

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: **WD-LS1309-W**
 () Publish Date: _____

Identifier (file name): **WD26-LS1309W-LEG-COU-4-16-10** Dept. Affected: **Legislature**
 Title **"An Act relating to the AlaskaAdvantage** RDU **Legislative Council**
education grant program; establishing the Alaska..." Component **Council and Subcommittees**
 Sponsor **House Finance Committee**
 Requester **House Finance Committee** Component Number **783**

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
		FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
OPERATING EXPENDITURES							
Personal Services							
Travel	92.0						
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	92.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES							
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CHANGE IN REVENUES ()							
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	92.0						
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	92.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

WD26-LS1309W, Sec.10 establishes a 15 member Joint Legislative Higher Education Task Force composed of 10 Legislators, 2 Executive Branch members and 3 public members. It is assumed the Task Force will meet six times with all meetings requiring travel. This fiscal note includes travel funding for the Legislators and public members in the amount of \$75.0. Travel costs for Executive Branch members will be absorbed in Executive Branch Budgets. Sec. 11 establishes a 20 member Advisory Task Force on Higher Education and Career Readiness. Members of this Task Force will meet not less than every 3 months. Members of this Task Force serve without compensation but are entitled to per diem and travel expenses paid from the budget of the agency or institution the member represents. Travel for the 4 Legislators on this Task Force and their employees who staff this Task Force is included in this fiscal note in the amount of \$ 17.0 for FY11. Costs to teleconference the meetings and to print reports will be absorbed within existing Legislative Budgets.

Prepared by: Karla Schofield, Deputy Director
 Division Legislative Affairs Agency
 Approved by: Pamela Vami, Executive Director
Legislative Affairs Agency

Phone 465-6626
 Date/Time 4/16/10 9:09 AM
 Date 4/16/2010

FISCAL NOTE

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2010 LEGISLATIVE SESSION

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

Identifier (file name): _____

Title _____

Dept. Affected: Education
 RDU Teaching & Learning Support
 Component School & Student Achievement

Sponsor _____

Requester _____

House Finance

Component Number

2796

Expenditures/Revenues

(Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Personal Services	87.3		87.3	87.3	87.3	87.3	87.3
Travel							
Contractual							
Supplies	12.7						
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	100.0	0.0	87.3	87.3	87.3	87.3	87.3

CAPITAL EXPENDITURES							
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CHANGE IN REVENUES ()							
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	100.0		87.3	87.3	87.3	87.3	87.3
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	100.0	0.0	87.3	87.3	87.3	87.3	87.3

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time	1.0		1.0	1.0	1.0	1.0	1.0
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

Teaching and Learning Support will need to hire one staff member to oversee the promulgation and implementation of the department's regulations along coordination between EED, the University of Alaska, Department of Labor and Workforce Development and the Alaska Commission on Postsecondary Education (ACPE).

Education Specialist I at \$87,306 plus start-up office supplies (computer, etc.) at \$12,694 = \$100,000

Prepared by: Eddy Jeans, Director
 Division School Finance and Facilities

Approved by: Larry LeDoux
Commissioner

Phone 465-8679
 Date/Time 4/16/10 12:00 AM
 Date 4/16/2010

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2010 LEGISLATIVE SESSION

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

Identifier (file name): _____

Title _____

Dept. Affected: Education

RDU ACPE

Component Program Administration and

Operations

Sponsor _____

Requester _____ (H)FIN

Component Number 2738

Expenditures/Revenues

(Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	FY2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Personal Services							
Travel							
Contractual	250.0	250.0					
Supplies							
Equipment							
Land & Structures							
Grants & Claims	400.0	400.0	9,321.9	15,489.3	19,602.0	21,656.6	21,656.6
Miscellaneous	0.0		0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	650.0	650.0	9,321.9	15,489.3	19,602.0	21,656.6	21,656.6

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES ()								
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF	650.0	650.0	9,321.9	15,489.3	19,602.0	21,656.6	21,656.6	21,656.6
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL	650.0	650.0	9,321.9	15,489.3	19,602.0	21,656.6	21,656.6	21,656.6

Estimate of any current year (FY2010) cost: _____

0.0

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

Relative to ACPE this bill: 1) establishes an administrative role for the agency relative to managing the Alaska student achievement program, 2) amends the existing AlaskAdvantage Education Grant program by increasing the annual maximum grant award from \$2,000 to \$3,000 per recipient, and 3) modifies Alaska's participation in the Western Interstate Commission on Higher Education's (WICHE) Professional Student Exchange Program (PSEP) by setting an annual minimum number of loans to support Alaska participants in the pharmacy, dentistry, and optometry fields of study.

The contractual funds noted above represent the cost of implementation for scholarship management software.

Prepared by: Diane Barrans, Executive Director

Division: Alaska Commission on Postsecondary Education

Approved by: Diane Barrans, Executive Director

Alaska Commission on Postsecondary Education

Phone 465-6740

Date/Time 4/16/10 11:15 AM

Date 4/16/2010

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. _____

ANALYSIS CONTINUATION

It is important to note the costs reflected in FY12 and subsequent years represent the administration's best estimate. However, given that the bill also establishes a Task Force, the recommendations of which could substantially alter related program costs, these estimates may be characterized as tentative pending the Task Force reports.

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 a higher percentage of students continuing to postsecondary education have attended Alaska institutions.
 - 3) Per student ASAP award amount is an average of all award levels.
 - 4) Scholar attrition rate is 25% per year based upon UA five-year graduation rate data.
- Participation numbers are assumed to be: Year 1=2,305; Year 2=4,034; Year 3=5,187; Year 4=5,763

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 will earn a scholarship.

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

Cohort: 2,305 students per year

	Participation rates	Number of Students	Average Scholarship	Est. annual cost	Year 1 Est. cost	Year 2 Est. cost	Year 3 Est. cost
Year 1	100%	2,305	\$3,567	\$ 8,221,935	\$8,221.9		
Year 2	75%	1,729	\$3,567	\$ 6,167,343		\$14,389.3	
Year 3	50%	1,153	\$3,567	\$ 4,112,751			\$18,502.0
Year 4	25%	576	\$3,567	\$ 2,054,592			
Est. merit-based cost (full implementation)				5,763	\$20,556,621		

As noted above, pending Task Force examination of the appropriate level of additional needs based aid, funding for the AlaskAdvantage Education Grant is requested at a continuation level relative to the annual average amounts paid out over the past four years--approximately \$1.05 million. The FY11 grant funding in the amount of \$400,000 will supplement the \$620,000 remaining from the FY09 capital budget appropriation of \$2.5 million. In FY12 and later years, \$1.1 million for program funding is included in the program costs noted herein.

There are no costs anticipated relative to the changes to the PSEP loan program.