

Fiscal Note

State of Alaska
2023 Legislative Session

Bill Version: HB 148
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB148CS(EDC)-EED-APS-5-5-23
Title: AK PERFORMANCE SCHOLARSHIP;
ELIGIBILITY
Sponsor: EDUCATION
Requester: House Finance

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

Expenditures/Revenues

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

(Thousands of Dollars)

	FY2024 Appropriation Requested	Included in Governor's FY2024 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2024	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits	2,553.1		2,982.2	3,424.2	3,879.4	4,348.3	4,831.2
Miscellaneous							
Total Operating	2,553.1	0.0	2,982.2	3,424.2	3,879.4	4,348.3	4,831.2

Fund Source (Operating Only)

1226 High Ed (DGF)	2,553.1		2,982.2	3,424.2	3,879.4	4,348.3	4,831.2
Total	2,553.1	0.0	2,982.2	3,424.2	3,879.4	4,348.3	4,831.2

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2023) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2024) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - 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If yes, by what date are the regulations to be adopted, amended or repealed? 03/15/24

Why this fiscal note differs from previous version/comments:

FY2023 actuals for Alaska Performance Scholarship (APS) usage are now available to calculate more precise numbers. Additionally, the adopted committee substitute includes two new provisions which could increase eligibility and usage numbers: 1) removed standardized test scores as an eligibility requirement and replaced with Grade Point Average (GPA) or standardized test scores for meeting eligibility and 2) provides for a step-up provision for students to increase their award amounts based on a change in their GPA as calculated every two semesters completed.

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Agency: Department of Education & Early Development
Phone: (907)465-2113
Date: 05/05/2023
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FISCAL NOTE ANALYSIS

STATE OF ALASKA
2023 LEGISLATIVE SESSION

BILL NO. CSHB 148(EDC)

Analysis

The bill amends the qualification criteria of an Alaska Performance Scholarship (APS) applicant by adding an option for career and technical education (CTE) to the academic curriculum, inserts a definition for career cluster, removes the minimum score on college entrance or standardized examination requirement and adds language to allow for a Grade Point Average (GPA) or a minimum college entrance examination to qualify instead of requiring both, adds a requirement for school districts to notify students in their junior year of their progress towards earning APS eligibility and requires districts to inform students in 9th and 10th grade about the APS, increases the annual award amounts (see table below), provides an additional two years for students to use the scholarship after high school graduation, and allows eligible award recipients to qualify for an increased award level while enrolled at a qualified postsecondary institution.

- Level 1: 3.5 GPA or above or a very high minimum score, \$7,000 (increased from \$4,755)
- Level 2: 3.0 GPA or above or a high minimum score, \$5,250 (increased from \$3,566)
- Level 3: 2.5 GPA or above or a moderately high score, \$3,500 (increased from \$2,378)

Considering the changes in eligibility requirements, this legislation could result in an increase of new students eligible for the scholarship. Additionally, the increases in award amounts could increase the appropriation amount.

Therefore, the calculation estimate for APS FN award amount is based on the following assumptions:

- Started with APS actuals for FY2023 as base
- Applied increased scholarship amounts included in the bill to FY2023 numbers
- Projected a 5% increase in student usage for FY2024 due to expanded eligibility criteria included in the bill
- Projected a 3% increase in number of students per year for FY2025 to FY2028

There is \$11,750.0 of Higher Education Investment Funds (HEIF) in the FY2024 Governor's Request which funds the APS.

Funds available for appropriation from HEIF could be affected by future investment outcomes, which may alter the 7% calculation and amount available for appropriation. However, it is not anticipated that the change in award amounts would be sufficient to impact the amount currently identified under the 7% calculation for the HEIF to fund APS awards.