Fiscal Note

State of Alaska
2022 Legislative Session

Bill Version: HB 48
Fiscal Note Number:
() Publish Date:

Identifier: HB048SS-EED-APS-3-7-22
Title: AK PERFORMANCE SCHOLARSHIP; ELIGIBILITY
Sponsor: STORY
Requester: House Education

Department: Department of Education and Early Development
Appropriation: Student Financial Aid Programs
Allocation: Alaska Performance Scholarship Awards
OMB Component Number: 2990

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2023 Appropriation Requested	Included in Governor's FY2023 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	**FY 2023**	**FY 2023**	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits	3,480.9	11,750.0	15,230.9	15,230.9	15,230.9	15,230.9	15,230.9
Miscellaneous							
Total Operating	**3,480.9**	**11,750.0**	**15,230.9**	**15,230.9**	**15,230.9**	**15,230.9**	**15,230.9**

Fund Source (Operating Only)

1004 Gen Fund (UGF)	3,480.9	11,750.0	15,230.9	15,230.9	15,230.9	15,230.9	15,230.9
Total	**3,480.9**	**11,750.0**	**15,230.9**	**15,230.9**	**15,230.9**	**15,230.9**	**15,230.9**

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimated SUPPLEMENTAL (FY2022) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2023) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No

(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes

If yes, by what date are the regulations to be adopted, amended or repealed? 03/15/23

Why this fiscal note differs from previous version/comments:

The original version of HB 48 did not change the funding amounts for the Alaska Performance Scholarship awards.

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Division: Alaska Commission on Postsecondary Education — Date: 03/07/2022
Approved By: Lacey Sanders, Administrative Services Director — Date: 03/08/22
Agency: Department of Education & Early Development

STATE OF ALASKA
2022 LEGISLATIVE SESSION

BILL NO. SSHB 48

Analysis

The bill amends the qualification criteria of an Alaska Performance Scholarship (APS) applicant by adding an option for career and technical education (CTE) to the academic curriculum, inserts a definition for career cluster, removes the minimum score on college entrance or standardized examination requirement, adds a requirement for school districts to notify students in their junior year of their progress towards earning APS eligibility, increases the annual award amounts, and provides an additional two years for students to use the scholarship after high school graduation.

The estimated increase for APS - $3,480,981.
The estimate for increase in APS awards is calculated to include the increase in award amounts and a small conservative increase in the number of recipients in 2020 and 2021. These two years saw increases in eligibility because the standardized testing requirements were waived due to COVID-19.

For FY2023, the APS and the Alaska Education Grants (AEG) are funded with UGF.
AS 37.14.750 established the Higher Education Investment Fund (HEIF) to fund these programs. However, the HEIF does not currently have a balance due to the constitutional budget reserve sweep. Therefore, the funding source noted is UGF. If the HEIF is reinstated, the funding source would revert to HEIF.

Under AS 37.14.750(c), as soon as practicable after July 1 of each year, the commissioner of revenue shall determine the market value of the fund established in this section on June 30 for the immediately preceding fiscal year. The commissioner shall identify seven percent of that amount as available for appropriation as follows:
(1) one-third for the grant account established under AS 14.43.915(a), from which the Alaska Commission on Postsecondary Education may award grants; and
(2) two-thirds for the scholarship account established under AS 14.43.915(b), from which the Alaska Commission on Postsecondary Education may award scholarships.

The increased estimates for the APS and AEG still fit within the HEIF's seven percent calculation available for appropriation based on the market value of the fund at the end of 2021. This could change with market fluctuations and/or tapping the HEIF for other purposes.