

ALASKA STATE LEGISLATURE
SENATE SPECIAL COMMITTEE ON EDUCATION

March 30, 2007

8:06 a.m.

MEMBERS PRESENT

Senator Gary Stevens, Chair
Senator Charlie Huggins, Vice Chair
Senator Gary Wilken
Senator Bettye Davis

MEMBERS ABSENT

Senator Donny Olson

COMMITTEE CALENDAR

Consideration: College Affordability

PREVIOUS COMMITTEE ACTION

No previous action to record.

WITNESS REGISTER

Saichi Oba, Enrollment Officer
University of Alaska
Anchorage, AK

POSITION STATEMENT: Available for questions

Pat Pitney, Director of Budget and Institutional Research
University of Alaska
Anchorage, AK

POSITION STATEMENT: Available for questions

Pete Kelly
University of Alaska Board of Regents
Anchorage, AK

POSITION STATEMENT: Available for questions

Diane Barrans, Executive Director
Alaska Commission on Postsecondary Education (ACPE)
Juneau, AK

POSITION STATEMENT: Available for questions

ACTION NARRATIVE

CHAIR GARY STEVENS called the Senate Special Committee on Education meeting to order at [8:06:50 AM](#). Present at the call to order were Senators Wilken, Davis, Huggins, and Chair Stevens.

CONSIDERATION: COLLEGE AFFORDABILITY

CHAIR STEVENS said that the purpose of the meeting was to talk about ways to bring down the costs of college in Alaska; he said that the greatest concern is making the community college system entry as easy and affordable as possible. In Alaska, the community college system has been absorbed into the university system, which is making it hard for people to enter two year schools. University tuition is low, but community schools are comparatively pricey.

He referenced a report on national college tuition prices that shows that Alaska has been graded poorly on college affordability; there's no major difference between the prices in low and higher level college. For the population at lower or middle income levels, the percentage of income required to go to school is huge.

He added that it's important to realize that Alaska needs to catch up with the rest of the country in lowering community college fees; high prices are unfair to the Alaska public. He said that he has introduced a bill to separate the University of Alaska (UA) system from the community college system, which hopefully won't be necessary but may open the conversation. He explained the history of the community college system in Alaska and why he wishes to get to a lower-cost system; colleges need to pay attention to students with financial difficulties.

[8:14:49 AM](#)

SENATOR HUGGINS commented that a lot of states did poorly on the report previously referenced.

CHAIR STEVENS said that the report looks at the percentage of income required to fund a community college education.

SENATOR HUGGINS said that he agreed with the need to lower costs, because school needs to be convenient and affordable for certain students. It's illogical that community colleges would cost the same as four-year schools.

CHAIR STEVENS referenced a study that shows the importance of lower-cost community colleges.

[8:17:16 AM](#)

SENATOR WILKEN agreed that the issue is important, and said he would hope that the UA sees the report. He pointed out that university tuition in Alaska is low but community colleges are high, which doesn't compare well with other states.

[8:19:11 AM](#)

SENATOR HUGGINS referenced a page of the report to remark that some of the numbers are unclear.

CHAIR STEVENS said that he doesn't know how the report numbers are categorized; the committee should concern itself more with the issue than the numbers. He commented that some people in his district find attending out-of-state schools to be cheaper than living in Alaska and attending school here.

[8:21:33 AM](#)

SAICHI OBA, Enrollment Officer with the University of Alaska, said that the UA struggles with this situation as well, and the issue should be one of affordability more than price. Nationally, 11 percent of community college funds come from local municipalities and so the schools can accordingly lower tuition, but in Alaska this isn't the case for the most part.

He commented that community campuses are opportunities to serve people who can't travel, and they're a vital link for people aspiring to a four-year degree. Most of the campuses run at a high cost model; he's aware of the report mentioned, and the level of financial support given in many states to needy students is higher than in Alaska.

[8:26:17 AM](#)

CHAIR STEVENS said that Alaska's school system was built differently, not starting with local support, which was perhaps the wrong way to begin.

MR. OBAI said that he was unaware of that dynamic; many communities with campuses could be considered to be in financial difficulty, so that complicates the problem.

CHAIR STEVENS said that over half the students in the UA system come from the integrated community schools; it does seem that something has been lost in the melding of the two, as important as it was.

[8:28:44 AM](#)

PAT PITNEY, Director of Budget and Institutional Research for the UA, said that she's interested in the cost and revenue side of the matter, and explained that several campuses base much of their operation on tuition; lowering tuition costs would mean the money would have to come from a replacement source. What's been lost through the integration has been some of the identity of the schools, but the improvement of continuing education has been a great gain. In terms of additional degree offerings, the associate degrees offerings, which are the main goal of community colleges, have increased the most.

[8:31:42 AM](#)

CHAIR STEVENS agreed that there were reasons for consolidation, and asked when the consolidation took place.

MS. PITNEY replied that it was in 1987, when there were 11 separately accredited community colleges in the state. There was much less assistance in terms of support, and going back to the old model wouldn't be a good solution.

CHAIR STEVENS replied that there were many advantages to the consolidation including easier transferal of credit, but when there were two systems the cost of classes was more readily identifiable; perhaps this needs to be corrected.

MS. PITNEY said that the differences among the faculty have been preserved, and the cost per credit is differentiated in community schools. The exact distinction may not be as clear as in the 4-year schools.

[8:36:05 AM](#)

CHAIR STEVENS said that the problem is huge and can't be fixed in a single day, but across the country school chancellors are trying to lower costs and we can't continue blaming the problem on various issues; we should see if there's a solution to be found.

MS. PITNEY said that the UA is looking into the problem now. Community campuses are a key piece of the UA system; over half of high-demand graduates have taken classes at more than one UA school.

CHAIR STEVENS said that community involvement is important as well.

[8:39:03 AM](#)

SENATOR HUGGINS referenced the tuition study, and said that the national average for community college costs shows that Alaska costs are among the highest; he asked for Ms. Pitney's comments on national trends.

MS. PITNEY said that the UA recognizes this differential; Alaska community college access costs are significantly higher, and UA campuses have been told that they could not raise tuition costs but would have to cut some conveniences and programs. The state needs to provide more need-based aid, which is currently insufficient; the university can't offer enough to meet everyone's needs.

[8:42:21 AM](#)

CHAIR STEVENS said that no state has a particularly good rating in the previously referenced report.

SENATOR WILKEN commented that he would be interested in seeing what the regents are doing about the issue.

[8:43:20 AM](#)

PETE KELLY, regent for the University of Alaska, said that there has been discussion about letting separate campuses decide their own tuition rates; the relative affordability of school is more important than the actual price. He thanked the committee for discussing the issue, and said that there's generally not enough discussion about the university; the UA is thrilled to see the legislature take an interest in the university besides its budget. If community colleges decide to become more affordable, it would cost them greatly without a way of replacing the money through other means. He gave an example of history of higher education in the US, and reminded the committee that recouping from adjustments takes time and money.

[8:47:47 AM](#)

MR. OBA said that the differential tuition task force has been in place since the previous fall, and there's been extensive discussion about the matter of lowering costs. Some of the results of analysis are staggering; enrollment, for example, would have to be increased 50 percent to reach a revenue-neutral situation.

[8:49:42 AM](#)

CHAIR STEVENS said that there shouldn't be any conflict with the board. The issue of differential is still there though, and despite reasonable four-year tuition, the two-year tuition has suffered.

MR. KELLY said that the university is certainly aware of the issue.

[8:51:01 AM](#)

SENATOR HUGGINS asked for the number of students remaining in-state to go to school, and added that nationally 80 percent of students remain in state.

MR. KELLY replied that the number of students remaining in state is around 54 percent. Only two years ago the 50 percent mark was reached, at the same time that 50 percent of Alaskan graduates began choosing to go to college.

[8:52:41 AM](#)

SENATOR HUGGINS asked if the UA Scholars program has helped with student retention.

MR. KELLY replied that it is a major catalyst, but it's not the only element. A big difference that it does make is that now that the smartest kids in the class are going to the UA system, the other students consider the UA schools as an option as well.

[8:54:03 AM](#)

SENATOR HUGGINS remarked that some schools in other states have legacy scholarships, and asked if that would be feasible in Alaska.

MR. KELLY said that around 90 percent of the UA Scholars program graduates tend to stay in Alaska.

[8:55:44 AM](#)

MS. PITNEY said that there is a legacy program in the UA system; any child of an alumnus can attend at in-state tuition rates.

SENATOR HUGGINS remarked that the college affordability study states that private university faculty have higher salaries, and asked for the difference in salaries in Alaska schools.

MS. PITNEY said that the UA system serves 93 percent of the students in the state, so the numbers of private school staff and students in Alaska are very low.

SENATOR HUGGINS said that he had expected that public school staff would be paid less than private school staff.

[8:58:02 AM](#)

CHAIR STEVENS said that needs-based aid is important, and asked Diane Barrans for comment.

DIANE BARRANS, Executive Director for the Alaska Commission on Postsecondary Education, said that the bottom line of the issue is affordability; in Alaska the percentage of income that goes to education is too high and deters too many people from attending college. The governor has a proposal in the budget this year to increase needs-based aid that will bring Alaska to the national average in terms of community college affordability. The impact of this bill to low-income families would be huge; it would raise the aspirations of Alaskan students. There's a big personal and public benefit to higher education.

[9:01:34 AM](#)

SENATOR HUGGINS asked if matching funds from the family could be proposed, including Permanent Fund Dividend savings.

MS. BARRANS said that in early outreach efforts ways of saving for college are encouraged, including the Permanent Fund Dividend education savings fund, but many times the money is just not available for education.

CHAIR STEVENS thanked the presenters, and, there being no further business to come before the committee, adjourned the meeting at [9:03:38 AM](#).