

CS FOR HOUSE BILL NO. 229(EDC)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - SECOND SESSION

BY THE HOUSE EDUCATION COMMITTEE

Offered: 2/14/22

Referred: Finance

Sponsor(s): REPRESENTATIVES JOSEPHSON, Drummond, Story, Schrage

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the Alaska higher education investment trust fund; and relating to**
2 **the Alaska Student Loan Corporation."**

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

4 *** Section 1.** AS 14.42.200 is amended to read:

5 **Sec. 14.42.200. General powers.** In addition to other powers granted in this
6 chapter, the corporation may

7 (1) sue and be sued in its own name;

8 (2) adopt an official seal;

9 (3) adopt regulations under AS 44.62 (Administrative Procedure Act)

10 to carry out the purposes of this chapter;

11 (4) make and execute agreements, contracts, and other instruments
12 necessary or convenient in the exercise of the powers and functions of the corporation,
13 including contracts with a person or governmental entity;

14 (5) receive, take, hold, and administer, on behalf of the corporation and

1 for any of its purposes, any appropriation, gift, grant, bequest, devise, or donation of
2 real property or personal property; in this paragraph, "property" includes

3 (A) money; and

4 (B) life estates, leases, or other interests in property;

5 (6) borrow money as provided in this chapter to carry out its corporate
6 purposes and issue its obligations as evidence of the borrowing, if that obligation of
7 the corporation is not a debt of the state;

8 (7) include in a borrowing the amounts to pay financing charges,
9 interest on the obligations for a period not exceeding one year after the date on which
10 the corporation estimates funds will otherwise be available to pay the interest,
11 consultant, advisory, and legal fees, and other expenses necessary or incident to the
12 borrowing;

13 (8) invest or reinvest, subject to its contracts with noteholders and
14 bondholders, money held by the corporation as set out in AS 37.10.071;

15 (9) set and collect interest, fees, and charges in connection with
16 education loans or repayment obligations held by the corporation and its servicing
17 agents; in this paragraph, "charges" includes costs of financing by the corporation,
18 service charges, insurance premiums, and other costs incurred by the corporation in
19 carrying out its corporate purposes;

20 (10) gather information on postsecondary education financial resources
21 available to residents of this state and disseminate the information to reasonably assure
22 that qualified residents are aware of those financial resources;

23 (11) service education loans and repayment obligations held by the
24 corporation;

25 (12) finance, purchase, or participate in the financing or purchasing of
26 education loans;

27 (13) contract in advance for the financing, purchasing, or sale of
28 education loans;

29 (14) sell or participate in the sale, either public or private and on terms
30 authorized by the board, of education loans to the Student Loan Marketing Association
31 or to other purchasers;

1 (15) collect and pay reasonable fees and charges in connection with the
2 financing, purchase, sale, and servicing of education loans and repayment obligations;

3 (16) enter into agreements with the federal government, including
4 guaranty agreements and supplemental guaranty agreements as described in 20 U.S.C.
5 1001 - 1155, as amended, as necessary to provide for the receipt by the corporation of
6 administrative allowances and other benefits available under 20 U.S.C. 1001 - 1155,
7 as amended;

8 (17) administer federal money allotted to the state involving insured
9 education loans and related administrative costs and other matters;

10 (18) enter into agreements with the commission relating to education
11 loans and repayment obligations, the administration of the financial aid and loan
12 programs under AS 14.42.033, AS 14.43.091 - 14.43.849 [AS 14.43.091 - 14.43.750],
13 14.43.990, and AS 14.44, and the payment of and security for bonds of the
14 corporation;

15 (19) to the extent permitted under contracts with bondholders, consent
16 to the modification of the rate of interest, time of payment of an installment of
17 principal or interest, or other terms of an education loan or repayment obligation held
18 by the corporation;

19 (20) procure insurance against any loss in connection with the
20 operation of its programs;

21 (21) provide advisory services to borrowers and other participants in
22 the corporation's programs;

23 (22) enter into credit facility agreements and make pledges, covenants,
24 and agreements with respect to the repayment of borrowings under the credit facility
25 agreements;

26 (23) develop and implement education financing programs; in this
27 paragraph, "programs" includes

28 (A) programs listed in AS 14.42.030(b)(1);

29 (B) programs for the guaranteeing, servicing, originating, and
30 financing of education loans for borrowers located both inside and outside the
31 state; and

1 (C) federal financial aid programs made under federal law; and
 2 (24) perform acts that may be necessary or appropriate to carry out
 3 effectively the general objectives and purposes of the corporation under AS 14.42.100
 4 - 14.42.990.

5 * **Sec. 2.** AS 14.42 is amended by adding a new section to read:

6 **Sec. 14.42.203. Creation of subsidiary.** (a) The corporation may create a
 7 subsidiary corporation for the purpose of financing or facilitating the financing of
 8 medical education under AS 14.42.033, the Alaska education grant program under
 9 AS 14.43.400 - 14.43.420, and the Alaska performance scholarship program under
 10 AS 14.43.810 - 14.43.849. A subsidiary corporation created under this section may be
 11 incorporated under AS 10.20.146 - 10.20.166. The corporation may transfer assets of
 12 the corporation to a subsidiary created under this section.

13 (b) Notwithstanding AS 14.42.300(a), a subsidiary created under this section
 14 is subject to AS 37.

15 (c) Unless otherwise provided by the corporation, the debts, liabilities, and
 16 obligations of a subsidiary corporation created under this section are not the debts,
 17 liabilities, or obligations of the corporation.

18 * **Sec. 3.** AS 14.43.915(a) is amended to read:

19 (a) The Alaska education grant account is created as an account **of** [IN] the
 20 **Alaska Student Loan Corporation** [GENERAL FUND]. Money may be
 21 appropriated to the account from the Alaska higher education investment **trust** fund
 22 under AS 37.14.750 and from other sources. The commission may use the money in
 23 the account **without further appropriation** to pay grants awarded under
 24 AS 14.43.400 - 14.43.420 and to pay the cost of administration of the Alaska
 25 education grant program created under AS 14.43.400.

26 * **Sec. 4.** AS 14.43.915(b) is amended to read:

27 (b) The Alaska performance scholarship award account is created as an
 28 account **of** [IN] the **Alaska Student Loan Corporation** [GENERAL FUND]. Money
 29 may be appropriated to the account from the Alaska higher education investment **trust**
 30 fund under AS 37.14.750 and from other sources. The commission may use the money
 31 in the account **without further appropriation** to pay scholarships awarded to

1 students under AS 14.43.810 - 14.43.849.

2 * **Sec. 5.** AS 14.43.915(c) is amended to read:

3 (c) Of the total amount available annually to the commission for payment of
4 grants under AS 14.43.400 - 14.43.420 and for payment of scholarships under
5 AS 14.43.810 - 14.43.849, one-third of the combined amount in the accounts
6 established under (a) and (b) of this section shall be available solely for payment of
7 grants awarded under AS 14.43.400 - 14.43.420. The commission shall annually
8 allocate to all qualified applicants for scholarships awarded under AS 14.43.810 -
9 14.43.849 two-thirds of the combined amount in the accounts. If an insufficient
10 number of qualified applicants are awarded grants under AS 14.43.400 - 14.43.420 or
11 scholarships under AS 14.43.810 - 14.43.849, or both, before the end of that fiscal
12 year, the commissioner shall redeposit the remaining funds into the Alaska higher
13 education investment **trust** fund established under AS 37.14.750.

14 * **Sec. 6.** AS 37.14.750(a) is amended to read:

15 (a) The Alaska higher education investment **trust** fund is established **as a**
16 **separate fund of** [IN] the **Alaska Student Loan Corporation** [GENERAL FUND]
17 for the purpose of making grants awarded under AS 14.43.400 - 14.43.420 by
18 appropriation to the account established under AS 14.43.915(a), [AND OF] making
19 scholarship payments to qualified postsecondary institutions for students under
20 AS 14.43.810 - 14.43.849 by appropriation to the account established under
21 AS 14.43.915(b), **and funding agreements for medical education under**
22 **AS 14.42.033**. Money in the fund does not lapse. The fund consists of

- 23 (1) money appropriated to the fund;
24 (2) income earned on investment of fund assets;
25 (3) donations to the fund; and
26 (4) money redeposited under AS 14.43.915(c).

27 * **Sec. 7.** AS 37.14.750(d) is amended to read:

28 (d) In this section, unless the context requires otherwise, "fund" means the
29 Alaska higher education investment **trust** fund established in (a) of this section.

30 * **Sec. 8.** AS 37.14.750 is amended by adding new subsections to read:

31 (e) The commissioner of revenue is a fiduciary of the Alaska higher education

1 investment trust fund. In managing the fund, the commissioner shall

2 (1) have the powers and duties set out in AS 37.10.071; and

3 (2) invest money in the fund so as to yield competitive market rates as
4 provided in AS 37.10.071.

5 (f) In addition to the appropriations under (c) of this section, money in the
6 fund may be appropriated to reimburse

7 (1) the Department of Revenue for the costs of managing the fund; and

8 (2) other costs of administering the fund.

9 * **Sec. 9.** AS 43.20.014(a) is amended to read:

10 (a) A taxpayer is allowed a credit against the tax due under this chapter for
11 contributions of cash or equipment accepted for

12 (1) direct instruction, research, and educational support purposes,
13 including library and museum acquisitions, and contributions to endowment, by an
14 Alaska university foundation, by a nonprofit, public or private, Alaska two-year or
15 four-year college accredited by a national or regional accreditation association, or by a
16 public or private nonprofit elementary or secondary school in the state;

17 (2) secondary school level vocational education courses, programs, and
18 facilities by a school district in the state;

19 (3) vocational education courses, programs, equipment, and facilities
20 by a state-operated vocational technical education and training school, a nonprofit
21 regional training center recognized by the Department of Labor and Workforce
22 Development, and an apprenticeship program in the state that is registered with the
23 United States Department of Labor under 29 U.S.C. 50 - 50b (National Apprenticeship
24 Act);

25 (4) a facility by a nonprofit, public or private, Alaska two-year or four-
26 year college accredited by a national or regional accreditation association or by a
27 public or private nonprofit elementary or secondary school in the state;

28 (5) Alaska Native cultural or heritage programs and educational
29 support, including mentoring and tutoring, provided by a nonprofit agency for public
30 school staff and for students who are in grades kindergarten through 12 in the state;

31 (6) education, research, rehabilitation, and facilities by an institution

1 that is located in the state and that qualifies as a coastal ecosystem learning center
2 under the Coastal America Partnership established by the federal government;

3 (7) the Alaska higher education investment trust fund under
4 AS 37.14.750;

5 (8) funding a scholarship awarded by a nonprofit organization to a
6 dual-credit student to defray the cost of a dual-credit course, including the cost of

7 (A) tuition and textbooks;

8 (B) registration, course, and programmatic student fees;

9 (C) on-campus room and board at the postsecondary institution
10 in the state that provides the dual-credit course;

11 (D) transportation costs to and from a residential school
12 approved by the Department of Education and Early Development under
13 AS 14.16.200 or the postsecondary school in the state that provides the dual-
14 credit course; and

15 (E) other related educational and programmatic costs;

16 (9) constructing, operating, or maintaining a residential housing
17 facility by a residential school in the state approved by the Department of Education
18 and Early Development under AS 14.16.200;

19 (10) childhood early learning and development programs and
20 educational support to childhood early learning and development programs provided
21 by a nonprofit corporation organized under AS 10.20, a tribal entity, or a school
22 district in the state, by the Department of Education and Early Development, or
23 through a state grant;

24 (11) science, technology, engineering, and math programs provided by
25 a nonprofit agency or a school district for school staff and for students in grades
26 kindergarten through 12 in the state; and

27 (12) the operation of a nonprofit organization dedicated to providing
28 educational opportunities that promote the legacy of public service contributions to the
29 state and perpetuate ongoing educational programs that foster public service
30 leadership for future generations of residents of the state.

31 * **Sec. 10.** AS 43.55.019(a) is amended to read:

1 (a) A producer of oil or gas is allowed a credit against the tax levied by
2 AS 43.55.011(e) for contributions of cash or equipment accepted for

3 (1) direct instruction, research, and educational support purposes,
4 including library and museum acquisitions, and contributions to endowment, by an
5 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or
6 four-year college accredited by a national or regional accreditation association;

7 (2) secondary school level vocational education courses, programs, and
8 facilities by a school district in the state;

9 (3) vocational education courses, programs, equipment, and facilities
10 by a state-operated vocational technical education and training school, a nonprofit
11 regional training center recognized by the Department of Labor and Workforce
12 Development, and an apprenticeship program in the state that is registered with the
13 United States Department of Labor under 29 U.S.C. 50 - 50b (National Apprenticeship
14 Act);

15 (4) a facility by a nonprofit, public or private, Alaska two-year or four-
16 year college accredited by a national or regional accreditation association;

17 (5) Alaska Native cultural or heritage programs and educational
18 support, including mentoring and tutoring, provided by a nonprofit agency for public
19 school staff and for students who are in grades kindergarten through 12 in the state;

20 (6) education, research, rehabilitation, and facilities by an institution
21 that is located in the state and that qualifies as a coastal ecosystem learning center
22 under the Coastal America Partnership established by the federal government; and

23 (7) the Alaska higher education investment **trust** fund under
24 AS 37.14.750.

25 * **Sec. 11.** AS 43.56.018(a) is amended to read:

26 (a) The owner of property taxable under this chapter is allowed a credit
27 against the tax due under this chapter for contributions of cash or equipment accepted
28 for

29 (1) direct instruction, research, and educational support purposes,
30 including library and museum acquisitions, and contributions to endowment, by an
31 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or

1 four-year college accredited by a national or regional accreditation association;

2 (2) secondary school level vocational education courses, programs, and
3 facilities by a school district in the state;

4 (3) vocational education courses, programs, and facilities by a state-
5 operated vocational technical education and training school;

6 (4) a facility by a nonprofit, public or private, Alaska two-year or four-
7 year college accredited by a national or regional accreditation association;

8 (5) Alaska Native cultural or heritage programs and educational
9 support, including mentoring and tutoring, provided by a nonprofit agency for public
10 school staff and for students who are in grades kindergarten through 12 in the state;

11 (6) education, research, rehabilitation, and facilities by an institution
12 that is located in the state and that qualifies as a coastal ecosystem learning center
13 under the Coastal America Partnership established by the federal government; and

14 (7) the Alaska higher education investment trust fund under
15 AS 37.14.750.

16 * **Sec. 12.** AS 43.65.018(a) is amended to read:

17 (a) A person engaged in the business of mining in the state is allowed a credit
18 against the tax due under this chapter for contributions of cash or equipment accepted
19 for

20 (1) direct instruction, research, and educational support purposes,
21 including library and museum acquisitions, and contributions to endowment, by an
22 Alaska university foundation, by a nonprofit, public or private, Alaska two-year or
23 four-year college accredited by a national or regional accreditation association, or by a
24 public or private nonprofit elementary or secondary school in the state;

25 (2) secondary school level vocational education courses, programs, and
26 facilities by a school district in the state;

27 (3) vocational education courses, programs, and facilities by a state-
28 operated vocational technical education and training school;

29 (4) a facility by a nonprofit, public or private, Alaska two-year or four-
30 year college accredited by a national or regional accreditation association or by a
31 public or private nonprofit elementary or secondary school in the state;

1 (5) Alaska Native cultural or heritage programs and educational
2 support, including mentoring and tutoring, provided by a nonprofit agency for public
3 school staff and for students who are in grades kindergarten through 12 in the state;

4 (6) education, research, rehabilitation, and facilities by an institution
5 that is located in the state and that qualifies as a coastal ecosystem learning center
6 under the Coastal America Partnership established by the federal government;

7 (7) the Alaska higher education investment trust fund under
8 AS 37.14.750;

9 (8) funding a scholarship awarded by a nonprofit organization to a
10 dual-credit student to defray the cost of a dual-credit course, including the cost of

11 (A) tuition and textbooks;

12 (B) registration, course, and programmatic student fees;

13 (C) on-campus room and board at the postsecondary institution
14 in the state that provides the dual-credit course;

15 (D) transportation costs to and from a residential school
16 approved by the Department of Education and Early Development under
17 AS 14.16.200 or the postsecondary school in the state that provides the dual-
18 credit course; and

19 (E) other related educational and programmatic costs;

20 (9) constructing, operating, or maintaining a residential housing
21 facility by a residential school approved by the Department of Education and Early
22 Development under AS 14.16.200;

23 (10) childhood early learning and development programs and
24 educational support to childhood early learning and development programs provided
25 by a nonprofit corporation organized under AS 10.20, a tribal entity, or a school
26 district in the state, by the Department of Education and Early Development, or
27 through a state grant;

28 (11) science, technology, engineering, and math programs provided by
29 a nonprofit agency or a school district for school staff and for students in grades
30 kindergarten through 12 in the state; and

31 (12) the operation of a nonprofit organization dedicated to providing

1 educational opportunities that promote the legacy of public service contributions to the
 2 state and perpetuate ongoing educational programs that foster public service
 3 leadership for future generations of residents of the state.

4 * **Sec. 13.** AS 43.75.018(a) is amended to read:

5 (a) A person engaged in a fisheries business is allowed a credit against the tax
 6 due under this chapter for contributions of cash or equipment accepted for

7 (1) direct instruction, research, and educational support purposes,
 8 including library and museum acquisitions, and contributions to endowment, by an
 9 Alaska university foundation, by a nonprofit, public or private, Alaska two-year or
 10 four-year college accredited by a national or regional accreditation association, or by a
 11 public or private nonprofit elementary or secondary school in the state;

12 (2) secondary school level vocational education courses, programs, and
 13 facilities by a school district in the state;

14 (3) vocational education courses, programs, and facilities by a state-
 15 operated vocational technical education and training school;

16 (4) a facility by a nonprofit, public or private, Alaska two-year or four-
 17 year college accredited by a national or regional accreditation association or by a
 18 public or private nonprofit elementary or secondary school in the state;

19 (5) Alaska Native cultural or heritage programs and educational
 20 support, including mentoring and tutoring, provided by a nonprofit agency for public
 21 school staff and for students who are in grades kindergarten through 12 in the state;

22 (6) education, research, rehabilitation, and facilities by an institution
 23 that is located in the state and that qualifies as a coastal ecosystem learning center
 24 under the Coastal America Partnership established by the federal government;

25 (7) the Alaska higher education investment **trust** fund under
 26 AS 37.14.750;

27 (8) funding a scholarship awarded by a nonprofit organization to a
 28 dual-credit student to defray the cost of a dual-credit course, including the cost of

29 (A) tuition and textbooks;

30 (B) registration, course, and programmatic student fees;

31 (C) on-campus room and board at the postsecondary institution

1 in the state that provides the dual-credit course;

2 (D) transportation costs to and from a residential school
3 approved by the Department of Education and Early Development under
4 AS 14.16.200 or the postsecondary school in the state that provides the dual-
5 credit course; and

6 (E) other related educational and programmatic costs;

7 (9) constructing, operating, or maintaining a residential housing
8 facility by a residential school approved by the Department of Education and Early
9 Development under AS 14.16.200;

10 (10) childhood early learning and development programs and
11 educational support to childhood early learning and development programs provided
12 by a nonprofit corporation organized under AS 10.20, a tribal entity, or a school
13 district in the state, by the Department of Education and Early Development, or
14 through a state grant;

15 (11) science, technology, engineering, and math programs provided by
16 a nonprofit agency or a school district for school staff and for students in grades
17 kindergarten through 12 in the state; and

18 (12) the operation of a nonprofit organization dedicated to providing
19 educational opportunities that promote the legacy of public service contributions to the
20 state and perpetuate ongoing educational programs that foster public service
21 leadership for future generations of residents of the state.

22 * **Sec. 14.** AS 43.77.045(a) is amended to read:

23 (a) A person engaged in a floating fisheries business is allowed a credit
24 against the tax due under this chapter for contributions of cash or equipment accepted
25 for

26 (1) direct instruction, research, and educational support purposes,
27 including library and museum acquisitions, and contributions to endowment, by an
28 Alaska university foundation, by a nonprofit, public or private, Alaska two-year or
29 four-year college accredited by a regional accreditation association, or by a public or
30 private nonprofit elementary or secondary school in the state;

31 (2) secondary school level vocational education courses, programs, and

1 facilities by a school district in the state;

2 (3) vocational education courses, programs, and facilities by a state-
3 operated vocational technical education and training school;

4 (4) a facility by a nonprofit, public or private, Alaska two-year or four-
5 year college accredited by a regional accreditation association or by a public or private
6 nonprofit elementary or secondary school in the state;

7 (5) Alaska Native cultural or heritage programs and educational
8 support, including mentoring and tutoring, provided by a nonprofit agency for public
9 school staff and for students who are in grades kindergarten through 12 in the state;

10 (6) education, research, rehabilitation, and facilities by an institution
11 that is located in the state and that qualifies as a coastal ecosystem learning center
12 under the Coastal America Partnership established by the federal government;

13 (7) the Alaska higher education investment trust fund under
14 AS 37.14.750;

15 (8) funding a scholarship awarded by a nonprofit organization to a
16 dual-credit student to defray the cost of a dual-credit course, including the cost of

17 (A) tuition and textbooks;

18 (B) registration, course, and programmatic student fees;

19 (C) on-campus room and board at the postsecondary institution
20 in the state that provides the dual-credit course;

21 (D) transportation costs to and from a residential school
22 approved by the Department of Education and Early Development under
23 AS 14.16.200 or the postsecondary school in the state that provides the dual-
24 credit course; and

25 (E) other related educational and programmatic costs;

26 (9) constructing, operating, or maintaining a residential housing
27 facility by a residential school approved by the Department of Education and Early
28 Development under AS 14.16.200;

29 (10) childhood early learning and development programs and
30 educational support to childhood early learning and development programs provided
31 by a nonprofit corporation organized under AS 10.20, a tribal entity, or a school

1 district in the state, by the Department of Education and Early Development, or
2 through a state grant;

3 (11) science, technology, engineering, and math programs provided by
4 a nonprofit agency or a school district for school staff and for students in grades
5 kindergarten through 12 in the state; and

6 (12) the operation of a nonprofit organization dedicated to providing
7 educational opportunities that promote the legacy of public service contributions to the
8 state and perpetuate ongoing educational programs that foster public service
9 leadership for future generations of residents of the state.