc.) • Encourage the development of innovative environmental education programs which include both formal and informal settings • Increase the number of teachers who are able and willing to teach environmental science courses • Build public support for increasing the amount of environmental education being provided to students 	<ul style="list-style-type: none"> • Stimulate demand for environmental education curricula and teaching material by encouraging states to increase amount of environmental education • Develop teaching material, and design a mechanism which makes it easily available to teachers • Design and implement a support system for educators which makes maximum use of existing mechanisms • Enhance the visibility of environmental education 	<ul style="list-style-type: none"> • Develop strategy to encourage states to increase environmental education in formal and informal settings • Develop strategy to incorporate environmental education subjects in the new national testing program (Grade 4,8,12) • Work with Fed., state, local officials involved in programs to improve math/science teacher training (pre-service & in-service) • Showcase success stories; develop a mechanism to provide financial rewards for teachers who are leaders • Assess all currently available material from National Wildlife Foundation, Project WILD, National Geographic, etc., and categorize by grade level, subject matter, media, etc. • Use grants to fund development of a "basic literacy curriculum" in environmental ed. Use it to identify gaps in available material • Develop mechanism(s) to produce and distribute material to teachers cheaply and easily • Use grants/award programs to stimulate development of this material • Evaluate existing programs that provide this type of service to teachers at all regional, state, and local level (National Geographic's "Geographical Alliances," Project WILD, AEE's National Network of Env. Ed. centers, TVA's regional centers, etc.) • Identify what needs to be done to leverage existing channels; to enhance the amount and type of support they offer to local teachers of K-12; and to establish a mechanism for monitoring their performance in pursuit of OEE's objectives • Structure a program for staging bi-annual Youth Forums as means to periodically focus national attention on this area. Define annual awards programs for both visibility and impact on major barriers

STRATEGIC PLAN

Objectives for College, and University Students

The Environmental Education Program has identified the following objectives for its initiatives addressing college and university students:

- ❑ Improve teacher training by adding courses in environmental education to School of Education curricula, graduation requirements, and teacher certification requirements;
- ❑ Build the environmental ethic and literacy of students, by incorporating environmental education in liberal arts curricula; and
- ❑ Motivate students to pursue environmentally-oriented careers by helping to create internship opportunities in non-profit, public sector and private sector settings.

Program Tactics

Emphasis will be given to working with federal, state and local offices to incorporate environmental education in teacher training curricula and degree requirements. In particular, the Program will actively support the FCCSET Committee's efforts to substantially upgrade the scientific and technical content of our nation's teacher training programs. These efforts are driven by the fact that it is far more cost-effective to train teachers in environmental education at this stage of their career, rather than relying on the more costly alternative of in-service training later.

The Program will also encourage ongoing efforts to develop teaching material and curricula for college-level courses in environmental education, and will work to create an efficient mechanism for sharing this material among interested universities and faculty members.

Promote Increase in Supply of Environmental Professionals

Furthermore, the Program will initiate efforts to increase the supply of college and university graduates choosing environmental professions by creating internship opportunities for students, and by developing an outreach program to educate college placement officials about career opportunities in these environmental professions. Special emphasis will be placed on developing mechanisms to reach minority students, and to encourage their participation in degree programs which equip them for environmental careers.

Additional components of the Program's strategy for reaching these students are presented in the following chart.

STRATEGIC PLAN

Overview of Strategy for College, University, and School of Education Students

<i>Objectives</i>	<i>Summary of Approach</i>	<i>Major Tasks</i>
<ul style="list-style-type: none"> • Improve teacher training by adding courses in environmental education to School of Education curricula, graduation requirements, and certification requirements • Increase supply of graduates choosing environmental careers • Continue to build literacy of students by incorporating environmental education in liberal arts curricula 	<ul style="list-style-type: none"> • Stimulate demand for environmental education courses • Stimulate development of environmentally-oriented internship opportunities to expose students to possible career paths • Provide assistance in developing curricula, degree requirements, and teaching material 	<ul style="list-style-type: none"> • Create demand for courses in environmental topics by encouraging states to include it in their teacher certification requirements • Fund programs to train in-service teachers in environmental education subjects, and publicize its availability • Create internship opportunities for undergrad/grad students to reinforce message that it's a viable career path • Develop outreach program to educate placement officials about career opportunities • Work with faculty and administrators of historically black colleges to build interest in these programs • Use grants to fund development of model curricula, building on existing programs • Encourage development of a support system that is keyed to needs of college-level faculty who want to teach environmental education • Reward innovative practitioners who develop material that can be shared • Create mechanism to package teaching material and to make it easily accessible

STRATEGIC PLAN

3. Community College and Technical School Students

Because the degree programs which are offered by most community colleges and technical schools are oriented to training students for specific professions which do not require a four year degree, these schools are potentially a very valuable resource for training many types of environmental professionals (e.g., waste reduction experts, hazardous material managers, environmental impact appraisers). In addition, these schools could provide an accessible and efficient mechanism for making worker training programs available nationwide, in response to new laws which require most industrial and semi-industrial workers in the U.S. to receive training in the hazards of the materials with which they work.

Objectives for Community College and Technical School Students

To exploit these opportunities, the Program will pursue the following goals for this category of schools:

- Promote the development of two-year degree two-year programs in environmental specialties;
- Encourage the graduates of existing environmental programs at two year schools to pursue careers in environmental professions; and
- Explore how best to create or expand two-year school training programs to provide environmentally-oriented worker training.

Program Tactics

A key tactic in the Program's efforts to achieve these objectives will be to determine where demand currently exists, and in the future will exceed the supply for trained environmental professionals. This information will help in developing a targeted program for educating administrators and faculty at community colleges about the benefits of establishing environmental degree programs, and encouraging their graduates to pursue environmental careers. Strong emphasis will be placed on reaching minority students with this message.

Promote Worker Training Programs

The Program will also work with NACETT's Environmental Education and Training Committee to explore the feasibility of encouraging community colleges and technical schools to aggressively develop environmentally-oriented worker training programs. This initiative will build upon the Committee's recent recommendation to the Administrator

STRATEGIC PLAN

that a network of "environmental training centers" be established. By co-locating these training programs with two-year degree programs in environmental and technical professions, both objectives can be achieved more quickly and cost effectively.

The following chart presents additional details regarding the Program's strategy for community colleges and technical schools.

Overview of Strategy for Community College and Technical School Students

<i>Objectives</i>	<i>Summary of Approach</i>	<i>Major Tasks</i>
<ul style="list-style-type: none"> • Stimulate development of two year degree programs to increase the supply of environmental professionals. • Develop teaching material base to support development of curricula for entire higher education audience • Explore the feasibility of providing worker training via community colleges and technical schools 	<ul style="list-style-type: none"> • Stimulate demand for degree programs in environmental education • Develop process to assemble, evaluate, and disseminate information on curricula and teaching material • Identify the goals and content of newly mandated environmental worker training programs, and assess the cost effectiveness of broadening two-year programs in environmental professions to provide this training 	<ul style="list-style-type: none"> • Document where the demand exists for environmental professionals, what type of training is needed, and what programs already exist to train them and place them • Educate deans/placement officials re career options in this field, growth in demand, etc. • Use grants to establish one or two demo projects that are likely to be successful, and offer incentives to community colleges to establish these programs • Create internships and placement programs to help students find jobs • Design a process to collect and evaluate curricula and teaching materials which are in use in successful 2 years degree programs; and to distribute it to community/technical colleges that are interested in starting programs • Define curricula for worker training programs • Identify two or three alternative approaches, including community college-based programs • Evaluate the feasibility of each alternative and define the most cost-effective approach • Recommend a strategy to implement the preferred alternative

STRATEGIC PLAN

C. General Public Awareness Activities

This part of the Environmental Education Program has two broad goals: First, to convince the public that adequately addressing our nation's environmental problems requires a fundamental shift in how we think about environmental problems. Second, to educate the public about specific actions which we as individuals can take to have a positive impact on the environment.

Objectives

The public awareness Program is structured to support and build upon the Agency's ongoing efforts to promote a vision of sustainable development and pollution prevention, and to effectively communicate the economic realities of shrinking supplies of natural resources and growing waste disposal and clean-up costs. A key challenge will be to promote more effective communication about new technologies and production processes, so that decisionmakers have the information they need to respond to the Agency's vision of sustainable development and pollution prevention.

To motivate the general public to be more environmentally sensitive in its personal behavior requires the Program to reach the maximum number of people with suggestions about specific actions which can be taken, on a personal level, to reduce environmental problems. Many existing organizations at the Federal, state, and local levels share this goal, and would support the Program's effort. The Program is structured to capitalize on this support, and thereby leverage its limited resources, by pursuing the following tactics:

Program Tactics

- Develop a comprehensive media strategy which emphasizes reaching as much of the general public as possible with a consistent set of environmental themes and information about specific actions which can make a difference;
- Work with EPA and other Federal officials to identify opportunities to share public awareness materials with the international community;
- Work with youth groups and community-based organizations such as Nature Centers and garden clubs to more effectively promote the services which they provide, and to increase the public's access to these services;

STRATEGIC PLAN

- Work with organizations such as the Alliance for Environmental Education to insure that its members are fully aware of the Program's public awareness messages, and are incorporating them in their own outreach activities; and
- Work in close coordination with members of the NACETT's Environmental Education and Training Committee and other non-profit and private sector organizations to formulate strategies for improving public awareness and understanding of our nation's environmental problems.

The following chart presents further detail about the Program's tactics for reaching the general public.

Overview of Strategy for Reaching General Public

<i>Objectives</i>	<i>Summary of Approach</i>	<i>Major Tasks</i>
<ul style="list-style-type: none"> • Structure an outreach program to enlist the media's support in communicating the Program's message • Develop mechanisms to build coalitions with groups and individuals • Define process for sharing materials with international audiences • Conduct public awareness program regarding two or three environmental problems to educate the public about consequences of their behavior 	<ul style="list-style-type: none"> • Define a strategy to work cooperatively with the media to convey the Program's major themes • Identify priority opportunities to develop joint-ventures with private sector, non-profit and/or public sector groups • Identify strategy for collaborating with international groups to share materials • Develop public awareness strategy keyed to two or three issues 	<ul style="list-style-type: none"> • Develop specific goals and tactics for broad media outreach program • Develop mechanism to identify and evaluate joint-venture opportunities • Identify issues with an international focus and define strategy for sharing materials; structure an approach for identifying targets of opportunity • Identify two or three environmental issues with a national focus. • Develop public awareness campaign, strategy and materials

STRATEGIC PLAN

**V. Establish
Foundation to
Raise Funds to
Support
Program's
Goals**

An essential factor in the success of such a broadly-based and ambitious effort is the availability of sufficient resources. Both the scope of the overall program and the intensity with which each of its components can be pursued is largely dependent on the level of available resources. Thus, the EPA Environmental Education Program supports an approach similar to the one articulated in H.R. 3684 to establish an independent foundation to raise funds from the private and non-profit sectors for use in supporting an expanded environmental information and education program.

For example, as outlined in H.R. 3684, such a foundation would be a charitable, nonprofit corporation whose board would be appointed by the EPA Administrator. National environmental education policies and priorities would be set by the Administrator, via the Office of Environmental Education, and the Foundation's Board would fund activities which implement those priorities and goals.

Regardless of its exact nature, once such a foundation has been established, it would work with EPA's Office of Environmental Education to coordinate each group's efforts in order to achieve the Administrator's environmental education goals.