

ALASKA STATE LEGISLATURE
SENATE EDUCATION STANDING COMMITTEE

February 19, 2010
8:04 a.m.

MEMBERS PRESENT

Senator Kevin Meyer, Co-Chair
Senator Joe Thomas, Co-Chair
Senator Bettye Davis, Vice Chair
Senator Gary Stevens

MEMBERS ABSENT

Senator Charlie Huggins
Senator Donald Olson

COMMITTEE CALENDAR

SENATE BILL NO. 213

"An Act providing for funding for school lunch and breakfast."

- MOVED CSSB 213(EDC) OUT OF COMMITTEE

SENATE BILL NO. 224

"An Act establishing the governor's performance scholarship program and relating to the program; establishing the governor's performance scholarship fund and relating to the fund; relating to student records; making conforming amendments; and providing for an effective date."

- HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 213

SHORT TITLE: FUNDING FOR SCHOOL MEALS

SPONSOR(s): SENATOR(s) WIELECHOWSKI

01/19/10	(S)	PREFILE RELEASED 1/8/10
01/19/10	(S)	READ THE FIRST TIME - REFERRALS
01/19/10	(S)	EDC, FIN
02/17/10	(S)	EDC AT 8:00 AM BELTZ 105 (TSBldg)
02/17/10	(S)	Heard & Held
02/17/10	(S)	MINUTE(EDC)
02/19/10	(S)	EDC AT 8:00 AM BELTZ 105 (TSBldg)

BILL: SB 224

SHORT TITLE: POSTSECONDARY SCHOLARSHIPS

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

01/19/10	(S)	READ THE FIRST TIME - REFERRALS
01/19/10	(S)	EDC, FIN
02/03/10	(S)	EDC AT 8:00 AM BARNES 124
02/03/10	(S)	Heard & Held
02/03/10	(S)	MINUTE(EDC)
02/15/10	(S)	EDC AT 8:00 AM BELTZ 105 (TSBldg)
02/15/10	(S)	Heard & Held
02/15/10	(S)	MINUTE(EDC)
02/19/10	(S)	EDC AT 8:00 AM BELTZ 105 (TSBldg)

WITNESS REGISTER

SENATOR WIELECHOWSKI
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Sponsored of SB 213.

GEORGE ASCOTT, staff to Senator Wielechowski
State Capitol
Juneau, AK

POSITION STATEMENT: Presented SB 213.

EDDY JEANS, Director
Division of School Finance
Department of Education and Early Development (DEED)
Juneau, AK

POSITION STATEMENT: Provided information on SB 213 and SB 224.

MARCY HERMAN, Legislative Liaison
Alaska Department of Education and Early Development (DEED)
Juneau, AK

POSITION STATEMENT: Answered questions about SB 224.

ACTION NARRATIVE

8:04:00 AM

CO-CHAIR THOMAS called the Senate Education Standing Committee meeting to order at 8:04 a.m. Present at the call to order were Senators Stevens, Davis, Thomas and Meyer.

SB 213-FUNDING FOR SCHOOL MEALS

[8:04:31 AM](#)

CO-CHAIR THOMAS announced consideration of SB 213. [CSSB 213, 26-LS1301\E, was before the committee.]

[8:05:34 AM](#)

SENATOR WIELECHOWSKI, sponsor of SB 213, said the bill provides a state match for school lunches and breakfasts. For every free and reduced-price breakfast the federal program funds, the state will match \$.35; for every lunch the federal program funds, the state will match \$.15. He noted that Alaska is one of the very few states in the country that does not already have a state match for these programs.

[8:06:35 AM](#)

SENATOR STEVENS asked if Mr. Jeans' concern about the location of the bill in statute has been address.

GEORGE ASCOTT, staff to Senator Wielechowski, said Mr. Jeans has prepared an amendment on that.

SENATOR WIELECHOWSKI said he had no objection to Mr. Jeans' proposal.

[8:07:23 AM](#)

CO-CHAIR THOMAS asked if Senator Wielechowski and the department agreed the amendment could appropriately be taken up in Finance if the bill was moved.

SENATOR WIELECHOWSKI answered yes.

SENATOR DAVIS asked if the amendment was available.

MR. JEANS indicated no.

CO-CHAIR THOMAS called on Eddy Jeans to speak to the fiscal note and the proposed amendment.

[8:09:17 AM](#)

EDDY JEANS, Director, School Finance and Facilities Section, Department of Education and Early Development (DEED), Juneau, Alaska, explained that the amendment does not change the fiscal note, the intent of the bill, or the language in terms of the allocations; it just changes where the statute is placed. The bill places it in the foundation program, but it would be better placed in a section of statute called special programs, Title 14.30. He said he was not able to get the amendment drafted

prior to the meeting, but was comfortable moving it, because it does not change the body of the bill at all.

MR. JEANS said the fiscal note was based on the CS, which corrected an error in the allocations for lunch and breakfast. The program adjusts breakfast and lunch based on one-quarter of the geographic differential and by the Anchorage CPI.

[8:11:25 AM](#)

CO-CHAIR THOMAS asked if this fiscal note is less than the original.

MR. JEANS answered yes.

[8:11:45 AM](#)

CO-CHAIR THOMAS called a brief at ease.

[8:12:33 AM](#)

CO-CHAIR THOMAS called the meeting back to order and continued public testimony.

[8:13:15 AM](#)

CHRIS JOHNSON, President of the Alaska School Nutrition Association, Anchorage, Alaska, said he was available to answer questions.

[8:14:50 AM](#)

CO-CHAIR THOMAS called a brief at ease.

[8:25:04 AM](#)

CO-CHAIR THOMAS called the meeting back to order.

[8:25:20 AM](#)

CO-CHAIR MEYER moved to adopt conceptual Amendment 1. There being no objection, Amendment 1 was adopted.

CO-CHAIR MEYER asked Mr. Jeans to explain the amendment.

MR. JEANS explained that Amendment 1 moves the funding for this breakfast and lunch program into AS 14.30.760 and out of the Foundation Program; this component will be renamed "State Support for Special Programs." It also inserts "subject to appropriation" because it is a stand-alone program. That language already exists under the Foundation program.

CO-CHAIR THOMAS said the sponsor supports the change.

CO-CHAIR MEYER moved to report CSSB 213, 26-LS1301\E as amended, from committee with individual recommendations and accompanying fiscal notes. Without objection, CSSB 213(EDC) moved from the committee.

[8:27:05 AM](#)

CO-CHAIR THOMAS called a brief at ease.

SB 224-POSTSECONDARY SCHOLARSHIPS

[8:28:11 AM](#)

CO-CHAIR THOMAS called the meeting back to order and announced consideration of SB 224. He advised that the administration had proposed two amendments to the original bill, which they would discuss today.

[8:29:34 AM](#)

EDDY JEANS, Director, School Finance and Facilities Section, Department of Education and Early Development (DEED), Juneau, Alaska, affirmed that these amendments were drafted for the original bill, so the line numbers would have to be revised if the committee adopted the CS. He advised that Amendment 1 has to do with the grade-point average and placing the lettering of the tiers into statute; it then goes on to define the grade point average (GPA) for each of the tiers.

[8:30:20 AM](#)

SENATOR STEVENS questioned what "average" means when the bill states that students have to be above average. For example, a C-plus average tier is less than 3.0 but no less than 2.5. He asked if the administration was saying C is inadequate and wondered if they were stretching the truth.

MR. JEANS answered that this was based on a 4.0-grading scale, and the governor wanted the lowest acceptable tier to be a C-plus average.

[8:31:53 AM](#)

MR. JEANS said the second amendment offered by the administration was a needs-based component for the Governor's Performance Scholarship (GPS) program. He explained that after a student had earned the scholarship and gone through the FAFSA process to identify other grants or scholarships available, the Department of Health and Social Services expected the student and family to contribute at least \$2000 annually to his or her education and the state would kick in 50 percent of the remaining unmet need.

CO-CHAIR THOMAS said it was his understanding that the chart Mr. Jeans handed out to the committee shows approximately how much money that represents.

MR. JEANS agreed. He said the chart provides some examples of how the scholarship program would pay out. The first example had an estimated cost of \$14,000 at the University of Alaska. Assuming a student qualified for the full amount of the Pell Grant, which would be roughly \$5700, plus the UA Scholars Award of \$2750, the highest tier under the Governor's Performance Award would be \$4755, leaving an unmet need of \$795. Because the student must pay at least \$2000 toward his education, he would not qualify for any additional needs-based funds. If the student attended APU where costs are higher, again assuming that he qualified for the Pell Grant, UA Scholars Award and the highest tier under the GPS, his unmet need would be \$14,045 and the state would pick up half of that.

[8:35:41 AM](#)

SENATOR STEVENS said he thought the unmet financial need amendment made a lot of sense. He asked if the documentation to arrive at the amount of unmet need was based on FAFSA.

MR. JEANS replied it was.

[8:36:19 AM](#)

CO-CHAIR MEYER questioned at what income level the FAFSA kicks in.

MR. JEANS said he would have to get back to the senator on that.

SENATOR STEVENS asked if all students are required to complete the FAFSA.

MR. JEANS confirmed that they are.

[8:37:15 AM](#)

CO-CHAIR MEYER asked Mr. Jeans to explain the Pell Grant.

MR. JEANS explained that the Pell is a federal grant for low-income students and is based on family income.

CO-CHAIR MEYER asked if the Pell Grant is also based on the FAFSA.

MR. JEANS replied yes.

CO-CHAIR MEYER said that goes back to his original question regarding the income level at which the Pell Grant kicks in.

MR. JEANS reiterated that he would get back to the committee with that information. Based on information provided by Senator Thomas's staff this morning, he said he knew the Department of Health and Social Services needed to do some work to verify and refine the numbers.

8:39:10 AM

SENATOR STEVENS asked where the family contribution comes in.

MR. JEANS responded that students must cover \$2000 of their educational expenses, so that amount comes off the top of their unmet need.

8:39:49 AM

CO-CHAIR MEYER noted that the state will contribute a maximum of \$3000 for vocational/technical school, and asked why that amount is different from the amount of the scholastic scholarship.

MR. JEANS answered that there are actually two different scholarships in the governor's GPS bill; one is the academic scholarship for attendance at a university and the other is a career and technical scholarship for attendance at career and technical schools. He added that the Department of Labor and Workforce Development (DOLWD) would publish a list of career and technical schools that have been approved for the scholarship program.

He continued to say the curriculum requirements under the governor's bill are the same for both scholarships, but the course requirements between them are a little different. He noted that the House proposed an amendment to allow a student under the career and technical program to apply for the maximum dollar amount offered under the scholarship program.

CO-CHAIR MEYER said he would like to address that as well, because the costs for a vocational/technical program are sometimes even higher than those at a university.

8:42:12 AM

SENATOR STEVENS said he was still trying to get his head around remedial education. He asked if awards would ever be available to those students who come from villages where the required math and science classes are not even offered.

MR. JEANS said the governor's GPS bill contains a provision that allows a student who was not afforded the opportunity to take the curriculum requirements to apply to DEED for an alternative pathway, but the student might have to spend the first year in college on his own dime meeting the core course requirements or taking courses over the summer at the university.

SENATOR STEVENS asked if that would extend the length of time the scholarship would be available to him.

MR. JEANS replied that the bill did not address that. He thought the department would address alternative pathways through the regulatory process and that it would make sense to give students additional time.

SENATOR STEVENS asked if some of the remedial classes would be credited.

[8:44:19 AM](#)

MR. JEANS responded that the intent is for students to meet the core requirements outlined in the bill, which can be accomplished through remedial courses. He emphasized that the department sees this as a reform bill to put pressure on school districts to better prepare students for postsecondary education or the work force. It is their hope that as it evolves, the university will be able to reduce the number of remedial courses it has to offer.

[8:45:20 AM](#)

CO-CHAIR THOMAS asked Mr. Jeans to go over page 2 of Amendment 2 again to clarify the definition of "unmet need" and be sure that (d) of the amendment reflects the calculation shown on his chart. He read from page 2, lines 7-9, "subtracting from the student's allowable standard costs of attendance at the institution all non-loan sources of financial support, including an expected family contribution".

[8:46:21 AM](#)

MR. JEANS said the \$2000-student contribution was referenced under item (c), lines 4-5.

CO-CHAIR THOMAS resumed reading on line 8, "all non-loan sources of financial support, including an expected family contribution and all federal, state, and private". He ventured that "federal" would refer to the Pell Grant, and "state" to the UA Scholars Award and this scholarship.

MR. JEANS said "state" refers to the GPS bill.

CO-CHAIR THOMAS asked if it would also refer to the Scholars Award.

MR. JEANS said he is not sure whether that falls under state or under private scholarships and grants.

CO-CHAIR THOMAS said he was just advised that it is considered private.

MR. JEANS said it is operated by the University of Alaska, so it is quasi-private.

[8:48:08 AM](#)

CO-CHAIR MEYER asked what the housing award listed on the chart under APU is.

[8:48:51 AM](#)

MARCY HERMAN, Legislative Liaison, Alaska Department of Education and Early Development (DEED), Juneau, Alaska, explained that she got the housing award off the APU website; they also have an academic award for Alaska students accepted at APU. She commented that private universities are able to provide greater reductions in the cost of college attendance than public universities.

CO-CHAIR MEYER said if the Pell Grant is a sliding scale based on income, the chart must reflect the lowest end of the income scale.

MS. HERMAN confirmed that \$5700 is the maximum grant that will be awarded in the fall of 2010 for the 2010-2011 academic year. She clarified that qualification for the Pell is based on all types of income, assets, and how many children are attending college that year. In general, she said, families become eligible for the Pell at an income of \$60,000 or less.

[8:51:28 AM](#)

SENATOR STEVENS asked again about the six-year window and why it matters how long it takes students to get a degree.

MR. JEANS explained that statistics show students are more successful if they enter college immediately. The administration also wanted to limit the length of time the state has to make these funds available.

SENATOR STEVENS asked what happens if a student drops out to join the military for four years.

MR. JEANS answered that provisions allow extensions for military service. He said he thought the reasoning behind the time limit might be the difficulty of tracking the people who are eligible for grants and the status of their eligibility over a long period of time.

SENATOR STEVENS said he was just trying to find out what thought process led to the six-year limit.

MR. JEANS responded that statistics show students who don't continue with their higher education shortly out of high school are less likely to complete it, so this bill is intended to motivate kids to get started early.

[8:54:39 AM](#)

CO-CHAIR THOMAS asked if the six years also applies to the vocational/technical scholarship.

MR. JEANS answered that it does apply, but once a student starts he must finish school in two years.

[8:55:02 AM](#)

CO-CHAIR MEYER reminded Mr. Jeans that the committee talked about making some changes to the course requirements and asked him to comment on that.

[8:55:49 AM](#)

MR. JEANS replied that they are still looking at the amendment related to those changes. He added that the department is willing to work with the legislature to address some of their concerns, as long as they maintain the high academic rigor so that students are successful when they leave high school no matter what they decide to pursue.

[8:56:40 AM](#)

SENATOR STEVENS asked where the money for this scholarship will come from.

[8:56:59 AM](#)

MR. JEANS answered that the initial deposit into the fund **is** in the operating budget and will be a general fund (GF) appropriation in the current year.

[8:57:21 AM](#)

CO-CHAIR THOMAS said the committee agrees with the need for academic rigor, but recognizes that not every student is going to be an engineer; academic rigor in the pursuit of a degree in philosophy may not require four years of math.

[8:58:20 AM](#)

CO-CHAIR MEYER pointed out that some of these courses may be difficult for students to get in the rural schools. He said the commissioner assured him that there is a provision for alternative pathways in those cases and asked if that is correct.

MR. JEANS said a provision in the GPS bill allows the student and family to apply to the department for an alternative pathway to meet the requirements, but stressed that it is their intent not to lower the standards for the scholarship.

[8:59:16 AM](#)

SENATOR DAVIS said she would like Diane Barrans and the Commissioner to answer some of the questions today's discussions have raised. She also pointed out that the committee still hasn't gotten around to the proposed CS.

CO-CHAIR THOMAS held SB 224 in committee.

[9:01:50 AM](#)

There being no further business to come before the committee, Co-Chair Thomas adjourned the meeting at 9:01 a.m.