

ALASKA STATE LEGISLATURE

Sponsor



Statement

SESSION:
Alaska State Capitol, Room 418
Juneau, AK 99801
(907) 465-4457 Office
(907) 465-3519 Fax
(800) 928-4457 Toll Free

INTERIM:
1292 Sadler Way, Suite 304
Fairbanks, AK 99701
Office (907) 456-8172
Fax (907) 456-2490

Representative David Guttenberg

"An Act creating a postsecondary scholarship program for Alaska residents based on high achievement and financial need."

The rising cost of an education is changing the perception of affordability among our middle and high school students and their parents, as well as adults who are interested in continuing their education. For students approaching their high school graduation, the cost of a postsecondary education is the most important topic discussed by the student and the family. For nontraditional or continuing students, it can be the primary factor in the decision to further their education. It is unacceptable that Alaskans who show promise do not move on to higher learning simply because of the cost.

A 2007 report from the State Higher Education Executive Officers found that a \$1,000 difference in the price of college may impact college enrollment for the most financially needy students by as much as nine percent. A 2007 Western Interstate Commission for Higher Education report determined that for every \$160 in increased tuition, low income enrollments dropped by .5 percent in four year, public institutions and by 2.3 percent in community colleges. Perhaps most alarming, a recent internal University survey found that the number two reason why students dropped out was because of financial reasons.

Alaska's high school graduation rates are among the lowest in the country. The 2008 report from Editorial Projects in Education Research Center showed Alaska's graduation rate at 67.6 percent. There is no doubt that more students will be encouraged to graduate by providing the promise of a postsecondary education. Action is desperately needed. HB 94 will establish a program within the Alaska Commission on Postsecondary Education. This program will help reduce the costs of a postsecondary education for those students who demonstrate academic success as well as financial need. By so doing, this program will increase educational opportunities for more bright, hardworking, and capable Alaskans so they may be ready to fill Alaskan jobs.

I urge your support of HB 94.

HOUSE BILL NO. 94

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES GUTTENBERG, Kawasaki, Gara, Tuck, Gardner

Introduced: 1/28/09

Referred: Education, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act creating a postsecondary scholarship program for Alaska residents based on**
2 **high achievement and financial need."**

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

4 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 LEGISLATIVE INTENT. It is the intent of the legislature to

7 (1) reward eligible students who are admitted to a qualifying postsecondary
8 institution located in the state;

9 (2) recognize that existing scholarship programs in the state do not provide the
10 funding needed to support all students who are in financial need;

11 (3) establish the Alaska achievers' incentive scholarship program to provide an
12 additional source of financial assistance to defray the costs of attending a qualifying
13 postsecondary institution for academically successful students who also demonstrate financial
14 need and who wish to seek further education.

1 * **Sec. 2.** AS 14.43 is amended by adding new sections to read:

2 **Article 6A. Alaska Achievers' Incentive Scholarship Program.**

3 **Sec. 14.43.190. Alaska achievers' incentive scholarship program; creation.**

4 (a) There is created the Alaska achievers' incentive scholarship program to be
5 administered by the commission for the benefit of eligible students who have been
6 admitted to a qualifying postsecondary institution. A scholarship awarded under
7 AS 14.43.190 - 14.43.199 may be used to defray the costs of attending a qualifying
8 postsecondary institution.

9 (b) The amount of a scholarship shall be not less than \$1,000, determined
10 annually by dividing the amount identified under AS 14.43.195(c) by the number of
11 eligible applicants for the year.

12 (c) If the amount of money appropriated by the legislature for scholarships
13 under this section is insufficient to award scholarships of at least \$1,000 to all
14 applicants eligible under (b) of this section, the commission shall give priority to
15 awards for applicants who demonstrate the greatest amount of unmet financial need.

16 (d) The commission shall adopt regulations needed to administer the program.

17 **Sec. 14.43.193. Eligibility.** A person may apply on a form provided by the
18 commission for a scholarship award under AS 14.43.190. The commission shall
19 approve an applicant under this section if the applicant is a resident of the state who

20 (1) demonstrates financial need on a Free Application for Federal
21 Student Aid (20 U.S.C. 1090);

22 (2) demonstrates academic merit by submitting acceptable proof that
23 the student has achieved a grade point average of 3.0 or higher on a scale of 4.0, or the
24 equivalent at the school in which the applicant is currently enrolled;

25 (3) has an unmet financial need that is not less than \$4,000;

26 (4) is a

27 (A) student who has been accepted to a degree or certificate
28 program at a qualifying postsecondary institution; or

29 (B) continuing postsecondary student who is attending a
30 qualifying postsecondary institution for not less than half time and who is
31 making satisfactory progress toward completion of a degree or certificate

1 program.

2 **Sec. 14.43.195. Alaska achievers' scholarship fund.** (a) The Alaska
3 achievers' scholarship fund is established as a separate endowment fund of the state.

4 The fund consists of

- 5 (1) appropriations to the fund;
6 (2) donations to the fund; and
7 (3) income earned on investments of fund assets.

8 (b) The commissioner of revenue shall manage the fund as an endowment,
9 with the goal that the purchasing power of the fund will not diminish over time
10 without regard to additional contributions that may be made to the fund. The
11 commissioner shall invest the assets of the fund in a manner likely to yield at least a
12 five percent annual real rate of return over time. In carrying out the investment duties
13 under this section, the commissioner of revenue has the powers and duties set out in
14 AS 37.10.071. The commissioner shall provide reports to the commission on the
15 condition and investment performance of the fund.

16 (c) As soon as practicable after July 1 of each year, the commissioner of
17 revenue shall determine the average month-end market value of the fund for the
18 immediately preceding three fiscal years. The commissioner shall identify five percent
19 of that amount as available for appropriation by the legislature for scholarships under
20 AS 14.43.190 for the following fiscal year.

21 (d) Money in the fund may be appropriated for scholarships under
22 AS 14.43.190 or for any other public purpose. Nothing in this section creates a
23 dedicated fund.

24 **Sec. 14.43.199. Definitions.** In AS 14.43.190 - 14.43.197,

- 25 (1) "commission" means the Alaska Commission on Postsecondary
26 Education;
27 (2) "qualifying postsecondary institution" means a postsecondary
28 school located in the state that is accredited by a national or regional accrediting body
29 recognized by the Council for Higher Education Accreditation;
30 (3) "unmet financial need" means the amount of need demonstrated
31 under federal standards for determining financial need under 20 U.S.C. 1070c-2, as

1 amended.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101


State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

February 9, 2009

SUBJECT: Sectional summary for HB 94, creation of Alaska achievers' incentive scholarship program (Work Order No. 26-LS0433\A)

TO: Representative David Guttenberg
Attn: Christian Gou-Leonhardt

FROM: Jean M. Mischel
Legislative Counsel 

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. States the intent of the legislature for establishing the Alaska achiever's incentive scholarship program.

Section 2. Adds a new article to AS 14.43 that creates the Alaska achiever's incentive scholarship program. The article includes the following sections:

Sec. 14.43.190. Creates the Alaska achievers' incentive scholarship program, to be administered by the Alaska Commission on Postsecondary Education. Sets the minimum amount for a scholarship. Authorizes the adoption of regulations to administer the program.

Sec. 14.43.193. Provides eligibility requirements for a scholarship award that include residency, a certain grade point average, an unmet financial need, and acceptance or attendance at a postsecondary institution.

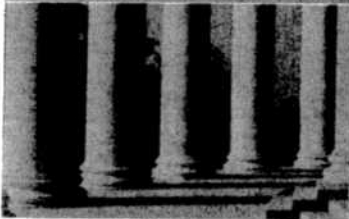
Sec. 14.43.195. Establishes the Alaska achievers' scholarship fund as an endowment fund. Provides that the fund consists of appropriations, donations to the fund, and income earned on investment of fund assets. Requires the commissioner of revenue to manage the fund and to invest the assets to yield at least a five percent annual rate of return over time. Requires the commissioner of revenue to identify five percent of the average month-end market value of the fund for appropriation to scholarships or for any other public purposes.

Sec. 14.43.199. Defines the terms "commission," "qualifying postsecondary institution," and "unmet financial need."

JMM:ljw
09-076.ljw

MEASURING UP 2008

THE STATE REPORT CARD
ON HIGHER EDUCATION



What is Measuring Up?

The purpose of a state report card is to provide the general public and policymakers with information they can use to assess and improve postsecondary education in each state.

Measuring Up 2008 is the fifth in a series of biennial report cards.

The report card grades states in six overall performance categories: **Preparation:** How adequately does the state prepare students for education and training beyond high school? **Participation:** Do state residents have sufficient opportunities to enroll in education and training beyond high school? **Affordability:** How affordable is higher education for students and their families? **Completion:** Do students make progress toward and complete their certificates or degrees in a timely manner? **Benefits:** What benefits does the state receive from having a highly educated population? **Learning:** What is known about student learning as a result of education and training beyond high school?

Grades compare the current performance of each state with the best-performing states, but do not compare with past performance. Key indicators (back page) allow states to compare current performance with past performance.



THE NATIONAL CENTER FOR
PUBLIC POLICY AND
HIGHER EDUCATION

PREPARATION

C+



2008 Grade Change Over Time

Alaska's fairly low performance in educating its young population could limit the state's access to a competitive workforce and weaken its economy.

- Eighth graders perform fairly poorly in math, science, and reading.
- There is a 13% gap between whites and all minorities in the percentage of young adults with a high school credential.

PARTICIPATION

F



2008 Grade Change Over Time

College opportunities for young and working-age adults are very poor.

- The percentage of working-age adults enrolled in higher education has declined by 39% since the early 1990s.
- Among young adults, 11% of Alaska Natives are enrolled in college, compared with 33% of whites.

AFFORDABILITY

F



2008 Grade Change Over Time

Higher education has become less affordable for students and their families.

- Poor and working-class families must devote 37% of their income, even after aid, to pay for costs at public four-year colleges.
- Financial aid to low-income students is low. For every dollar in Pell Grant aid to students, the state spends only six cents.

COMPLETION

F



2008 Grade Change Over Time

Despite some improvement, Alaska is one of the lowest-performing states in awarding certificates and degrees relative to the number of students enrolled.

- Twenty-two percent of college students complete a bachelor's degree within six years.
- Ten percent of Alaska Natives graduate within six years, compared with 25% of whites.

REPORT CARD

Preparation	C+
Participation	F
Affordability	F
Completion	F
Benefits	C+
Learning	I

WHAT DO THE ARROWS MEAN?



State has increased or remained stable on the key indicator in the category.



State has declined on the key indicator in the category.

See back page for key indicator by category.

BENEFITS

C+



2008 Grade Change Over Time

Only a fair proportion of residents have a bachelor's degree, and this weakens the state economy.

- Eight percent of Alaska Natives have a bachelor's degree, compared with 32% of whites.
- If all racial/ethnic groups had the same educational attainment and earnings as whites, total annual personal income in the state would be about \$2 billion higher.

LEARNING

I

2008 Grade

Like all states, Alaska receives an "Incomplete" in Learning because there is not sufficient data to allow meaningful state-by-state comparisons.

CHANGE OVER TIME: KEY INDICATORS

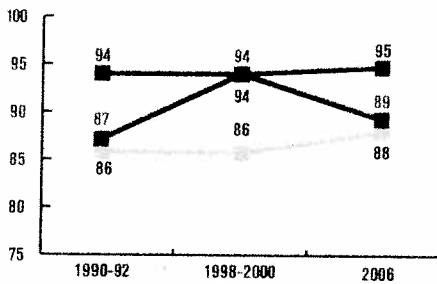
Alaska 2008

This page reflects Alaska's performance and progress since the early 1990s on several key indicators.

PREPARATION

The percentage of young adults in Alaska who earn a high school diploma has increased slightly since the early 1990s. High school completion is slightly above the U.S. average but below the top-performing states.

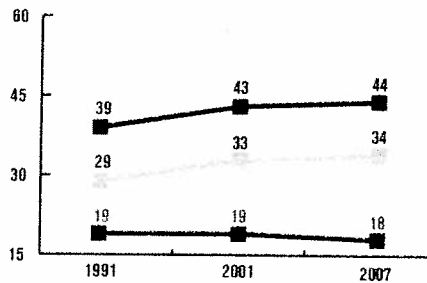
Percentage of 18-24 Year-Olds with a High School Credential*



PARTICIPATION

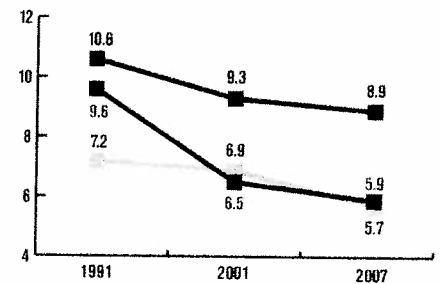
College enrollment of young adults in Alaska has declined slightly since the early 1990s. Compared with the national average and the top states, substantially fewer young adults are enrolled in Alaska (in percentages).

Percentage of 18-24 Year-Olds Enrolled in College*



The enrollment of working-age adults, relative to the number of residents without a bachelor's degree, has declined in Alaska—as it has nationally and in the best-performing states. The percentage attending college in Alaska is slightly higher than the U.S. average but below the top states.

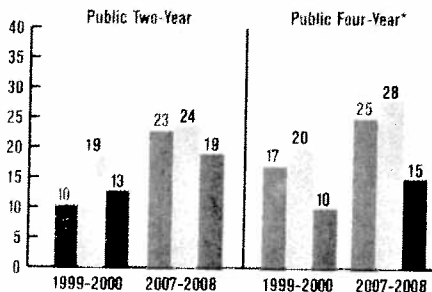
Percentage of 25-49 Year-Olds Without a Bachelor's Degree Enrolled in College



AFFORDABILITY

The share of family income, even after financial aid, needed to pay for college has risen substantially. To attend public two- and four-year colleges in Alaska, students and families pay less than the U.S. average but more than those in the best-performing states.

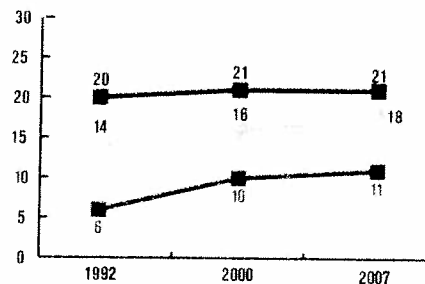
Percentage of Income Needed to Pay for Public Two- and Four-Year Colleges



COMPLETION

The number of undergraduate credentials and degrees awarded in Alaska, relative to the number of students enrolled, has increased since the early 1990s. However, Alaska is considerably below the U.S. average and the top states on this measure.

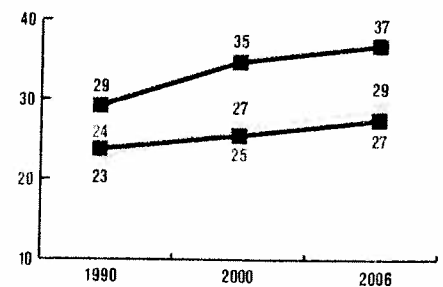
All Degree Completions per 100 Students*



BENEFITS

The percentage of residents who have a bachelor's degree has increased slightly in Alaska, but is below the U.S. average and the top states.

Percentage of 25-64 Year-Olds with a Bachelor's Degree or Higher*



*Key indicator for the category.

LEGEND:

- & ■ = Alaska
- & ● = United States
- & ■ = Median of Top Five States



152 North Third Street, Suite 705
 San Jose, California 95112
Telephone: 408.271.2699
Fax: 408.271.2697
center@highereducation.org
www.highereducation.org



PATRICK F. TAYLOR FOUNDATION

Compliments of
Senator Johnny Ellis

February 10, 2009

Juneau Legislative Information Office
The Honorable Johnny Ellis
State Capitol
Juneau, Alaska 99801-1182

VIA FAX

Dear Senator Ellis:

This letter serves as the *Patrick F. Taylor Foundation* official endorsement of Alaska's *Achiever's Incentive Scholarship Program*, based on high achievement and financial need, *House Bill No. 94*. This Bill is a first step in establishing a comprehensive scholarship program for Alaska young people to pursue a postsecondary education. There is no greater investment of the state financial resources than that of educating the young people who will be the future leaders of the great State of Alaska.

House Bill No. 94 should be enacted now, with the understanding that, like all legislation, that the Bill will be improved with further legislation over time to create a more comprehensive program, which will be open to all students who meet certain established criteria. The goal is to encourage all students to take a more rigorous curriculum in order to be adequately prepared to pursue their postsecondary education. The objective of preparing students is, not only to enroll, but to graduate in their chosen fields.

We, at the *Patrick F. Taylor Foundation*, are ready to assist you in the passage, implementation, and monitoring of this legislation at our own expense.

Please feel free to contact the *Patrick F. Taylor Foundation* if we can assist with this most important endeavor!

Sincerely,

James A. Caillier
Executive Director

JAC/glw

Submitted by: ASSEMBLY MEMBERS GRAY-
JACKSON AND JOHNSTON

Reviewed by: Assembly Counsel

For reading: February 3, 2009

CLERK'S OFFICE
AMENDED AND APPROVED
Date: 2-3-09

ANCHORAGE, ALASKA
AR NO. 2009-20

1 A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY IN SUPPORT OF
2 ACTION BY THE TWENTY-SIXTH LEGISLATURE OF THE STATE OF ALASKA TO
3 CREATE THE POSTSECONDARY SCHOLARSHIP GRANT PROGRAM INTRODUCED
4 IN SENATE BILL NO. 33 TO ENHANCE ACCESS TO THE UNIVERSITY OF ALASKA
5 BY ALASKA ACHIEVERS.

6
7 WHEREAS, legislation to create the Alaska Achievers' Incentive Scholarship
8 Program, with both merit and needs-based components, has been pre-filed for the 26th
9 Legislature – First Session as Senate Bill No. 33 and House Bill No. 94, as attached; and

10
11 WHEREAS legislation supporting the Alaska Achievers' Incentive Scholarship
12 Program was introduced in the 25th Legislature as HB 397 and HB 403; and

13
14 WHEREAS, the Alaska Achievers' Incentive Scholarship Program will provide a
15 state-funded scholarship program with both merit and needs-based components to
16 enhance access to the University of Alaska postsecondary school system by academically
17 successful students who also demonstrate financial need and wish to seek further
18 education; and

19
20 WHEREAS, the Alaska Achievers' Incentive Scholarship Program was designed
21 through efforts of the Coalition of Student Leaders, a statewide organization of collegiate
22 student governments, serving and representing over 30,000 students in the University of
23 Alaska postsecondary school system; and

24
25 WHEREAS, SB No. 33 implementing the Alaska Achievers' Incentive Scholarship
26 Program has the support of the University of Alaska Administration; and

27
28 WHEREAS, education is a core value to share throughout the state.

29
30 NOW, THEREFORE, the Anchorage Assembly resolves as follows:

31
32 **Section 1.** The Anchorage Assembly applauds the program design and advocacy
33 efforts of the Coalition of Student Leaders which have lead to the introduction of
34 state legislation to create the Alaska Achievers' Incentive Scholarship Program.

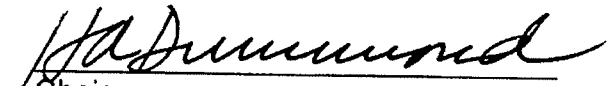
35
36 **Section 2.** The Anchorage Assembly supports creation of the Alaska Achievers'
37 Incentive Scholarship Program and the Alaska Achievers' Scholarship Fund to

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enhance access to the University of Alaska, with both merit and needs-based components.

Section 3. The Anchorage Assembly encourages the 26th Alaska State Legislature to create the postsecondary scholarship grant program introduced in Senate Bill No. 33 to enhance access to the University of Alaska by Alaska Achievers.

PASSED AND APPROVED by the Anchorage Assembly this 3rd day of February 2009.


Chair

ATTEST:


Municipal Clerk