

**SENATE BILL NO. 302**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Introduced: 3/12/08

Referred: Senate Special Committee on Education, 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.