

HOUSE BILL NO. 397

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES GUTTENBERG, Kawasaki, Nelson, Kerttula, Doll

Introduced: 2/19/08

Referred: Health, Education and Social Services, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act creating a postsecondary scholarship grant program for Alaska residents based**
2 **on high achievement and financial need."**

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

4 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 LEGISLATIVE INTENT. It is the intent of the legislature to

7 (1) reward eligible students who are admitted to a qualifying postsecondary
8 institution located in the state;

9 (2) recognize that existing scholarship programs in the state do not provide the
10 funding needed to support all students who are in financial need;

11 (3) establish the Alaska achievers' incentive scholarship program to provide an
12 additional source of financial assistance to defray the costs of attending a qualifying
13 postsecondary institution for academically successful students who also demonstrate financial
14 need and who wish to seek further education.

1 * **Sec. 2.** AS 14.43 is amended by adding new sections to read:

2 **Article 6A. Alaska Achievers' Incentive Scholarship Program.**

3 **Sec. 14.43.190. Alaska achievers' incentive scholarship program; creation.**

4 (a) There is created the Alaska achievers' incentive scholarship program to be
5 administered by the commission for the benefit of eligible students who have been
6 admitted to a qualifying postsecondary institution. A scholarship awarded under
7 AS 14.43.190 - 14.43.199 may be used to defray the costs of attending a qualifying
8 postsecondary institution.

9 (b) The amount of a scholarship shall be not less than \$1,000, determined
10 annually by dividing the amount identified under AS 14.43.195(c) by the number of
11 eligible applicants for the year.

12 (c) If the amount of money appropriated by the legislature for scholarships
13 under this section is insufficient to award scholarships of at least \$1,000 to all
14 applicants eligible under (b) of this section, the commission shall give priority to
15 awards for applicants who demonstrate the greatest amount of unmet financial need.

16 (d) The commission shall adopt regulations needed to administer the program.

17 **Sec. 14.43.193. Eligibility.** A person may apply on a form provided by the
18 commission for a scholarship award under AS 14.43.190. The commission shall
19 approve an applicant under this section if the applicant is a resident of the state who

20 (1) demonstrates financial need on a Free Application for Federal
21 Student Aid (20 U.S.C. 1090);

22 (2) demonstrates academic merit by submitting acceptable proof that
23 the student has achieved a grade point average of 3.0 or higher on a scale of 4.0, or the
24 equivalent at the school in which the applicant is currently enrolled;

25 (3) has an unmet financial need that is not less than \$4,000;

26 (4) is a

27 (A) student who has been accepted to a degree or certificate
28 program at a qualifying postsecondary institution; or

29 (B) continuing postsecondary student who is attending a
30 qualifying post secondary institution for not less than half time and who is
31 making satisfactory progress toward completion of a degree or certificate

1 program.

2 **Sec. 14.43.195. Alaska achievers' scholarship fund.** (a) The Alaska
3 achievers' scholarship fund is established as a separate endowment fund of the state.
4 The fund consists of

- 5 (1) appropriations to the fund;
- 6 (2) donations to the fund; and
- 7 (3) income earned on investments of fund assets.

8 (b) The commissioner of revenue shall manage the fund as an endowment,
9 with the goal that the purchasing power of the fund will not diminish over time
10 without regard to additional contributions that may be made to the fund. The
11 commissioner shall invest the assets of the fund in a manner likely to yield at least a
12 five percent annual real rate of return over time. In carrying out the investment duties
13 under this section, the commissioner of revenue has the powers and duties set out in
14 AS 37.10.071. The commissioner shall provide reports to the commission on the
15 condition and investment performance of the fund.

16 (c) As soon as practicable after July 1 of each year, the commissioner of
17 revenue shall determine the average month-end market value of the fund for the
18 immediately preceding three fiscal years. The commissioner shall identify five percent
19 of that amount as available for appropriation by the legislature for scholarships under
20 AS 14.43.190 for the following fiscal year.

21 (d) Money in the fund may be appropriated for scholarships under
22 AS 14.43.190 or for any other public purpose. Nothing in this section creates a
23 dedicated fund.

24 **Sec. 14.43.199. Definitions.** In AS 14.43.190 - 14.43.197,

- 25 (1) "commission" means the Alaska Commission on Postsecondary
26 Education;
- 27 (2) "qualifying postsecondary institution" means a postsecondary
28 school located in the state that is accredited by a national or regional accrediting body
29 recognized by the Council for Higher Education Accreditation;
- 30 (3) "unmet financial need" means the amount of need demonstrated
31 under federal standards for determining financial need under 20 U.S.C. 1070c-2, as

1 amended.