

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CSSB224(EDC)
 () Publish Date: _____

Identifier (file name): CSSB224(EDC)-EED-ACPE-03-26-10 Dept. Affected: Education
 Title An Act establishing the governor's performance scholarship RDU ACPE
program and relating to the program; establishing the... Component Program Administration and
 Sponsor Rules Operations
 Requester (S)Finance Component Number 2738

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
OPERATING EXPENDITURES							
Personal Services							
Travel							
Contractual	376.3						
Supplies							
Equipment							
Land & Structures							
Grants & Claims			25,341.6	33,976.0	39,910.9	40,106.6	37,169.6
Miscellaneous							
TOTAL OPERATING	376.3	0.0	25,341.6	33,976.0	39,910.9	40,106.6	37,169.6
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ()							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	376.3		25,341.6	33,976.0	39,910.9	40,106.6	37,169.6
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	376.3	0.0	25,341.6	33,976.0	39,910.9	40,106.6	37,169.6

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time	1.0						
Part-time							
Temporary	1.0						

ANALYSIS: (Attach a separate page if necessary)

The contractual funds noted above represent the cost of implementation and year one support for scholarship management software.

Assumptions:

- 1) Baseline count of high school graduates (8,008) based on 2009 data.
- 2) Referenced utilization rate of 28.8% for similarly structured program in WY. While Alaska has lower college-going rates historically than WY, in recent years we have had a higher percentage of students who do continue on attend in Alaska.
- 3) Maximum GPS award at highest performance level is based upon the University of Alaska tuition for the 2010-11 school year (\$4,755).

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ANALYSIS CONTINUATION

- 4) Per-student GPS merit award amount is an average of all academic award levels.
- 5) Scholar attrition rate is 25% per year based upon UA five-year graduation rate data.
- 6) Year one participation includes eligible high school graduates from calls of 2010 and 2011
Participation numbers are assumed to be: Year 1=4,034; Year 2=7,059; Year 3=9,076; Year 4=10,084

In 2009, Alaska had 8,008 high school graduates
In Wyoming, approximately 28.8% of graduates utilize the merit scholarship program.
At the same utilization rate, an estimated 2,305 AK high school grads (per class) will earn a scholarship. Assumptions for inclusion of 2010 high school grads are that Year 2 participation rates below are applied

For this analysis, an averaged award level has been used.

According to Education Trust, the average graduation rate after 5 years for UAF is 25% and UAA is 16.5%.
The four-year graduation rate is significantly lower.

Year 1 Cohort: 4,034 students per year/Starting cohort in year 2 reduced to 2,305

	Participation rates	Number of Students	Average Scholarship	Est. annual cost	Year 1 Estimated Cost	Year 2 Estimated Cost	Year 3 Estimated Cost
Year 1	100%	4,034	\$3,567	\$14,389.3	\$14,389.3		
Year 2	75%	3,025	\$3,567	\$ 8,705.9		\$19,012	
Year 3	50%	2,017	\$3,567	\$ 7,092.9			\$21,583.8
Year 4	25%	1,008	\$3,567	\$ 3,258.8			
<u>Est. merit-based cost for first cohort</u>		10,084		\$33,446.9			

Needs-based costs for cohorts noted above

	Participation rates	Number of Students	Average Need	Est. annual cost	Year 1 Estimated Cost	Year 2 Estimated Cost	Year 3 Estimated Cost
Year 1	100%	4,034	\$2,715	\$10,952.3	\$10,952.3		
Year 2	75%	3,025	\$2,878	\$ 8,705.9		\$14,964	
Year 3	50%	2,017	\$3,050	\$ 7,092.9			\$18,327.1
Year 4	25%	1,008	\$3,233	\$ 3,258.8			
<u>Est. needs-based for first cohort</u>		10,084		\$30,009.6			

Assumes average Expected Family Contribution of \$7,500 + \$2,000 required student contribution. This EFC amount relates to an average household income of approximately \$65,000 as calculated through the Free Application for Federal Student Aid (FAFSA).

The cost of attendance used to estimate average need incorporates an annual growth factor of 6% in standard UA costs of attendance.

Regarding the one temporary position--that relates to inclusion of the 2010 high school graduating class. Because the students' high school transcripts will have already been finalized, a separate, manual process will be needed to assess Class of 2010 graduates' eligibility. We anticipate the need for one person with the skills and abilities to evaluate transcripts and course information against established criteria. This position is a range 21 and would be a long-term, nonperm position with a duration of 12-18 months.