

CS FOR SENATE BILL NO. 224(EDC)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE EDUCATION COMMITTEE

Offered: 3/26/10

Referred: Finance

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing the Alaska student achievement scholarship program and relating**
2 **to the program; establishing the Alaska student achievement scholarship fund and**
3 **relating to the fund; relating to student records; making conforming amendments; and**
4 **providing for an effective date."**

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

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

7 **Sec. 14.03.113. District determination of scholarship eligibility.** A school
8 district shall determine whether a student who graduates from a high school in the
9 district is eligible for an award of a merit-based Alaska student achievement
10 scholarship under AS 14.43.810 - 14.43.890. If a student is eligible, the district shall
11 state in the student's permanent record the highest level of funding for which the
12 student is eligible. A district shall provide a student with an opportunity to request that
13 the district correct an error in the eligibility determination.

14 *** Sec. 2.** AS 14.07.020(a) is amended to read:

1 (a) The department shall

2 (1) exercise general supervision over the public schools of the state
3 except the University of Alaska;

4 (2) study the conditions and needs of the public schools of the state,
5 adopt or recommend plans, administer and evaluate grants to improve school
6 performance awarded under AS 14.03.125, and adopt regulations for the improvement
7 of the public schools;

8 (3) provide advisory and consultative services to all public school
9 governing bodies and personnel;

10 (4) prescribe by regulation a minimum course of study for the public
11 schools; the regulations must provide that, if a course in American Sign Language is
12 given, the course shall be given credit as a course in a foreign language;

13 (5) establish, in coordination with the Department of Health and Social
14 Services, a program for the continuing education of children who are held in detention
15 facilities in the state during the period of detention;

16 (6) accredit those public schools that meet accreditation standards
17 prescribed by regulation by the department; these regulations shall be adopted by the
18 department and presented to the legislature during the first 10 days of any regular
19 session, and become effective 45 days after presentation or at the end of the session,
20 whichever is earlier, unless disapproved by a resolution concurred in by a majority of
21 the members of each house;

22 (7) prescribe by regulation, after consultation with the state fire
23 marshal and the state sanitarian, standards that will ensure [ASSURE] healthful and
24 safe conditions in the public and private schools of the state, including a requirement
25 of physical examinations and immunizations in pre-elementary schools; the standards
26 for private schools may not be more stringent than those for public schools;

27 (8) exercise general supervision over pre-elementary schools that
28 receive direct state or federal funding;

29 (9) exercise general supervision over elementary and secondary
30 correspondence study programs offered by municipal school districts or regional
31 educational attendance areas; the department may also offer and make available to any

1 Alaskan through a centralized office a correspondence study program;

2 (10) accredit private schools that request accreditation and that meet
3 accreditation standards prescribed by regulation by the department; nothing in this
4 paragraph authorizes the department to require religious or other private schools to be
5 licensed;

6 (11) review plans for construction of new public elementary and
7 secondary schools and for additions to and major rehabilitation of existing public
8 elementary and secondary schools and, in accordance with regulations adopted by the
9 department, determine and approve the extent of eligibility for state aid of a school
10 construction or major maintenance project; for the purposes of this paragraph, "plans"
11 include educational specifications, schematic designs, and final contract documents;

12 (12) provide educational opportunities in the areas of vocational
13 education and training, and basic education to individuals over 16 years of age who
14 are no longer attending school;

15 (13) administer the grants awarded under AS 14.11;

16 (14) establish, in coordination with the Department of Public Safety, a
17 school bus driver training course;

18 (15) require the reporting of information relating to school disciplinary
19 and safety programs under AS 14.33.120 and of incidents of disruptive or violent
20 behavior;

21 (16) establish by regulation criteria, based on low student performance,
22 under which the department may intervene in a school district to improve instructional
23 practices, as described in AS 14.07.030(14) or (15); the regulations must include

24 (A) a notice provision that alerts the district to the deficiencies
25 and the instructional practice changes proposed by the department;

26 (B) an end date for departmental intervention, as described in
27 AS 14.07.030(14)(A) and (B) and (15), after the district demonstrates three
28 consecutive years of improvement consisting of not less than two percent
29 increases in student proficiency on standards-based assessments in math,
30 reading, and writing as provided in AS 14.03.123(f)(2)(A); and

31 (C) a process for districts to petition the department for

1 continuing or discontinuing the department's intervention;

2 (17) notify the legislative committees having jurisdiction over
3 education before intervening in a school district under AS 14.07.030(14) or redirecting
4 public school funding under AS 14.07.030(15);

5 **(18) administer duties assigned to the department under the**
6 **Alaska student achievement scholarship program established in AS 14.43.810 -**
7 **14.43.890.**

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

9 (e) The commission may

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

11 to

12 (A) carry out the purposes of

13 (i) **AS 14.43.091 - 14.43.890** [AS 14.43.091 -
14 14.43.750], 14.43.990, AS 14.44, and AS 14.48; and

15 (ii) AS 14.43.910 and 14.43.920 as they relate to the
16 purposes of **AS 14.43.091 - 14.43.890** [AS 14.43.091 - 14.43.750],
17 14.43.990, AS 14.44, and AS 14.48;

18 (B) ensure compliance with the requirements imposed by state
19 and federal statutes and regulations governing the guaranty, insurance,
20 purchase, or other dealings in eligible loans by federal agencies,
21 instrumentalities, or corporations; and

22 (C) establish standards for the

23 (i) administration of hearings conducted under
24 AS 14.43.153; and

25 (ii) administrative enforcement of collection orders
26 under AS 14.43.151 - 14.43.155;

27 (2) delegate to the executive director of the commission or a
28 subcommittee of the commission any duty imposed on or power granted to the
29 commission by this chapter, AS 14.43, AS 14.44, or AS 14.48, except its power to
30 adopt regulations and its duty to consider appeals under AS 14.43.100(b) and
31 AS 14.48.120;

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

4 (4) contract with or use existing institutions of postsecondary
 5 education or other individuals or organizations to make studies, conduct surveys,
 6 submit recommendations, or otherwise contribute to the work of the commission;

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

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

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

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

16 * **Sec. 4.** AS 14.43 is amended by adding new sections to read:

17 **Article 11A. Alaska Student Achievement Scholarship Program.**

18 **Sec. 14.43.810. Alaska student achievement scholarship program**
 19 **established; residency.** (a) The Alaska student achievement scholarship program is
 20 established to provide scholarships for high school graduates who are Alaska residents
 21 to attend a qualified postsecondary institution in the state.

22 (b) The department shall design the programmatic standards for the
 23 scholarships and appeals of adverse decisions. The commission shall administer the
 24 daily operations of the program and financing of the program, including the
 25 procedures for applying for the scholarships, establishing standards for and ensuring
 26 continuing compliance with programmatic standards, and requiring students to apply
 27 for other non loan financial aid, consistent with federal law. The respective agencies
 28 shall adopt necessary regulations under AS 44.62 after consultation with each other.
 29 The department may change the regulations under AS 44.62 relating to the
 30 programmatic standards for required academic achievement for eligibility only by
 31 giving advance public notice at least one school year before the effective date of the

1 change.

2 (c) For purposes of the program, a student is an Alaska resident if the student
3 meets the requirements for establishing residency under AS 01.10.055.

4 **Sec. 14.43.815. Qualifications of applicants.** (a) A student may apply for an
5 Alaska student achievement scholarship to attend a qualified postsecondary institution
6 in the state if the student

7 (1) has applied or intends to apply for admission to the institution;

8 (2) is an Alaska resident who has

9 (A) graduated, or will graduate not later than six months after
10 the date of the application, from a high school in the state, including a public
11 school, private school, or home school;

12 (B) graduated, or will graduate not later than six months after
13 the date of the application, from a high school outside of the state under
14 circumstances allowed by the department; for purposes of this subparagraph,
15 allowable circumstances include a circumstance in which a high school student
16 who is an Alaska resident left the state because of the military service of the
17 student's custodial parent who is an Alaska resident;

18 (3) will receive and use the scholarship at a qualified postsecondary
19 institution in the state not later than six years after the beginning of the first school
20 year after a student's graduation from high school, unless the student qualifies for an
21 extension of time allowed by the department; for purposes of this paragraph, standards
22 for extension of time must include time while the student is in military service;

23 (4) maintains a minimum grade-point average while attending the
24 postsecondary institution; and

25 (5) meets other minimum qualifications to apply or continue to be
26 eligible for an Alaska student achievement scholarship.

27 (b) A student is not qualified to receive an Alaska student achievement
28 scholarship if the student

29 (1) has not complied with the military selective service registration
30 requirements imposed under 50 U.S.C. App. 453 (Military Selective Service Act), if
31 those requirements apply to the student;

1 (2) is currently in default or owes a refund on a federal financial aid
 2 loan under the federal guaranteed student loan program or financial aid awarded under
 3 this chapter; or

4 (3) has been convicted of a felony in the state or another jurisdiction
 5 and has not qualified for a waiver under standards adopted by the department.

6 (c) The commission shall adopt regulations to include an application
 7 procedure for the award of a scholarship or for the resumption of a scholarship award
 8 for an eligible applicant who has either withdrawn from or delayed enrollment in a
 9 qualified postsecondary institution in the state and who has been admitted to a
 10 qualified postsecondary institution, regardless of age.

11 **Sec. 14.43.820. Eligibility for an academic scholarship.** (a) Subject to
 12 appropriation, the commission shall award a merit-based academic scholarship to an
 13 applicant who meets the eligibility criteria for the award under the program.

14 (b) The programmatic standards for eligibility for an award of a merit-based
 15 academic scholarship under the program include the following:

16 (1) the four-year core academic curriculum, which may include virtual
 17 curriculum, that the student must have completed in high school; the core academic
 18 curriculum must include one of the following:

19 (A) a combination of

20 (i) four years of mathematics;

21 (ii) four years of language arts;

22 (iii) four years of science; and

23 (iv) four years of social studies, one year of which may
 24 include a foreign language, an Alaska Native language, fine arts, or
 25 cultural heritage; or

26 (B) a combination of

27 (i) three years of mathematics;

28 (ii) four years of language arts;

29 (iii) three years of science;

30 (iv) four years of social studies; and

31 (v) two years of a foreign language or an Alaska Native

1 language;

2 (2) the minimum grade average that the student must have achieved in
3 high school to be eligible for each of the three award levels of merit-based academic
4 scholarship under AS 14.43.827; for the first award level, a student must have an A
5 average; for the second award level, a student must have a B average; and for the third
6 award level a student must have a C plus average; the grade-point average for an A
7 average is 3.5 or higher, for a B average, less than 3.5 but not less than 3.0, and for a C
8 plus average, less than 3.0 but not less than 2.5; the department shall set by regulation
9 minimum requirements based on a substantially similar standard for districts that do
10 not assign grades;

11 (3) the minimum score on a college entrance examination that the
12 student must have achieved to be eligible for each of the three award levels of merit-
13 based academic scholarship award under AS 14.43.827;

14 (4) a process by which a student who meets the grade standards in (2)
15 of this subsection for a particular award level, but does not meet the minimum scores
16 established under (3) of this subsection for that award level, may apply for a lower
17 level scholarship;

18 (5) enrollment in a course of study at a qualified postsecondary
19 institution as described in AS 14.43.835 that is intended to result in the award of a
20 certificate or degree;

21 (6) a process through which a student who is no longer eligible can
22 regain eligibility;

23 (7) a process through which a home-schooled or private-schooled
24 student may submit evidence to the qualified postsecondary institution that establishes
25 the equivalent of the high school diploma, grade-point average, and core academic
26 curriculum for public school students.

27 **Sec. 14.43.825. Eligibility for a career and technical school scholarship.** (a)
28 Subject to appropriation, the commission shall award a merit-based career and
29 technical school scholarship to an applicant who meets the eligibility criteria for the
30 award under the program.

31 (b) The programmatic standards for eligibility for an award of a merit-based

1 career and technical school scholarship under the program include the following:

2 (1) the core academic curriculum, which may include virtual
3 curriculum, that the student must have completed in high school; the core academic
4 curriculum must include

5 (A) a combination of

6 (i) four years of mathematics;

7 (ii) four years of language arts;

8 (iii) four years of science; and

9 (iv) four years of social studies, one year of which may
10 include a foreign language, an Alaska Native language, fine arts, or
11 cultural heritage; or

12 (B) a combination of

13 (i) three years of mathematics;

14 (ii) four years of language arts;

15 (iii) three years of science;

16 (iv) four years of social studies; and

17 (v) two years of a foreign language or an Alaska Native
18 language;

19 (2) the minimum grade average that the student must have achieved in
20 high school; the minimum is C plus average; the C plus average requirement is a
21 grade-point average of 2.5 or higher; the department shall set by regulation minimum
22 requirements based on a substantially similar standard for districts that do not assign
23 grades;

24 (3) the minimum score that the student must have achieved on a

25 (A) college entrance examination; or

26 (B) standardized examination designed to measure a student's
27 level of preparedness to make the transition to work, as selected by the
28 department;

29 (4) enrollment in good standing at a certified career and technical
30 school that is intended to result in the award of a certificate that indicates the student's
31 preparedness to enter the workforce;

1 (5) a process through which a student who is no longer eligible can
2 regain eligibility.

3 **Sec. 14.43.827. Maximum awards and allowable uses.** (a) Subject to (b) - (e)
4 of this section and the programmatic standards established under AS 14.43.820(b), the
5 maximum awards and allowable uses for the merit-based programs are as follows:

6 (1) for the merit-based academic scholarship, the following three levels
7 of scholarship financing award for a semester:

8 (A) the first award level is an amount that is equal to the cost of
9 approved tuition at the University of Alaska in school year 2010 - 2011 and
10 requires an A grade average and a very high minimum score on a college
11 entrance examination;

12 (B) the second award level is an amount that is equal to 75
13 percent of the first award level and requires a B grade average and a high
14 minimum score on a college entrance examination;

15 (C) the third award level is an amount that is equal to 50
16 percent of the first award level and requires a C plus grade average and a
17 moderately high minimum score on a college entrance examination;

18 (2) for the merit-based career and technical scholarship, the award
19 must be the actual cost of the qualified career and technical school attended by the
20 student, not to exceed \$3,000 a school year;

21 (3) subject to (e) of this section, a student who qualifies for a merit-
22 based academic scholarship may apply the award to the costs of attending a qualified
23 career and technical school program as described in AS 14.43.835(a)(2).

24 (b) A part-time student who receives a merit-based academic scholarship and
25 is enrolled on at least a half-time basis is eligible for an award of 50 percent of the
26 amount of scholarship award for which the student is eligible under (a) of this section.

27 (c) A student's eligibility for a scholarship terminates six years after the date
28 the student graduated from high school unless the student qualifies for an extension of
29 time allowed by the department.

30 (d) Subject to AS 14.43.815(a)(3), a student receiving a merit-based academic
31 scholarship may remain eligible for up to eight semesters of enrollment at a qualified

1 university or college, which may include graduate courses, or for up to two calendar
 2 years of attendance at a qualified career or technical school. A student receiving a
 3 merit-based career and technical scholarship may remain eligible for two calendar
 4 years of attendance at a qualified career and technical school. A student may not
 5 receive both an academic and a career and technical scholarship.

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

10 **Sec. 14.43.828. Eligibility for a needs-based achievement scholarship;
 11 maximum award.** (a) Subject to appropriation, the commission shall award a needs-
 12 based achievement scholarship to a student who meets the eligibility criteria for the
 13 award.

14 (b) A student is eligible to receive a needs-based achievement scholarship if
 15 the student

16 (1) is eligible for a merit-based achievement scholarship under
 17 AS 14.43.810 - 14.43.890; and

18 (2) can demonstrate, in a year in which the student receives a
 19 scholarship, that the student has unmet financial need greater than \$2,000.

20 (c) The maximum amount for a needs-based achievement scholarship for a
 21 student who is enrolled

22 (1) not less than full time, is 50 percent of the unmet financial need
 23 that exceeds \$2,000; and

24 (2) less than full time but not less than half time, is 25 percent of the
 25 unmet financial need that exceeds \$2,000.

26 (d) The qualified postsecondary institution attended by the student shall
 27 determine unmet financial need by subtracting from the student's allowable standard
 28 costs of attendance at the institution all non loan sources of financial support,
 29 including an expected family contribution and all federal, state, and private
 30 scholarships or grants received by the student.

31 (e) In this section,

1 (1) "allowable standard costs of attendance" means, for a student who
2 receives a merit-based achievement scholarship, the lesser of

3 (A) the standard costs of attendance at the University of Alaska
4 as determined by the commission; or

5 (B) the actual costs of attendance at the qualified postsecondary
6 institution that the student attends or plans to attend, as determined by the
7 commission;

8 (2) "expected family contribution" means the amount a student or the
9 student's family is expected to pay toward the student's cost of attendance, as
10 determined by use of the most recent federal Free Application for Federal Student Aid.

11 **Sec. 14.43.830. Programmatic standards.** (a) Subject to (b) of this section,
12 the department shall establish programmatic standards for the program.

13 (b) The department shall establish a make-up procedure or alternative pathway
14 to allow students who are not eligible for a scholarship to make up a deficit by
15 alternative means if the deficit was caused by circumstances beyond the student's
16 control. The department may not waive a requirement and shall require the student to
17 achieve a result comparable to that required of other students. The decision of the
18 department regarding a student's eligibility for alternative means is final. In
19 determining circumstances in which the student may pursue alternative means, the
20 department shall consider the effect on students who have met the requirements.
21 Attendance at a high school outside of the state is not a circumstance in which a
22 student may be allowed to pursue alternative means to qualify for a scholarship.
23 Circumstances in which the department may allow a student to pursue alternative
24 means to qualify for a scholarship include the following:

25 (1) the required curriculum was not reasonably available to the student
26 because the student attended a small and remote high school in the state;

27 (2) the deficit was caused by rare and unusual circumstances outside
28 the control of the student.

29 **Sec. 14.43.835. Qualified postsecondary institutions.** (a) The following
30 institutions are qualified postsecondary institutions:

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

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

3 (B) accredited by a regional accreditation association;

4 (2) a career and technical school program physically located in the
5 state that has been included on a list of certified career and technical school programs
6 received from the Department of Labor and Workforce Development; the commission
7 shall publish the list on or before September 1 of the year preceding enrollment.

8 (b) The Department of Labor and Workforce Development shall, in
9 consultation with the Department of Education and Early Development, adopt
10 regulations under AS 44.62 establishing criteria under which the Department of Labor
11 and Workforce Development shall certify career and technical school programs in the
12 state as eligible to participate in the Alaska student achievement scholarship program.
13 The criteria to be considered under this subsection include the following:

14 (1) the quality of the job-training program offered by the career and
15 technical school;

16 (2) the employability of a graduate of the program, including whether
17 the program results in a certificate or license that is recognized by the industry for
18 which the training prepares the student;

19 (3) whether jobs in the industry for which the training prepares the
20 student are available or expected to be available in the future in the state;

21 (4) other criteria established by the Department of Labor and
22 Workforce Development in regulation.

23 (c) A postsecondary institution is physically located in the state if the campus,
24 teachers, classrooms, school administrators, and equipment used to provide the
25 education to the students are physically present in the state. Use of virtual, electronic,
26 or online materials by teachers in the state does not disqualify a postsecondary
27 institution even if the materials are generated outside the state. However, a
28 correspondence, virtual, electronic, or online program that is administered from
29 outside the state is not physically located in the state even if the program is delivered
30 by teachers or equipment in the state.

31 **Sec. 14.43.840. Application and award.** (a) The commission shall establish

1 application procedures for students to apply for an Alaska student achievement
2 scholarship.

3 (b) The commission shall adopt procedures for payment of scholarship awards
4 to the institution attended by the scholarship recipient. Payment of a scholarship is
5 subject to appropriation. If insufficient funds are appropriated to pay all eligible
6 scholarships, the commission shall pay existing awards on a pro rata basis.

7 (c) A student who is awarded a scholarship in error shall be required to refund
8 to the state the amount of the scholarship awarded in error.

9 **Sec. 14.43.845. Alaska student achievement scholarship fund income**
10 **account.** The Alaska student achievement scholarship fund income account is created
11 as an account in the general fund. Money may be appropriated into the account from
12 the expendable earnings of the Alaska student achievement scholarship fund under
13 AS 37.14.750 - 37.14.790 and other sources. The commission may use money in the
14 account to pay scholarships awarded to students under AS 14.43.810 - 14.43.890.

15 **Sec. 14.43.850. Report to the legislature.** (a) To the extent permitted under
16 law, the department, the commission, the University of Alaska, the Department of
17 Revenue, and the Department of Labor and Workforce Development shall share data
18 necessary to prepare public reports regarding the program.

19 (b) Not more than 10 days after the convening of each regular legislative
20 session, the department, the commission, the University of Alaska, the Department of
21 Revenue, and the Department of Labor and Workforce Development shall present an
22 annual report to the public, the governor, and the legislature containing information of
23 public interest regarding the program, including

24 (1) the number of applicants and number and types of scholarships
25 awarded;

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

28 (3) data and trends in the data regarding high school and postsecondary
29 student performance, programmatic changes, and graduation rates over time.

30 **Sec. 14.43.890. Definitions.** In AS 14.43.810 - 14.43.890, unless the context
31 requires otherwise,

1 (1) "commission" means the Alaska Commission on Postsecondary
2 Education;

3 (2) "department" means the Department of Education and Early
4 Development;

5 (3) "grade-point average" means the average of all grades on a four-
6 point scale, or five-point scale for advanced placement classes, obtained by the student
7 in high school;

8 (4) "military service" means active duty in the armed forces of the
9 United States;

10 (5) "program" means the Alaska student achievement scholarship
11 program established under AS 14.43.810 - 14.43.890;

12 (6) "school district" means a borough school district, a city school
13 district, a regional educational attendance area, and a state boarding school.

14 * **Sec. 5.** 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 student achievement**
19 **scholarship under AS 14.43.810 - 14.43.890.**

20 * **Sec. 6.** AS 23.05.060 is amended to read:

21 **Sec. 23.05.060. Powers of the department.** The department may

22 (1) enforce all state labor laws;

23 (2) act as mediator and appoint deputy commissioners of conciliation
24 in labor disputes whenever it considers the interest of industrial peace requires it;

25 (3) make investigations and collect and compile statistical information
26 concerning the conditions of labor generally and upon all matters relating to the
27 enforcement of this chapter;

28 (4) institute court proceedings against an employer of labor without
29 cost to the employee when it is satisfied that the employer has failed to pay an
30 employee an amount due by contract;

31 (5) issue cease and desist orders and other orders and regulations

1 necessary for the enforcement of state labor laws;

2 (6) in accordance with AS 37.07 (the Executive Budget Act), receive
3 and spend money derived from agreements with local governments, nongovernmental
4 organizations, or other persons;

5 **(7) administer duties assigned to the department under the Alaska**
6 **student achievement scholarship program established in AS 14.43.810 -**
7 **14.43.890.**

8 * **Sec. 7.** AS 36.30.850(b) is amended to read:

9 (b) This chapter applies to every expenditure of state money by the state,
10 acting through an agency, under a contract, except that this chapter does not apply to

11 (1) grants;

12 (2) contracts for professional witnesses to provide for professional
13 services or testimony relating to existing or probable lawsuits in which the state is or
14 may become a party;

15 (3) contracts of the University of Alaska where the work is to be
16 performed substantially by students enrolled in the university;

17 (4) contracts for medical doctors and dentists;

18 (5) acquisitions or disposals of real property or interest in real
19 property, except as provided in AS 36.30.080 and 36.30.085;

20 (6) disposals under AS 38.05;

21 (7) contracts for the preparation and transportation of ballots under
22 AS 15;

23 (8) acquisitions or disposals of property and other contracts relating to
24 airports under AS 02.15.070, 02.15.090, 02.15.091, and AS 44.88;

25 (9) disposals of obsolete property under AS 19.05.060;

26 (10) disposals of obsolete material or equipment under AS 35.20.060;

27 (11) agreements with providers of services under AS 47.25.071 -
28 47.25.095; AS 47.07; AS 47.08; AS 47.10; AS 47.12; AS 47.14; AS 47.17; AS 47.24;
29 and AS 47.27, including contractors under AS 47.27.050;

30 (12) contracts of the Department of Fish and Game for flights that
31 involve specialized flying and piloting skills and are not point-to-point;

1 (13) purchases of income-producing assets for the state treasury or a
2 public corporation of the state;

3 (14) [REPEALED

4 (15)] a contract that is a delegation, in whole or in part, of investment
5 powers held by

6 (A) the commissioner of revenue under AS 14.42.200,
7 14.42.210, AS 18.56.095, AS 37.10.070, 37.10.071, or AS 37.14;

8 (B) the Board of Regents of the University of Alaska under
9 AS 14.40.250 - 14.40.491;

10 (15) [(16)] a contract that is a delegation, in whole or in part, of
11 investment powers or fiduciary duties of

12 (A) the Board of Trustees of the Alaska Permanent Fund
13 Corporation under AS 37.13;

14 (B) the Alaska Mental Health Trust Authority under
15 AS 37.14.001 - 37.14.099;

16 (16) [(17)] the purchase of books, book binding services, newspapers,
17 periodicals, audio-visual materials, network information services access, approval
18 plans, professional memberships, archival materials, objects of art, and items for
19 museum or archival acquisition having cultural, historical, or archaeological
20 significance; in this paragraph

21 (A) "approval plans" means book selection services in which
22 current book titles meeting an agency's customized specifications are provided
23 to the agency subject to the right of the agency to return those books that do
24 not meet with the agency's approval;

25 (B) "archival materials" means the noncurrent records of an
26 agency that are preserved after appraisal because of their value;

27 (C) "audio-visual materials" means nonbook prerecorded
28 materials, including records, tapes, slides, transparencies, films, filmstrips,
29 cassettes, videos, compact discs, laser discs, and items that require the use of
30 equipment to render them usable;

31 (D) "network information services" means a group of resources

1 from which cataloging information, holdings records, inter-library loans,
2 acquisitions information, and other reference resources can be obtained;

3 (17) [(18)] contracts for the purchase of standardized examinations for
4 licensure under AS 08;

5 (18) [(19)] contracts for home health care provided under regulations
6 adopted by the Department of Health and Social Services and for adult residential care
7 services provided under regulations adopted by the Department of Health and Social
8 Services or by the Department of Administration;

9 (19) [(20)] contracts for supplies or services for research projects
10 funded by money received from the federal government or private grants;

11 (20) [(21)] guest speakers or performers for an educational or cultural
12 activity;

13 (21) [(22)] contracts of the Alaska Industrial Development and Export
14 Authority for a clean coal technology demonstration project that

15 (A) is attempting to develop a coal-fired electric generation
16 project;

17 (B) uses technology that is capable of commercialization
18 during the 1990's; and

19 (C) qualifies for federal financial participation under P.L. 99-
20 190 as amended;

21 (22) [(23)] operation and protection of assets or disposals of equipment
22 and supplies acquired through foreclosure or other legal proceedings relating to loans
23 issued under AS 03.10;

24 (23) [(24)] purchases of curatorial and conservation services to
25 maintain, preserve, and interpret

26 (A) objects of art; and

27 (B) items having cultural, historical, or archaeological
28 significance to the state;

29 (24) [(25)] acquisition of confidential seismic survey data necessary
30 for pre-sale oil and gas lease or gas only lease analyses under AS 38.05.180;

31 (25) [(26)] contracts for village public safety officers;

1 (26) [(27)] purchases of supplies and services to support the operations
2 of the Alaska state troopers or law enforcement officers engaged in fish and wildlife
3 protection if the procurement officer for the Department of Public Safety makes a
4 written determination that publicity of the purchases would jeopardize the safety of
5 personnel or the success of a covert operation;

6 (27) [(28)] expenditures when rates are set by law or ordinance;

7 (28) [(29)] construction of new vessels by the Department of
8 Transportation and Public Facilities for the Alaska marine highway system;

9 (29) [(30)] contracts entered into with a regional development
10 organization; in this paragraph, "regional development organization" has the meaning
11 given in AS 44.33.895;

12 (30) [(31)] contracts that are to be performed in an area outside of the
13 country and that require a knowledge of the customs, procedures, rules, or laws of the
14 area;

15 (31) [(32)] contracts that are between the Department of Law and
16 attorneys who are not employed by the state and that are for the review or prosecution
17 of possible violations of the criminal law of the state in situations where the attorney
18 general concludes that an actual or potential conflict of interest makes it inappropriate
19 for the Department of Law to review or prosecute the possible violations;

20 (32) [(33)] contracts between the Department of Natural Resources and
21 contractors qualified to evaluate hydrocarbon development, production, transportation,
22 and economics, to assist the commissioner of natural resources in evaluating
23 applications for royalty increases or decreases or other royalty adjustments, and
24 evaluating the related financial and technical data, entered into under AS 38.05.180(j);

25 (33) [(34)] contracts of the Alaska Industrial Development and Export
26 Authority made with the developer of an integrated transportation and port facility
27 owned by the authority;

28 (34) [(35)] procurements of contracts with the media for advertising;

29 (35) [(36)] [REPEALED

30 (37)] contracts between the state medical examiner and a provider of
31 medical services to perform or assist in performing the duties assigned to the state

1 medical examiner in AS 12.65.020;

2 (36) [(38)] contracts between the commissioner of revenue and an
3 independent contractor under AS 43.82.240;

4 (37) [(39)] contracts for a convener under AS 44.62.730 or for a
5 facilitator under AS 44.62.760 related to a negotiated regulation making process under
6 AS 44.62.710 - 44.62.800;

7 (38) [(40) REPEALED

8 (41)] a tourism marketing contract awarded under AS 44.33.125;

9 (39) [(42)] grants and contracts with qualified entities for services
10 under AS 47.18.330 for the foster care transition program;

11 (40) [(43)] contracts for travel services, including airplane travel, hotel
12 accommodations, and travel agency services, but excluding motor vehicle rentals;

13 (41) [(44)] contracts of the Alaska Commission on Postsecondary
14 Education or the Alaska Student Loan Corporation for the guarantee and disbursing of
15 financial aid money to institutions of postsecondary education under the financial aid
16 programs under AS 14.43.091 - 14.43.750 and AS 14.44.025;

17 (42) contracts of the Alaska Commission on Postsecondary
18 Education for the servicing and disbursing of financial aid money to institutions
19 of postsecondary education under the financial aid programs under AS 14.43.810
20 - 14.43.890;

21 (43) [(45)] contracts for an arbitration panel to determine whether a
22 project is uneconomic under AS 43.90.240, and contracts for the development of
23 application provisions for licensure and for the evaluation of those applications under
24 AS 43.90;

25 (44) [(46)] contracts for delivery of home heating assistance under
26 AS 47.25.626;

27 (45) [(47)] contracts of the Alaska Pension Obligation Bond
28 Corporation under AS 37.16.010 - 37.16.900.

29 * **Sec. 8.** AS 37.14 is amended by adding new sections to read:

30 **Article 8A. Alaska Student Achievement Scholarship Fund.**

31 **Sec. 37.14.750. Alaska student achievement scholarship fund established.**

1 (a) The Alaska student achievement scholarship fund is established as a fund of the
2 state. The fund consists of

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

6 (b) The commissioner of revenue shall manage the fund with the goal that the
7 purchasing power of the fund will not diminish over time without regard to additional
8 contributions that may be made to the fund. The commissioner shall invest the assets
9 of the fund in a manner likely to yield at least a five percent real rate of return over
10 time.

11 (c) Nothing in this section creates a dedicated fund.

12 **Sec. 37.14.755. Powers and duties of the commissioner of revenue.** In
13 carrying out the investment duties under AS 37.14.750 - 37.14.790, the commissioner
14 of revenue has the powers and duties set out in AS 37.10.071. The commissioner shall
15 provide reports to the Department of Education and Early Development, the
16 Department of Labor and Workforce Development, and the Alaska Commission on
17 Postsecondary Education on the condition and investment performance of the fund.

18 **Sec. 37.14.760. Use of fund.** As soon as practicable after July 1 of each year,
19 the commissioner of revenue shall determine the average month-end market value of
20 the fund for the immediately preceding three fiscal years. The commissioner shall
21 identify five percent of that amount as available for appropriation by the legislature for
22 appropriation to the Alaska student achievement scholarship fund income account
23 created under AS 14.43.845 from which the Alaska Commission on Postsecondary
24 Education may award scholarships under AS 14.43.810 - 14.43.890. The
25 commissioner shall also report as available for appropriation a running total of
26 amounts previously identified as available for appropriation to the Alaska student
27 achievement scholarship fund income account but not appropriated.

28 **Sec. 37.14.790. Definitions.** In AS 37.14.750 - 37.14.790, unless the context
29 requires otherwise,

- 30 (1) "commissioner" means the commissioner of revenue;
- 31 (2) "fund" means the Alaska student achievement scholarship fund

1 established in AS 37.14.750(a).

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

4 **TRANSITION: PROGRAM STANDARDS AND IMPLEMENTATION FOR**
5 **INITIAL SCHOOL YEARS.** Notwithstanding any contrary provision of this Act, the
6 Department of Education and Early Development and the Department of Labor and
7 Workforce Development, after consultation with the Alaska Commission on Postsecondary
8 Education, may adopt regulations under AS 44.62 to implement their respective duties under
9 the Alaska student achievement scholarship program established in AS 14.43.810, enacted by
10 sec. 4 of this Act, so that a student

11 (1) may be eligible for the program even though the student did not fully meet
12 the required core academic curriculum for the school years beginning July 1, 2009, through
13 June 30, 2013; and

14 (2) who graduated from high school in this state after January 1, 2010, and
15 before July 1, 2011, and meets eligibility requirements for the program may apply for a
16 scholarship on or after January 1, 2011, for enrollment in a program of study beginning on or
17 after July 1, 2011.

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

20 **TRANSITION: REGULATIONS.** The Department of Education and Early
21 Development, the Department of Labor and Workforce Development, and the Alaska
22 Commission on Postsecondary Education may proceed to adopt regulations necessary to
23 implement changes made to their respective authorities by this Act. The regulations take
24 effect under AS 44.62 (Administrative Procedure Act), but not before September 1, 2010.

25 * **Sec. 11.** Section 10 of this Act takes effect immediately under AS 01.10.070(c).

26 * **Sec. 12.** Except as provided in sec. 11 of this Act, this Act takes effect September 1, 2010.