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**CS FOR SENATE BILL NO. 174(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

**BY THE SENATE FINANCE COMMITTEE**

**Offered:  
Referred:**

**Sponsor(s): SENATOR MENARD**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the Alaska scholars program administered by the Board of Regents**  
2 **of the University of Alaska and to scholarship information; repealing provisions related**  
3 **to University of Alaska scholarships; relating to the AlaskAdvantage Education Grant**  
4 **Program; and relating to professional student exchange program availability; and**  
5 **relating to exemptions from the conditions for loan repayment under the medical**  
6 **education program."**

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

8 **\* Section 1.** AS 14.43 is amended by adding new sections to read:

9 **Sec. 14.43.011. Creation of the Alaska scholars program.** The Alaska  
10 scholars program is created as a scholarship program to be administered by the Board  
11 of Regents of the University of Alaska.

12 **Sec. 14.43.021. Scholarship eligibility.** (a) To be eligible for a scholarship  
13 from the Alaska scholars program, a student shall

1 (1) be a United States citizen or an alien lawfully admitted for  
2 permanent residence in the United States; and

3 (2) be academically ranked in the top 15 percent of the student's  
4 secondary class at the end of the student's junior year as determined by each qualified  
5 high school in the state.

6 (b) To receive a scholarship disbursement from the Alaska scholars program,  
7 the student shall

8 (1) have a high school diploma from a qualified high school in the  
9 state;

10 (2) by the fall semester that begins within 16 months following the  
11 student's high school graduation, be accepted to a certificate or degree program of the  
12 University of Alaska; and

13 (3) be enrolled as a full-time student at the University of Alaska.

14 (c) To maintain eligibility for a scholarship disbursement under AS 14.43.026,  
15 the student shall

16 (1) successfully complete at least 12 credit hours of courses of the  
17 University of Alaska each semester;

18 (2) be in good standing in accordance with University of Alaska  
19 institutional and program standards; and

20 (3) be making progress toward completion of a certificate or degree  
21 program.

22 **Sec. 14.43.026. Scholarship award.** (a) The president of the University of  
23 Alaska shall award to an eligible student under the Alaska scholars program a  
24 scholarship of

25 (1) 100 percent of the cost of 15 credit hours of regular tuition at the  
26 University of Alaska for a student who is in the top five percent of the student's  
27 secondary class;

28 (2) 75 percent of the cost of 15 credit hours of regular tuition at the  
29 University of Alaska for a student who is below the top five percent and in the top 10  
30 percent of the student's secondary class;

31 (3) 50 percent of the cost of 15 credit hours of regular tuition at the

1 University of Alaska for a student who is below the top 10 percent and in the top 15  
2 percent of the student's secondary class.

3 (b) Disbursements under this section may not be made for more than eight  
4 semesters or for enrollment commencing more than five years after initial enrollment  
5 at the University of Alaska.

6 (c) The award may be used only for tuition, fees, room, board, books,  
7 supplies, necessary transportation, and other costs incurred for attendance at the  
8 University of Alaska.

9 (d) The board of regents may adjust the amount of the scholarship award and  
10 disbursement to reflect changes in the cost of education or the amount of funding  
11 provided by the state.

12 **Sec. 14.43.031. Financing; administration.** (a) The Alaska scholars program  
13 account is established, to be administered by the board of regents. The Alaska scholars  
14 program is financed from the account. The account consists of money appropriated to  
15 the account by the legislature, which may include appropriations from the endowment  
16 trust fund established under AS 14.40.400, from income and earnings of the account,  
17 and from any other source. Appropriations to the account do not lapse.

18 (b) The board of regents shall provide not less than \$3,800,000 annually to  
19 contribute to the awards provided under AS 14.43.026(a).

20 (c) The board of regents shall make information about the scholarship  
21 program available in each school district in the state and at each campus of the  
22 University of Alaska.

23 (d) The board of regents may adopt rules, orders, and plans to implement  
24 AS 14.43.011 - 14.43.049. The rules may include provisions for discretionary  
25 eligibility consideration and leaves of absence that are consistent with the purposes of  
26 the Alaska scholars program.

27 **Sec. 14.43.049. Definitions.** In AS 14.43.011 - 14.43.049,

28 (1) "accredited" means a school that has been accredited by the  
29 Northwest Association of Accredited Schools;

30 (2) "board of regents" means the Board of Regents of the University of  
31 Alaska;

1 (3) "department" means the Department of Education and Early  
2 Development;

3 (4) "qualified high school" means a public or private secondary school  
4 located in the state that is authorized by the department to issue a diploma and that is  
5 accredited by the Northwest Association of Schools and Colleges or registered with  
6 the department;

7 (5) "scholarship program" means the Alaska scholars program.

8 \* **Sec. 2.** AS 14.43.410 is amended by adding a new subsection to read:

9 (c) The commission shall annually distribute not less than \$10,000,000 or, if  
10 available funding from appropriations and other sources is less than that amount, the  
11 full amount available in grant awards on behalf of eligible students under  
12 AS 14.43.415. Payments shall be made directly to the postsecondary or lending  
13 institution if feasible. If available funds are insufficient to fully fund grants to eligible  
14 students, the commission shall distribute funds to eligible applicants on a pro rata  
15 basis.

16 \* **Sec. 3.** AS 14.43.415(a) is amended to read:

17 (a) For an applicant to be eligible for a grant under AS 14.43.400 - 14.43.420,  
18 the applicant must be

19 (1) a resident of this state;

20 (2) enrolled or about to be enrolled

21 (A) at an institution [APPROVED TO PARTICIPATE IN  
22 FEDERAL FINANCIAL AID PROGRAMS UNDER 20 U.S.C. 1070 - 1099c-  
23 2, AS AMENDED,] located in this state **that**

24 **(i) is approved to participate in federal financial aid**  
25 **programs under 20 U.S.C. 1070 - 1099c-2, as amended; or**

26 **(ii) has been included on a list of certified career and**  
27 **technical school programs approved and published by the**  
28 **Department of Labor and Workforce Development;** and

29 (B) on at least a half-time basis; and

30 (3) able to demonstrate financial need in accordance with standards for  
31 determining financial need established by the commission under 20 U.S.C. 1070c-2, as

1 amended.

2 \* **Sec. 4.** AS 14.43.415(b) is repealed and reenacted to read:

3 (b) The commission shall give an applicant eligible under (a) of this section  
4 priority for a grant award if that applicant is, or is about to be, enrolled in a  
5 postsecondary education program that prepares the applicant for employment in an  
6 occupation or profession for which there is a severe shortage of trained individuals in  
7 the state. In this subsection,

8 (1) "occupation or profession" means a job for which specific  
9 postsecondary certification is a prerequisite for entry-level placement;

10 (2) "severe shortage" means a current or recurring job vacancy rate of  
11 15 percent or greater, as determined by the Department of Labor and Workforce  
12 Development or by another workforce data source determined reliable by the  
13 commission.

14 \* **Sec. 5.** AS 14.43.420(a) is amended to read:

15 (a) A grant made under AS 14.43.400 - 14.43.420 may not be in an amount  
16 less than \$1,000 [\$500] nor more than \$5,000 [\$2,000] for each school year.

17 \* **Sec. 6.** AS 14.43.420(c) is amended to read:

18 (c) A student may receive not more than a total of \$20,000 [\$8,000] in grants  
19 awarded under AS 14.43.400 - 14.43.420.

20 \* **Sec. 7.** AS 14.43.510(g) is amended to read:

21 (g) This section does not apply to scholarships received by a person under  
22 AS 14.43.011 - 14.43.049 or 14.43.050 - 14.43.075, to free tuition and fees at a  
23 state-supported educational institution authorized by AS 14.43.085, or to loans  
24 received by a person under AS 14.43.091 - 14.43.160 [AS 14.43.010 - 14.43.160] or  
25 14.43.710 - 14.43.750.

26 \* **Sec. 8.** AS 14.43.930(b) is amended to read:

27 (b) By October 1 [SEPTEMBER 15] before each annual graduation, a  
28 qualified high school in the state with a high school graduating class shall provide

29 (1) to the board a list of the names, dates of birth, telephone  
30 numbers, and addresses of students in the graduating class who meet scholarship  
31 eligibility requirements for each scholarship program; and

(2) a notice of eligibility for the scholarship program to those students on the list prepared under (1) of this subsection.

\* **Sec. 9.** AS 14.43.930(e) is amended to read:

(e) In this section,

(1) "board" means the Board of Regents of the University of Alaska;

(2) "qualified high school" **has the meaning given in AS 14.43.049** [MEANS A PUBLIC HIGH SCHOOL, A HIGH SCHOOL ACCREDITED BY THE NORTHWEST ASSOCIATION OF SCHOOLS AND COLLEGES, OR A HIGH SCHOOL REGISTERED WITH THE DEPARTMENT].

\* **Sec. 10.** AS 14.44.025 is amended by adding a new subsection to read:

(b) Notwithstanding the funding priorities established under (a) of this section, the Alaska Commission on Postsecondary Education shall provide adequate funding for not fewer than five students to attend four-year programs in each of the following fields:

(1) dentistry;

(2) optometry; and

(3) pharmacy.

\* **Sec. 11.** AS 14.43.010, 14.43.015, 14.43.020, 14.43.025, and 14.43.030 are repealed.

\* **Sec. 12.** The uncodified law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY. Section 1 of this Act applies to students who were in their senior year of high school of a public or accredited school in the state with a high school graduating class in the 2009 - 2010 or a subsequent school year.

\* **Sec. 13.** The uncodified law of the State of Alaska is amended by adding a new section to read:

REVISOR'S INSTRUCTION. The revisor of statutes is instructed to change the heading of art. 1 of AS 14.43 from the "University of Alaska Scholarships for High School Graduates" to "Alaska Scholars Program."