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HOUSE CS FOR CS FOR SENATE BILL NO. 221(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/17/10

Referred: Today's Calendar

Sponsor(s): SENATORS STEVENS, McGuire, Davis, Kookesh, Meyer, Paskvan, Menard, Stedman, Thomas, Egan

REPRESENTATIVES Kawasaki, Lynn, Cissna, Millett

A BILL**FOR AN ACT ENTITLED**

1 "An Act relating to the AlaskAdvantage education grant program; relating to
 2 professional student exchange program availability; establishing the Alaska merit
 3 scholarship program and relating to the program; relating to student records; making
 4 conforming amendments; establishing a Joint Legislative Higher Education Scholarship
 5 Funding Task Force; establishing an advisory task force on higher education and career
 6 readiness in the legislative branch of government; and providing for an effective date."

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

8 * **Section 1.** AS 14.03 is amended by adding a new section to read:

9 **Sec. 14.03.113. District determination of scholarship eligibility.** A school
 10 district shall determine whether a student who graduates from a high school in the
 11 district is eligible for an award of an Alaska merit scholarship program scholarship
 12 under AS 14.43.810 - 14.43.850. If a student is eligible, the district shall state in the
 13 student's permanent record the highest level of funding for which the student is

1 eligible. A district shall provide a student with an opportunity to request that the
2 district correct an error in the eligibility determination.

3 * **Sec. 2.** AS 14.42.030(e) is amended to read:

4 (e) The commission may

5 (1) adopt regulations under AS 44.62 (Administrative Procedure Act)

6 to

7 (A) carry out the purposes of

8 (i) AS 14.43.091 - 14.43.850 [AS 14.43.091 -
9 14.43.750], 14.43.990, AS 14.44, and AS 14.48; and

10 (ii) AS 14.43.910 and 14.43.920 as they relate to the
11 purposes of AS 14.43.091 - 14.43.850 [AS 14.43.091 - 14.43.750],
12 14.43.990, AS 14.44, and AS 14.48;

13 (B) ensure compliance with the requirements imposed by state
14 and federal statutes and regulations governing the guaranty, insurance,
15 purchase, or other dealings in eligible loans by federal agencies,
16 instrumentalities, or corporations; and

17 (C) establish standards for the

18 (i) administration of hearings conducted under
19 AS 14.43.153; and

20 (ii) administrative enforcement of collection orders
21 under AS 14.43.151 - 14.43.155;

22 (2) delegate to the executive director of the commission or a
23 subcommittee of the commission any duty imposed on or power granted to the
24 commission by this chapter, AS 14.43, AS 14.44, or AS 14.48, except its power to
25 adopt regulations and its duty to consider appeals under AS 14.43.100(b) and
26 AS 14.48.120;

27 (3) establish task forces, committees, or subcommittees, not
28 necessarily consisting of commission members, to advise and assist the commission in
29 carrying out its functions;

30 (4) contract with or use existing institutions of postsecondary
31 education or other individuals or organizations to make studies, conduct surveys,

1 submit recommendations, or otherwise contribute to the work of the commission;

2 (5) establish fees for the review of an out-of-state institution that

3 (A) requests approval for participation in the programs under
4 AS 14.43.091 - 14.43.750, 14.43.990, and AS 14.44; and

5 (B) is not accredited by a national or regional accreditation
6 association recognized by the Council for Higher Education Accreditation; and

7 (6) collect all fees and costs incurred in collection of the amount owed
8 on a loan or repayment obligation if the loan or repayment obligation becomes
9 delinquent or in default; in this paragraph, fees and costs include attorney fees, court
10 costs, and collection fees charged by a collection agency.

11 * **Sec. 3.** AS 14.43.420(a) is amended to read:

12 (a) A grant made under AS 14.43.400 - 14.43.420 may not be in an amount
13 less than \$500 nor more than \$3,000 [\$2,000] for each school year.

14 * **Sec. 4.** AS 14.43.420(c) is amended to read:

15 (c) A student may receive not more than a total of \$12,000 [\$8,000] in grants
16 awarded under AS 14.43.400 - 14.43.420.

17 * **Sec. 5.** AS 14.43 is amended by adding new sections to read:

18 **Article 11A. Alaska Merit Scholarship Program.**

19 **Sec. 14.43.810. Alaska merit scholarship program established; regulations.**

20 (a) The Alaska merit scholarship program is established to provide scholarships for
21 high school graduates who are Alaska residents to attend a qualified postsecondary
22 institution in the state.

23 (b) The department shall, in consultation with the commission, adopt
24 regulations necessary to implement the program. The commission shall administer the
25 daily operations of the program and financing of the program, including the
26 procedures for applying for the scholarships, establishing standards for and ensuring
27 continuing compliance with programmatic standards, and requiring students to apply
28 for other non loan financial aid, consistent with federal law.

29 **Sec. 14.43.820. Alaska merit scholarship program; eligibility.** (a) Subject to
30 appropriation, the commission shall award an Alaska merit scholarship program
31 scholarship to an applicant who

- 1 (1) is a resident of the state as defined in AS 01.10.055;
- 2 (2) graduated or will graduate within six months from a high school in
3 the state;
- 4 (3) has completed a core academic curriculum in high school that
5 includes
- 6 (A) four years of mathematics, four years of language arts, four
7 years of science, and four years of social studies, one year of which may
8 include a foreign language, an Alaska Native language, fine arts, or cultural
9 heritage; or
- 10 (B) three years of mathematics, four years of language arts,
11 three years of science, four years of social studies, and two years of a foreign
12 language or an Alaska Native language;
- 13 (4) has a minimum grade-point average in high school of 2.5 or higher;
14 the department shall set by regulation minimum requirements based on a substantially
15 similar standard for districts that do not assign grades;
- 16 (5) has achieved a minimum score on a
- 17 (A) college entrance examination; or
- 18 (B) standardized examination designed to measure a student's
19 level of preparedness to make the transition to work, as selected by the
20 department; and
- 21 (6) is enrolled in good standing in a course of study at a qualified
22 postsecondary institution in this state that is intended to result in the award of a
23 certificate or degree.

24 (b) The commission shall establish in regulation standards for continuing and
25 regaining eligibility for a scholarship.

26 **Sec. 14.43.825. Maximum annual awards.** (a) The maximum annual awards
27 for the Alaska merit scholarship program scholarships are as follows:

- 28 (1) the first award level is \$4,755 and requires a 3.5 grade-point
29 average or above and a very high minimum score on a college entrance examination;
- 30 (2) the second award level is \$3,566 and requires a 3.0 grade-point
31 average or above and a high minimum score on a college entrance examination;

1 (3) the third award level is \$2,378 and requires a 2.5 grade-point
2 average or above and a moderately high minimum score on a college entrance
3 examination.

4 (b) A student's eligibility for a scholarship terminates six years after the date
5 the student graduated from high school unless the student qualifies for an extension of
6 time allowed by the department by regulation.

7 (c) Except as provided in (b) of this section, a student receiving a scholarship
8 may remain eligible for up to eight semesters of enrollment in good standing at a
9 qualified university or college, which may include graduate courses.

10 (d) Scholarships may be awarded to a full-time student or, if a student is
11 enrolled part time, prorated based on the number of credits. In this subsection, "full
12 time" means enrollment in a course of study that is not less than 12 credits and "part
13 time" means enrollment in a course of study that is not less than six credits but less
14 than 12 credits.

15 (e) The amount of a scholarship award may not exceed the amount of the
16 student's costs of attendance as certified by the postsecondary institution for the
17 purposes of federal financial aid, less any other scholarships or non-loan financial aid
18 awarded to the student.

19 (f) Payment of a scholarship is subject to appropriation. If insufficient funds
20 are appropriated to pay all eligible scholarships, the commission shall pay existing
21 awards on a pro rata basis.

22 **Sec. 14.43.830. Qualified postsecondary institutions.** (a) The following
23 institutions are qualified postsecondary institutions for purposes of awarding an
24 Alaska merit scholarship program scholarship:

25 (1) a university or college physically located in the state that is

26 (A) authorized to operate in the state under AS 14.48.020, or is
27 exempt from authorization under AS 14.48.030(b)(1); and

28 (B) accredited by a regional accreditation association;

29 (2) a career and technical school program physically located in the
30 state that has been included on a list of certified career and technical school programs
31 received from the Department of Labor and Workforce Development; the commission

1 shall publish the list on or before June 30 of the year preceding enrollment.

2 (b) The Department of Labor and Workforce Development shall, in
3 consultation with the Department of Education and Early Development, adopt
4 regulations under AS 44.62 (Administrative Procedure Act) establishing criteria under
5 which the Department of Labor and Workforce Development shall certify career and
6 technical school programs in the state as eligible to participate in the Alaska merit
7 scholarship program.

8 **Sec. 14.43.840. Report to the legislature.** (a) To the extent permitted under
9 law, the department, the commission, the University of Alaska, and the Department of
10 Labor and Workforce Development shall share data necessary to prepare public
11 reports regarding the program.

12 (b) Not more than 10 days after the convening of each regular legislative
13 session, the department, the commission, the University of Alaska, and the
14 Department of Labor and Workforce Development shall present an annual report to
15 the public, the governor, and the legislature containing information of public interest
16 regarding the program, including

17 (1) the number of applicants and number and types of scholarships
18 awarded;

19 (2) the dollar amount of scholarships awarded in past years and the
20 dollar amounts expected to be awarded for the next year; and

21 (3) data and trends in the data regarding high school and postsecondary
22 student performance, programmatic changes, and retention and graduation rates over
23 time.

24 **Sec. 14.43.850. Definitions.** In AS 14.43.810 - 14.43.850, unless the context
25 requires otherwise,

26 (1) "department" means the Department of Education and Early
27 Development;

28 (2) "grade-point average" means the average of all grades on a four-
29 point scale, or five-point scale for advanced placement classes, obtained by the student
30 in high school;

31 (3) "high school" means a public or accredited secondary school in the

1 state and a home school program that is approved by the department;

2 (4) "program" means the Alaska merit scholarship program established
3 under AS 14.43.810 - 14.43.850;

4 (5) "school district" means a borough school district, a city school
5 district, a regional educational attendance area, and a state boarding school.

6 * **Sec. 6.** AS 14.44.025 is amended by adding a new subsection to read:

7 (b) Notwithstanding the funding priorities established under (a) of this section,
8 the Alaska Commission on Postsecondary Education shall provide adequate funding
9 for not fewer than five students each year to attend four-year programs in each of the
10 following fields:

11 (1) dentistry;

12 (2) optometry; and

13 (3) pharmacy.

14 * **Sec. 7.** AS 14.45.130(a) is amended to read:

15 (a) A religious or other private school that elects to comply with AS 14.45.100
16 - 14.45.130 shall maintain permanent student records reflecting immunizations,
17 physical examinations, standardized testing, academic achievement, [AND] courses
18 taken at the school, **and level of eligibility for an Alaska merit scholarship**
19 **program scholarship under AS 14.43.810 - 14.43.850.**

20 * **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to
21 read:

22 **TRANSITION: PROGRAM STANDARDS AND IMPLEMENTATION FOR**
23 **INITIAL SCHOOL YEARS.** Notwithstanding any contrary provision of this Act, the
24 Department of Education and Early Development and the Department of Labor and
25 Workforce Development, after consultation with the Alaska Commission on Postsecondary
26 Education, may adopt regulations under AS 44.62 (Administrative Procedure Act) to
27 implement their respective duties under the Alaska merit scholarship program established in
28 AS 14.43.810, enacted by sec. 5 of this Act, so that a student

29 (1) may be eligible for the program even though the student did not fully meet
30 the required core academic curriculum for the school years beginning July 1, 2010, through
31 June 30, 2014; and

1 (2) who graduated from high school in this state after January 1, 2011, and
2 before July 1, 2011, and meets eligibility requirements for the program may apply for a
3 scholarship on or after January 1, 2011, for enrollment in a program of study beginning on or
4 after July 1, 2011.

5 * **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 TRANSITION: REGULATIONS. The Department of Education and Early
8 Development, the Department of Labor and Workforce Development, and the Alaska
9 Commission on Postsecondary Education may proceed to adopt regulations necessary to
10 implement changes made to their respective authorities by secs. 1, 2, 5, 7, and 8 of this Act.
11 The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before
12 July 1, 2011, except that regulations pertaining to applications for scholarships may take
13 effect on or after January 1, 2011.

14 * **Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to
15 read:

16 JOINT LEGISLATIVE HIGHER EDUCATION SCHOLARSHIP FUNDING TASK
17 FORCE. (a) The legislature finds that

18 (1) there is a growing problem of students entering degree programs at
19 postsecondary institutions in Alaska but not completing the degree programs;

20 (2) at 22.4 percent, Alaska ranks last in the nation for first-time full-time
21 bachelor degree-seeking students who complete their degrees within six years;

22 (3) it is estimated that, by 2025, 50 percent of all jobs in the United States will
23 require a college-level degree;

24 (4) having an educated population is integral to economic development and
25 promotion of lifetime success;

26 (5) the cost of attending postsecondary institutions continues to rise while
27 financial aid for students fails to alleviate their unmet financial need so that they may attend
28 college;

29 (6) improving financial aid opportunities for Alaska students would likely
30 improve postsecondary graduation rates in the state; and

31 (7) establishing a state scholarship program to improve access to student

1 financial aid requires a more thorough examination by the legislature.

2 (b) The Joint Legislative Higher Education Scholarship Funding Task Force is
3 established in the legislative branch for the purpose of examining higher education costs and
4 identifying the best approach in providing financial aid to assist students in the state.

5 (c) The duties of the task force established under this section include

6 (1) evaluating how best to provide long-term and sustainable funding for state-
7 provided financial aid for postsecondary institutions in the state, including scholarship
8 opportunities;

9 (2) evaluating proposals that are based on available facts and conclusions
10 pertaining to financial aid opportunities at postsecondary institutions in the state;

11 (3) recommending improvements or additions to the laws providing for
12 financial aid at postsecondary institutions; and

13 (4) taking public comments on financial aid opportunities in the state.

14 (d) The task force consists of 15 members, as follows:

15 (1) five members of the senate appointed by the president of the senate;

16 (2) five members of the house of representatives appointed by the speaker of
17 the house of representatives; and

18 (3) five members appointed by the governor as follows:

19 (A) the commissioner of education and early development or the
20 commissioner's designee;

21 (B) the president of the University of Alaska or the president's
22 designee;

23 (C) the director of the office of management and budget or the
24 director's designee;

25 (D) a member of the state Board of Education and Early Development;

26 (E) the executive director of the Alaska Commission on Postsecondary
27 Education.

28 (e) The president of the senate and the speaker of the house of representatives shall
29 jointly appoint the chair and vice-chair of the task force.

30 (f) The task force shall meet during the interim between legislative sessions.

31 (g) The task force shall submit a report of its findings and proposed legislative

1 changes to the governor, the Alaska Commission on Postsecondary Education, the
 2 Department of Educational and Early Development, and the legislature by December 1, 2010,
 3 and may make any additional reports it considers advisable.

4 (h) The Joint Legislative Higher Education Scholarship Task Force is terminated on
 5 January 1, 2011.

6 * **Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section to
 7 read:

8 ESTABLISHMENT OF ADVISORY TASK FORCE ON HIGHER EDUCATION
 9 AND CAREER READINESS; COMPOSITION. (a) An advisory task force on higher
 10 education and career readiness is established in the legislative branch of state government for
 11 the purpose of compiling data and advising the legislature on matters pertaining to college and
 12 career readiness of students who graduate from public secondary schools in the state and
 13 students who are nontraditional students.

14 (b) The task force established under this section consists of 20 members, as follows:

15 (1) the governor or the governor's designee;

16 (2) the executive director of the Alaska Commission on Postsecondary
 17 Education or the executive director's designee;

18 (3) the commissioner of education and early development or the
 19 commissioner's designee;

20 (4) one member appointed by the governor who represents vocational,
 21 technical training, or apprenticeship programs in the state;

22 (5) a student representative appointed by the Board of Education and Early
 23 Development;

24 (6) the student member of the Board of Regents of the University of Alaska or
 25 the student's designee;

26 (7) the president of the University of Alaska or the president's designee;

27 (8) the executive director of the Association of Alaska School Boards or the
 28 executive director's designee;

29 (9) the executive director of the Alaska Association of School Administrators
 30 or the executive director's designee;

31 (10) the president of the National Education Association of Alaska or the

1 president's designee;

2 (11) the president of the Alaska Federation of Natives or the president's
3 designee;

4 (12) two members of the house of representatives, appointed by the speaker of
5 the house, one of whom shall be appointed co-chair;

6 (13) two members of the senate, appointed by the president of the senate, one
7 of whom shall be appointed co-chair;

8 (14) one member appointed by the governor who represents private colleges
9 or universities;

10 (15) one member appointed by the governor who represents public
11 postsecondary institutions and who is not affiliated with the University of Alaska;

12 (16) three members appointed by the governor who have specialized
13 knowledge, skill, or experience in education remediation and who are employed as faculty at
14 postsecondary institutions located in separate major administrative units in the state, at least
15 one of whom resides outside of Anchorage, Fairbanks, and Juneau.

16 (c) A majority of the members of the task force constitutes a quorum. A vacancy on
17 the task force shall be filled in the same manner as the original selection or appointment.

18 (d) Members of the task force serve without compensation but are entitled to per diem
19 and travel expenses authorized for boards and commissions under AS 39.20.180, except that
20 per diem and travel expenses shall be paid from the budget of the agency or institution the
21 member represents on the task force. The agency or institution may opt out of participating to
22 avoid payment of per diem and travel expenses. The staff of the legislative members of the
23 task force shall serve as staff for the task force.

24 (e) The task force shall meet at the call of the chair not less than once every three
25 months. The co-chairs shall call the first meeting of the task force not later than 30 days after
26 the effective date of this section. The members of the task force shall elect other officers as
27 needed to conduct the business of the task force.

28 (f) The task force shall

29 (1) compile research conducted in the state and nationally on reducing
30 remediation, improving retention, and increasing college and postsecondary vocational or
31 technical program graduation rates;

- 1 (2) summarize data on
- 2 (A) types of testing used to determine college and career readiness;
- 3 (B) remediation rates;
- 4 (C) effectiveness of remediation for students entering college or
- 5 postsecondary vocational or technical training programs with skill deficits;
- 6 (D) characteristics of programs that are most effective in addressing
- 7 skill deficits;
- 8 (3) create a definition of remediation to ensure consistency in reporting of
- 9 remediation rates by postsecondary institutions in the state;
- 10 (4) identify the contributing causes of a lack of college and career readiness of
- 11 students who graduate from public secondary schools in the state and the course topics taken
- 12 in college or postsecondary vocational or technical training programs for which students
- 13 require remediation;
- 14 (5) identify best practices examples of school systems, colleges, and
- 15 postsecondary vocational or technical training programs that are succeeding in reducing the
- 16 need for remedial education;
- 17 (6) explore new approaches that may be effective in producing increased
- 18 levels of college and career readiness;
- 19 (7) determine the availability of broadband and Internet capabilities and the
- 20 effect of the use of electronic, Internet, and virtual instruction on student learning and success
- 21 in schools;
- 22 (8) determine the role various types of postsecondary institutions may play in
- 23 addressing the need for remediation;
- 24 (9) review graduation rates of colleges, universities, and postsecondary
- 25 vocational or technical training programs located in the state for the six years preceding the
- 26 effective date of this section;
- 27 (10) prepare for the legislature a set of written recommendations to improve
- 28 remediation, retention, and graduation rates at colleges, universities, and postsecondary
- 29 vocational or technical training programs in the state;
- 30 (11) review completion rates for career skill certificate programs,
- 31 disaggregated by program and postsecondary campus.

1 (g) The task force shall submit the assessment and recommendations developed under
2 (f) of this section in a report to the legislature not later than April 1, 2011.

3 * **Sec. 12.** Section 11 of this Act is repealed on July 1, 2011.

4 * **Sec. 13.** Sections 3, 4, 6, and 8 - 11 of this Act take effect immediately under
5 AS 01.10.070(c).

6 * **Sec. 14.** Except as provided in sec. 13 of this Act, this Act takes effect July 1, 2011.