

HOUSE BILL NO. 340

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES GARA AND GUTTENBERG, Cissna, Crawford, Kerttula

Introduced: 1/9/06

Referred: House Special Committee on Education, Health, Education and Social Services, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing the 'two percent for tuition grant fund'; levying a supplemental
2 income tax on oil revenue and providing that the legislature may appropriate the
3 proceeds to support postsecondary and vocational education; and creating grant
4 programs for postsecondary and vocational education students, including children who
5 were in the custody of the Department of Health and Social Services."

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

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

8 **Article 8A. Two Percent for Tuition Grants.**

9 **Sec. 14.43.450. Purpose; creation.** (a) There is created the two percent for
10 tuition grant program to provide financial assistance to eligible students to enable the
11 students to attend, or continue attending, the University of Alaska or a public state
12 supported vocational education program. Funds appropriated for this program may be
13 used as matching funds for the state's participation in the federal grant program under

1 20 U.S.C. 1070c - 1070c-4.

2 (b) The two percent for tuition grant program established under AS 14.43.450
3 - 14.43.465 shall be administered by the commission.

4 **Sec. 14.43.455. Two percent for tuition grant fund.** The two percent for
5 tuition grant fund is created as an account in the general fund. The legislature may
6 appropriate funds in the account and interest accrued on those funds to the commission
7 for support of the postsecondary and vocational education grant program established
8 under AS 14.43.450 - 14.43.465.

9 **Sec. 14.43.460. Minimum grant amount.** (a) Except as provided in (b) of this
10 section, the commission shall establish a minimum grant award amount for each
11 eligible student. The minimum grant award must be at least the amount awarded the
12 student under 20 U.S.C. 1070c - 1070c-4.

13 (b) For a student who is eligible for a grant under AS 47.05.400, the
14 commission shall award a grant in an amount to cover the student's full cost of tuition
15 and reasonable costs of room and board.

16 **Sec. 14.43.465. Eligibility.** (a) Except as provided in (b) of this section, for an
17 applicant to be eligible for a grant under AS 14.43.450 - 14.43.465, the applicant must
18 be

19 (1) a resident of this state;

20 (2) enrolled or about to be enrolled

21 (A) at the University of Alaska or a public state-supported
22 vocational education program located in the state;

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

24 (3) able to demonstrate financial need in accordance with standards for
25 determining financial need

26 (A) established by the commission under 20 U.S.C. 1070c-2
27 for a student enrolled in a baccalaureate program; or

28 (B) established by the commission in regulation for a student
29 enrolled in an associate degree or undergraduate certificate or credential
30 program.

31 (b) For an applicant to be eligible for a grant under AS 47.05.400, the

1 applicant must be a person who was ordered committed to the custody of the
 2 Department of Health and Social Services under AS 47.10.080(c) or
 3 AS 47.12.120(b)(3), was placed in a foster home, and is otherwise eligible under (a)(1)
 4 and (2) of this section.

5 (c) The commission shall adopt regulations to establish a process for awarding
 6 grants under AS 14.43.450 - 14.43.465.

7 * **Sec. 2.** AS 43.20.011 is amended by adding a new subsection to read:

8 (g) In addition to the tax imposed under (e) of this section, a taxpayer engaged
 9 in the production of oil from a lease or property in this state and whose business
 10 income is subject to AS 43.20.072 shall pay an additional tax of two percent of the
 11 taxpayer's taxable income. The department shall separately account for the revenue
 12 obtained from the tax levied by this subsection and deposit it in the account created
 13 under AS 14.43.455.

14 * **Sec. 3.** AS 47.05 is amended by adding a new section to read:

15 **Article 4. Postsecondary Education Support for Foster Children.**

16 **Sec. 47.05.400 Free tuition and room and board grant program.** (a) A
 17 person enrolled as a student in good standing at the University of Alaska or a public
 18 state-supported vocational education program is entitled to a grant in an amount equal
 19 to the full cost of tuition and reasonable costs of room and board if the person was
 20 ordered committed to the custody of the department under AS 47.10.080(c) or
 21 AS 47.12.120(b)(3), was placed in a foster home, and is otherwise eligible under
 22 AS 14.43.465(b).

23 (b) The department shall provide written notice of the eligibility criteria and
 24 application procedure for the grant program to each person whom the department
 25 placed in a foster home.

26 (c) In this section, "department" means the Department of Health and Social
 27 Services.