

# Fiscal Note

State of Alaska  
2015 Legislative Session

Bill Version: HB 97  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB097-EED-ACPE-2-27-15  
Title: AK PERFORMANCE SCHOLARSHIP: FINANCIAL AID  
Sponsor: COLVER  
Requester: (H) EDC

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

## Expenditures/Revenues

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

	FY2016	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2016 Request	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>OPERATING EXPENDITURES</b>	<b>FY 2016</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Personal Services	93.0		41.7	41.7	41.7	41.7	41.7
Travel							
Services	50.0		50.0	50.0	50.0	50.0	50.0
Commodities							
Capital Outlay	1.2						
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>144.2</b>	<b>0.0</b>	<b>91.7</b>	<b>91.7</b>	<b>91.7</b>	<b>91.7</b>	<b>91.7</b>

## Fund Source (Operating Only)

1226 High Ed	144.2		91.7	91.7	91.7	91.7	91.7
<b>Total</b>	<b>144.2</b>	<b>0.0</b>	<b>91.7</b>	<b>91.7</b>	<b>91.7</b>	<b>91.7</b>	<b>91.7</b>

## Positions

Full-time	1.0						
Part-time							
Temporary	1.0						

## Change in Revenues

--	--	--	--	--	--	--	--

**Estimated SUPPLEMENTAL (FY2015) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2016) cost:** 100.0 *(separate capital appropriation required)*  
*(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If yes, by what date are the regulations to be adopted, amended or repealed? 03/01/16

## Why this fiscal note differs from previous version:

Prepared By:	Diane Barrans	Phone:	(907)465-6740
Division:	Alaska Commission on Postsecondary Education	Date:	02/27/2015 04:25 PM
Approved By:	Diane Barrans	Date:	02/27/15
Agency:	Alaska Commission on Postsecondary Education		

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2015 LEGISLATIVE SESSION

BILL NO. HB97

Analysis

Under HB 97, which would disallow use of the existing Free Application for Federal Student Aid (FAFSA) based process, an alternative scholarship application would need to be developed for Alaska Performance Scholarships (APS).

Currently student information to determine APS eligibility comes to ACPE from two different sources:

- 1) The great majority of individuals planning to attend an accredited postsecondary institution complete the FAFSA each spring (between January 1 and June 30). As Alaska's state grant agency, ACPE receives student SSN, address and planned postsecondary school of attendance electronically from the United States Department of Education, at the same time FAFSA information is sent to the student's planned postsecondary institution.
- 2) ACPE then matches FAFSA-provided information with incoming APS eligibility information received from EED (late July to early August)(district-provided information about students' scholarship eligibility level and type).

Based on this information ACPE sends eligibility notices to both students and postsecondary institutions and requests the institutions to certify student enrollment in an eligible program.

Should this application process be nullified, ACPE will need a process to: collect student eligibility, address and contact information from the school districts; conduct an annual communication campaign to ensure eligible students are aware of the need to complete a separate APS application; collect planned postsecondary school of attendance and related information from students (new application process to replace FAFSA); and validate and link the two data sets collected from districts and students

Staffing

Business Analyst – Range 18 (temporary) \$51,269  
Financial Aid Servicing Specialist – Range 14 (permanent) \$41,732

Capital Appropriation

Analysis, design, development and testing of enhancements to scholarship management system to 1) create ability to accept an electronic file from school districts and link individual information to student applications, 2) create new APS application to replace FAFSA, 3) enhance enrollment certification process for postsecondary institutions, and 4) manage communications with individual students. \$100,000 Fund source: 1226 Higher Education Investment Fund

Annual estimated increase in system maintenance costs due to new functionalities \$20,000  
Annual server hosting and maintenance \$30,000

Supplies and Equipment  
Server Hardware \$1,200

**Total \$244,201**

Note that this estimate does not include costs to districts of generating files to ACPE or costs to postsecondary institutions of certifying enrollment eligibility.

Section 2 of the bill nullifies current scholarship application regulations in their totality which will require ACPE to promulgate regulations to establish an alternative application process no later than spring 2016.