

CS FOR SENATE BILL NO. 94(EDC)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE EDUCATION COMMITTEE

Offered: 4/23/21

Referred: Finance

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the education loan program and Alaska supplemental education**
2 **loan program; and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 *** Section 1.** AS 14.43.122(b) is amended to read:

5 (b) For a borrower to be eligible for consolidation of a loan under this section,
6 the borrower must apply on a form approved by the corporation and **must** [PROVIDE
7 PROOF SATISFACTORY TO THE CORPORATION THAT THE BORROWER]

8 (1) physically **reside** [RESIDES] in the state and **have** [HAS]
9 maintained a domicile in the state for not less than 12 consecutive months before
10 submitting an application for consolidation;

11 (2) **be a previous borrower, cosigner, or beneficiary of an**
12 **education loan made under AS 14.43 or AS 14.44** [HAS NOT BEEN
13 PHYSICALLY ABSENT FROM THE STATE FOR MORE THAN 60 DAYS IN
14 THE 12 MONTHS BEFORE SUBMITTING AN APPLICATION FOR

1 CONSOLIDATION]; or

2 (3) be a graduate of a high school or postsecondary institution
 3 physically located in the state [HAS NOT DECLARED RESIDENCY IN
 4 ANOTHER STATE];

5 (4) HAS NOT RECEIVED A BENEFIT OF RESIDENCY IN
 6 ANOTHER STATE].

7 * **Sec. 2.** AS 14.43.173(a) is amended to read:

8 (a) In a school year, the corporation may finance a loan to an eligible borrower
 9 under AS 14.43.170 - 14.43.175 attending an eligible postsecondary institution in a
 10 maximum amount to be determined by the corporation for an eligible [NOT TO
 11 EXCEED]

12 (1) undergraduate attending a college or university [\$14,000 TO
 13 AN ELIGIBLE UNDERGRADUATE STUDENT ATTENDING A COLLEGE OR
 14 UNIVERSITY];

15 (2) graduate student attending a college or university [\$15,000 TO
 16 AN ELIGIBLE GRADUATE STUDENT ATTENDING A COLLEGE OR
 17 UNIVERSITY]; and

18 (3) student attending a career education program [\$10,000 TO AN
 19 ELIGIBLE STUDENT ATTENDING A CAREER EDUCATION PROGRAM].

20 * **Sec. 3.** AS 14.43.173(b) is amended to read:

21 (b) The corporation may finance loans made under AS 14.43.170 - 14.43.175
 22 to an eligible [A] borrower in a maximum total [AN] amount to be determined by
 23 the corporation for [THAT IS NOT MORE THAN]

24 (1) an [A TOTAL OF \$56,000 FOR] undergraduate study program;

25 (2) a [TOTAL OF \$60,000 FOR] graduate study program; and [; OR]

26 (3) a combined [TOTAL OF \$87,000 FOR] undergraduate and
 27 graduate study program.

28 * **Sec. 4.** AS 14.43.173(d) is amended to read:

29 (d) The commission shall determine a borrower's loan award amount for a
 30 specific school year [BASED ON A STUDENT'S ON-TIME, HALF-TIME, AND
 31 FULL-TIME STUDENT STATUS] and may not exceed the limits established by the

1 **corporation** [IN THIS SECTION] or the borrower's costs of attendance.

2 * **Sec. 5.** AS 14.43.175 is amended to read:

3 **Sec. 14.43.175. Repayment of loans.** A borrower's obligation to commence
4 repayment of the principal of and interest on a loan under AS 14.43.170 - 14.43.175
5 begins not **later** [MORE] than six months following the borrower's completion or
6 other termination of the postsecondary program or the date that the borrower ceases to
7 be enrolled on at least a half-time basis. **The commission and borrower may agree**
8 **to a repayment schedule commencing repayment immediately upon**
9 **disbursement of a loan.**

10 * **Sec. 6.** AS 14.43 is amended by adding new sections to read:

11 **Sec. 14.43.940. Economies of scale.** When administering the education loan
12 program under AS 14.43.091 - 14.43.160 and the Alaska supplemental education loan
13 program under AS 14.43.170 - 14.43.175, the commission shall attempt to achieve
14 economies of scale.

15 **Sec. 14.43.950. Report to the legislature.** Not later than December 31 of each
16 year, the commission shall submit to the legislature a report evaluating the benefit
17 provided to Alaska students by the education loan program under AS 14.43.091 -
18 14.43.160 and the Alaska supplemental education loan program under AS 14.43.170 -
19 14.43.175. The commission shall deliver the report to the senate secretary and the
20 chief clerk of the house of representatives and notify the legislature that the report is
21 available.

22 * **Sec. 7.** This Act takes effect July 1, 2021.