

ALASKA STATE LEGISLATURE
SENATE EDUCATION STANDING COMMITTEE

March 1, 2010

8:08 a.m.

MEMBERS PRESENT

Senator Kevin Meyer, Co-Chair
Senator Joe Thomas, Co-Chair
Senator Bettye Davis, Vice Chair
Senator Donald Olson

MEMBERS ABSENT

Senator Charlie Huggins
Senator Gary Stevens

COMMITTEE CALENDAR

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 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)
02/19/10	(S)	Heard & Held
02/19/10	(S)	MINUTE(EDC)

02/22/10 (S) EDC AT 8:00 AM BELTZ 105 (TSBldg)
02/22/10 (S) Heard & Held
02/22/10 (S) MINUTE(EDC)
02/26/10 (S) EDC AT 8:00 AM BELTZ 105 (TSBldg)
02/26/10 (S) Heard & Held
02/26/10 (S) MINUTE(EDC)
03/01/10 (S) EDC AT 8:00 AM BELTZ 105 (TSBldg)

WITNESS REGISTER

MURRAY RICHMOND, staff to Senator Thomas
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Provided an analysis of SB 224, CSSB 224 and the House amendments offered to the original bill.

JOMO STEWART, staff to Senator Meyer
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Provided an analysis of SB 224, CSSB 224 and the House amendments offered to the original bill.

TIM LAMKIN, staff to Senator Stevens
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Presented the amendments offered by Senator Stevens to CSSB 224.

LARRY LEDOUX, Commissioner
Department of Education and Early Development (DEED)
Juneau, AK

POSITION STATEMENT: Answered questions about the testing requirements in SB 224.

DIANE BARRANS, Executive Director
Alaska Commission on Postsecondary Education
Juneau, AK

POSITION STATEMENT: Answered questions about the amendments to CSSB 224.

ACTION NARRATIVE

[8:08:27 AM](#)

CO-CHAIR THOMAS called the Senate Education Standing Committee meeting to order at 8:08 a.m. Present at the call to order were Senators Davis, Thomas, and Meyer.

SB 224-POSTSECONDARY SCHOLARSHIPS

[8:08:54 AM](#)

CO-CHAIR THOMAS announced that the committee will continue hearing SB 224. He noted that they have the governor's bill, a committee substitute, and two amendments on the table, as well as a number of amendments that are being considered in the House.

After the meeting on Friday, he said, they decided to set aside the committee substitute currently before the committee and focus on the bill as handed to them by the governor.

[8:11:51 AM](#)

MURRAY RICHMOND, aide to Senator Thomas, said that discussions over the last few weeks have disclosed five key areas of concern with SB 224. Some members of the committee felt that the new curriculum requirement for four years of math, four years of science, four years of language arts, and three years of social studies, versus an option for adding a foreign language option. Adding two years of foreign language is desirable to a lot of folks and the House has an amendment on that.

There were concerns over the ACT/SAT tests, which were addressed by the administration on Friday. Questions remain about how specific that should be in the bill, but the administration spoke to why it is a necessary part of the program. There has been discussion about the six-year window, why it is set at six years and whether it starts at six years, or ends at six years. According to the administration, the six-year window gives students six years during which to use this scholarship, so if a student started college three years after high school, the fourth year of college would not be funded. At issue is the value of the six-year window and how the legislation can make allowances for students who cannot graduate in that time.

Also under discussion are provisions for the needs-based component, and finally, what the funding limit and curriculum requirements should be for the career scholarship.

MR. RICHMOND walked the committee through the amendments the House has been working on as follows:

- House Amendment 1 (26G/2) to HB 297, the Governor's needs-based amendment, provides that the state will pick up 50 percent of a student's unmet need after the \$2000 family contribution.

[8:18:00 AM](#)

JOMO STEWART, aide to Senator Meyer, proposed that they apply a new numeration system to these amendments for the purpose of clarity.

CO-CHAIR THOMAS suggested that an alphabetical designation might be less confusing. He also recommended that they notate the ones that were offered by the governor.

MR. STEWART concurred. He said, moving through the amendments in the members' packets in the order they appear, Amendment 2 [26-GS2771\E.2], addressing intent language, will be called A. Amendment 1 [26-GS2771\E.1], regarding non-traditional students, will be B. The first House amendment to HB 297, regarding merit-based and needs-based, will be C. Subsequent amendments will be lettered in sequence.

MR. RICHMOND continued with the House amendments:

- House Amendment 2 (D), offered by the Governor, defines the tiers in terms of traditional letter grades. It is generally advisable not to define things too narrowly in statute, but the House committee apparently felt comfortable doing so because the grading standard is so well established.

- House Amendment 3 (E) [26-GH2771\A.9], offered by Representative Seaton, changes the phrase "university or college" to "postsecondary institution" throughout the bill. The intent is to allow scholarships to be used at any postsecondary institution, including career schools.

[8:19:58 AM](#)

CO-CHAIR THOMAS asked if Mr. Richmond has verified his understanding of the intent of Amendment E with Representative Seaton's staff.

MR. RICHMOND said he has.

SENATOR DAVIS requested that Mr. Richmond identify which amendments were actually adopted by the House as he goes through them.

MR. RICHMOND advised that both of the governor's amendments and Representative Seaton's amendment E were adopted by the House.

[8:20:38 AM](#)

- House Conceptual Amendment 4 (F) [26-GH2771\A.1] was pulled and replaced by number 13, which he will cover later.

SENATOR OLSON joined the meeting.

MR. RICHMOND presented the following House amendments:

- House Conceptual Amendment 5 (G) [26-GH2771\A.3] offered by Representative Keller allows for tax credits on donations from private sources to the education fund as it sits in the general fund. - Pulled

- House Conceptual Amendment 6 (H) [[26-GH2771\A.4], offered by Representative Keller, requires that the annual performance reports be posted on the web for public viewing. - Pulled

[8:22:50 AM](#)

- House Conceptual Amendment 7 (I) [no label] adds a new goal by inserting the language "(9) increasing participation from Alaska high school students in Alaska post-secondary institutions." - Adopted - This amendment was replaced by a later amendment (N).

- House Amendment 8 (J), offered by Representative Seaton adds provisions for the purpose of ensuring that the rigorous curriculum required by this scholarship is available in every high school in the state. - Adopted

[8:24:02 AM](#)

MR. RICHMOND said the next amendment was adopted, but concerns were raised by the administration:

- House Amendment 9 (K) [26-GH2771\A.10] by Representative Gardner provides that, if a scholarship award is paid in error through no fault of the student, the student will not be penalized. - Adopted

CO-CHAIR THOMAS asked for clarification on the types of errors this covers.

[8:25:21 AM](#)

MR. RICHMOND replied that the language specifies any error "not due to any fault of the student."

[8:25:44 AM](#)

CO-CHAIR MEYER stated that he too has concerns about this amendment.

[8:26:12 AM](#)

MR. RICHMOND continued:

- House Amendment 10 (L) [26-GH2771\A.17] by Representatives Gardner and Buch replaces the word "academic" with "performance" throughout the bill, which changes what the award is called and takes care of the division between career and academic schools.
- Adopted

[8:26:54 AM](#)

- House Amendment 11 (M) [26-GH2771\A.18] by Representative Buch changes the requirement for the core curriculum. It uses essentially the same language as that in the committee substitute, so instead of four years of math and four years of science, a student could take three years of each plus two years of a foreign language. - Adopted

[8:27:52 AM](#)

- House Amendment 12 (N) [26-GH2771\A.11] by Representative Edgemon replaces Conceptual Amendment 7 (I). It adds the goal of increasing participation of Alaska high school students in Alaska postsecondary institutions. - Adopted

[8:28:46 AM](#)

MR. RICHMOND pointed out that the next amendment is the one that replaces Conceptual Amendment 4 (F), which was pulled.

- House Amendment 13 (O) [26-GH2771\A.21] contains language that expands the definition of curriculum by inserting the phrase "which may include virtual curriculum."

[8:30:52 AM](#)

He said Senator Steven's aide will present amendments A and B.

[8:31:53 AM](#)

TIM LAMKIN, staff to Senator Stevens, said these amendments are based on CSSB 224, Draft Version E, which was before the committee last week.

- Amendment A [26-GS2771\E.2] is a housekeeping amendment that removes the goals of the program, which really address legislative intent and do not belong in statute. This proposes to draw them out of the bill and paste them into a committee letter of intent, so the goals and purposes will still be part of the record and will follow the bill, but will not be part of statute.

Amendment B [26-GS2771\E.1] specifically addresses Senator Stevens' concerns regarding non-traditional students. The

substance of this amendment is at the bottom of page 9, where it adds a new subsection (c) that states "the department shall adopt regulations to include an application procedure for the award of a scholarship or for the resumption of a scholarship award for an eligible applicant who has either withdrawn from or delayed enrollment in a qualified postsecondary institution in the state and who has been admitted to a qualified postsecondary institution, regardless of age."

He summarized that this basically allows a student who comes into the system, starts college, and leaves in good standing for whatever reason, to return in good standing and be eligible for the scholarship. It also strikes references to the six-year cap for consistency, and increases the number of semesters on page 12, line 11, from 8 to 12.

CO-CHAIR THOMAS restated that the intent is to allow students to start at any time or to take time off and start again at any time.

MR. LAMKIN answered that the regulations would, he trusts, stipulate that there have to be legitimate reasons for leaving, not just whimsical ones.

[8:36:27 AM](#)

CO-CHAIR MEYER asked if this would apply to a student who qualified for the scholarship, left school to raise a family and then wanted to return 20 years later.

MR. LAMKIN affirmed that, if the student qualified when he started college and left college in good standing, he could come back and still qualify for the scholarship.

CO-CHAIR MEYER said he would like to hear from the commissioner on that.

[8:37:30 AM](#)

MR. RICHMOND wrapped up by saying that all of the House amendments are offered to the governor's original bill, but none of the changes that were made in the CS would be affected by any of these amendments. Senator Stevens' amendments are offered to the CS, but could apply to the original bill with only location changes.

CO-CHAIR THOMAS asked if the committee would like to review the amendments in greater depth.

SENATOR DAVIS said she only wants to address the amendments that were adopted on the House side.

[8:40:47 AM](#)

CO-CHAIR MEYER asked Mr. Richmond if there is a proposed amendment to change the SAT or ACT requirement, or if he brought it up only as a topic for discussion.

MR. RICHMOND answered that the governor's bill requires the ACT or SAT, although those tests are not spelled out directly. One of the documents the committee received spelled them out in fairly specific terms, which alarmed some people, but the administration affirmed that they are not meant to be part of the regulations. The CS did not contain a requirement for the ACT or the SAT, nor did the governor's bill explicitly assign that. The questions before the committee are whether they want that requirement in the bill and if so, do they want to include a minimum qualifying score or perhaps create tiers based on different scores.

CO-CHAIR MEYER commented that if they are going back to the governor's bill, he may want to add an amendment. He thinks a test like the ACT or SAT should be required, but does not believe an average score should be necessary to get the scholarship.

[8:43:54 AM](#)

SENATOR DAVIS said she agrees that students should have to take either the ACT or the SAT; students have to take one or the other and obtain a minimum score in order to be accepted at most universities. She asked if the governor's original bill requires students to take the ACT only, or if it simply requires some form of testing.

[8:44:57 AM](#)

LARRY LEDOUX, Commissioner, Department of Education and Early Development (DEED), Juneau, Alaska, answered that the governor's bill asks that there be a standardized assessment, which would probably mean either the ACT or the SAT. He thinks it is necessary that they validate both the rigor of the courses they require and the grades they are asking teachers to give students; a standardized test will do that. He said he believes many scholarship programs actually have tiered levels based on performance on the test; his view is that they have the highest score to validate the intent of the legislation, which is to prepare kids to engage in college. If the required score is too low, it is meaningless; if it's too high, then it has a negative

effect. It is also important to note that kids can begin taking the test in their junior year and can take it all the way through high school; there is some research to indicate students can improve their score when they take it again.

[8:46:46 AM](#)

CO-CHAIR MEYER asked if it is the governor's intent to mandate a minimum qualifying score in the bill.

MR. LEDOUX said if there is no benchmark students have to achieve, there is no reason to take the test. He emphasized that he does not want the test alone to determine the scholarship, but it is part of the interchange of a rigorous curriculum, GPI, and validation.

SENATOR DAVIS asked if she is correct, that the administration does not prefer the ACT or the SAT and that, although there must be a cut score, students do not have to achieve the highest level to qualify. She also asked if the committee staff can get her information on the highest possible and average scores for both of those tests.

[8:50:08 AM](#)

COMMISSIONER LEDOUX said the department has all of that information available, including cross-correlation. He cautioned that they need to be very careful about including specific numbers in statute because the numbers may change as the tests are redesigned. Currently, the law says the state Board of Education will set those scores.

SENATOR DAVIS asked if he is saying they should not specify a base score.

COMMISSIONER LEDOUX corrected that there should be a minimum SAT score and a correlated minimum ACT score for qualification for the scholarship.

CO-CHAIR MEYER asserted that it is important to maintain some flexibility so they don't have to change the statute every time the test changes. He then asked for Commissioner LeDoux's comments on House Amendment 9 (K) dealing with errors.

[8:52:29 AM](#)

COMMISSIONER LEDOUX requested that Diane Barrans respond to that.

SENATOR DAVIS asked which of the national tests most Alaska school districts use, ACT or SAT.

COMMISSIONER LEDOUX again deferred to Diane Barrans.

8:53:33 AM

CO-CHAIR THOMAS told Commissioner LeDoux that the committee would like him to come back and talk with them again after they have all had an opportunity to review the amendments and the written answers he provided to the questions they raised at last week's meeting.

CO-CHAIR MEYER asked Commissioner LeDoux to comment on the amendment by Senator Stevens, which allows students to start college at any time.

COMMISSIONER LEDOUX responded that the administration's intent is to have students graduate from high school and start college. Research seems to indicate that if they do not concentrate their education at the postsecondary level, they are not successful. There are a couple of other concerns about extending it indefinitely; it extends liability on the funding source for scholarships, and it does not encourage students to get busy and get their degree.

COMMISSIONER LEDOUX continued; the bill as written does provide a certain amount of flexibility for parents who want their young people to leave the state for a year or two, or for students who want to pick up a bachelor's degree down south and then return to Alaska and use the last two years of the scholarship for graduate or professional school. It does not penalize a break in service, as do many scholarship programs. He pointed out that the part of Senator Stevens' amendment that allows 12 semesters instead of 8 would increase the cost of the scholarship by 50 percent, or over \$10 million per year.

8:56:12 AM

SENATOR DAVIS said the committee has already changed the focus of the legislation somewhat because they have decided to add a needs-based component that was not part of the original bill. She asked if the administration would prefer that they add a separate non-traditional component instead of modifying the existing requirements for students coming out of high school.

8:57:08 AM

COMMISSIONER LEDOUX said the House requested information about a GED pathway to the scholarship for kids who do not graduate from

high school, and he would be happy to provide that to this committee. Some scholarship programs provide an alternative pathway for non-traditional students, meaning students who do not graduate from high school in four years; this one does not contain such an alternative pathway.

SENATOR DAVIS said she would like to look at it from that standpoint, but she is not thinking of non-traditional students as those who don't finish high school; she is referring to students who have made it back to college and are struggling to get through. Many students keep extending their time to graduate because they have to work and can't get the hours they need. This scholarship might make it possible for them to stay in school and focus on their studies.

[8:58:39 AM](#)

COMMISSIONER LEDOUX said he will try to provide the information requested, but pointed out that the non-traditional student Senator Davis is talking about does not align with the intent of this program, which is to encourage young people to work hard in school and take a rigorous curriculum to be successful. What she is describing, he asserted, is a needs-based program, and there are existing programs available to help that kind of non-traditional student.

SENATOR DAVIS disagreed. She said she is aware of only one federal program, and very little of that money is coming to Alaska. She said she does not see the committee passing this bill out without taking these students into consideration.

[8:59:54 AM](#)

COMMISSIONER LEDOUX reiterated that he will try to provide the committee with information on that kind of scholarship program.

CO-CHAIR MEYER asked if the administration agrees with making the award for the vocational and technical scholarship the same as for the academic scholarship.

COMMISSIONER LEDOUX responded that one of the amendments passed by the House would allow a student who earns an academic scholarship to choose to use it at a career or technical education school. He added that 90 percent of the career and technical education programs are offered by the University of Alaska, so students can already use whatever they earn through the academic scholarship for those programs. The highest-cost program offered by Alaska Vocational Technical Center (AVTEC) is the nursing program at \$5000, and most are about \$3000; very few

of their programs are longer than two years. Where the cost increases at AVTEC is in other expenses; the tools required for the diesel mechanic program, for example, cost more than tuition. The needs-based amendment approved by the other body would provide for room and board and other expenses.

He explained that the administration does not want to set a "gold standard" that vocational and technical programs will tack their rates to, thereby artificially inflating the cost of those programs. In addition, it hopes the opportunity represented by the scholarship will spur development of new career and technical programs.

[9:02:32 AM](#)

SENATOR DAVIS noted that the current bill excludes seniors graduating in 2010; she wants them to be included, even though the funding won't be available until 2011.

COMMISSIONER LEDOUX said there is no good answer to that. He recently spoke to students from Wrangle High School and suggested that those students apply now and validate after their first year of college. If they take a rigorous curriculum in science, math, language arts, and social studies in their first year of college and can validate a certain GPA, then they can qualify from that time forward. He added that there has to be a starting point somewhere.

SENATOR DAVIS concurred, but said these students have started to prepare themselves based on the fact that the governor announced this scholarship in October.

COMMISSIONER LEDOUX said it will be expensive if the legislature decides to fund that, because the state will not be able to use interest on the account; the money will have to come out of the General Fund.

SENATOR DAVIS reiterated that she understands funding will not kick in until the class of 2011.

COMMISSIONER LEDOUX said the legislature is going to have to decide what they want to do.

[9:05:36 AM](#)

CO-CHAIR THOMAS asked Ms. Barrans to speak to the questions the Commissioner was not able to answer.

CO-CHAIR MEYER asked Ms. Barrans to comment on the House amendment that absolves students of liability for any errors made in funding their scholarship awards. He said it is a given that administrative errors are corrected.

[9:06:21 AM](#)

DIANE BARRANS, Executive Director, Alaska Commission on Postsecondary Education, Juneau, Alaska, said she agrees; if a student is unduly enriched through some sort of administrative error, even if it was not malfeasance on his part, there is a general expectation in financial aid administration that the student will refund that to the provider.

She continued; the members of the other body asked her to gather additional information from financial aid professionals as to what situations might lead to overpayment besides an error. One such situation is late-arriving aid from another source, which could result in a student being over-awarded so that he has more money than the cost of attendance. In that case, the student would be expected to refund one of the other payers. It is her recommendation that they do not put that sort of general waiver in place.

[9:08:26 AM](#)

SENATOR DAVIS asked Ms. Barrans to tell the committee about the scholarship that is available to non-traditional students.

MS. BARRANS explained that the Alaska Advantage Needs-Based Grant is the federal Leveraging Educational Assistance Partnership (LEAP) grant that the legislature authorized in FY01 and is a successor program to the State Education Incentive Grant (SEIG). That program has actually been zeroed out of the President's budget for next year, but it has been zeroed out of every president's budget for the last 20 years and is still around, so it may continue to be funded. The way that program works is that states have to put in a matching amount of dollars in order to get the federal dollars. Alaska has been matching using Alaska Student Loan Corporation Receipts and unobligated interest on a fund. Those funds will no longer be available because of the corporation's need to conserve its resources for its own purposes. In FY09 the legislature appropriated general funds in the capital budget to put additional monies into the program, but there is no base built into the state operating budget to fund that program. It is strictly needs-based; as a result, almost all of the students who receive the grant are independent students. The average age has ranged between 28 and 31.

SENATOR DAVIS asked how much money was put into the fund in 2009.

[9:10:46 AM](#)

MS. BARRANS said she thinks it was \$3.2 million, which was doled out over 3 years; the last year will be 2011.

SENATOR DAVIS asked who brought the request for funding forward last year.

MS. BARRANS answered that it was Representative Gara.

SENATOR DAVIS wondered if the committee could include that funding in this bill.

[9:12:13 AM](#)

MS. BARRANS said she is not sure how they would do that. Responding to Senator Davis' question regarding test use, she said only the University of Alaska Fairbanks uses a test score as a required element, and it uses the ACT test. If a student does not take the ACT, he has to take another test to assess his academic ability in order to be accepted into a degree program.

SENATOR DAVIS asked what score UAF requires on that test.

MS. BARRANS said she is not sure, but will get back to the committee on that point.

[9:13:24 AM](#)

CO-CHAIR MEYER asked if UAF accepts either the ACT or the SAT.

MS. BARRANS said they do. She added that an exam called the Accuplacer is sometimes used; most institutions use it only to place someone at the right entry level of a course.

[9:14:06 AM](#)

SENATOR DAVIS asked if Ms. Barrans can expand a little on what is accepted most often by universities outside Alaska.

MS. BARRANS said there are really statewide cultures, so in one state it will be broadly the ACT, and in another it will be broadly the SAT. There is no single standard.

[9:14:42 AM](#)

CO-CHAIR THOMAS asked for her opinion on House Amendment 3 (E), which replaces the words "university or college in this state" with "postsecondary institution as described in AS 14.43.835."

MS. BARRANS said deletion of the phrase "in this state" would be problematic if the point that the institution has to be in Alaska were not made clear elsewhere in statute. However, she believes the description in AS 14.43.835, which is elsewhere in the bill, makes that clear.

[9:16:16 AM](#)

CO-CHAIR MEYER asked for Ms. Barran's opinion about the issue of non-traditional students; he can see that it might cause some administrative concerns trying to track kids and then adults if they wait for years to take advantage of this program.

[9:16:53 AM](#)

MS. BARRANS said she shares the concerns expressed by Commissioner LeDoux. The other concern that comes immediately to mind, both for the funds source and the individual students involved, is that typically, when students defer participation in postsecondary education, they incur other debts and responsibilities. With a needs-based component, the state is agreeing to share those increased costs. In other words, a 30-year-old going to school is going to have a substantially higher cost of attendance. He may have family-members and will typically live off campus. In calculating the cost of attendance, the financial aid folks build in family size elements. The state, under this bill with a needs-based component, is agreeing to share all of those additional costs, so it is very difficult to predict the fiscal implications. Also, if there is a shortfall, the bill calls for a pro-rata distribution of awards; the state could have a situation in which the effect of the pro-rata distribution makes the awards too small to be helpful to anyone.

[9:18:56 AM](#)

SENATOR DAVIS asked her to address the issue of bringing on the students graduating in 2010.

MS. BARRANS elaborated on the point that the Commissioner made. As he indicated, the department is very committed to creating a phased-in approach. What it would mean financially, is that the group of students who would be eligible in the first year of the program would be approximately 50 percent greater than originally estimated.

SENATOR DAVIS said she doubts that many of the 2010 students will qualify.

[9:20:50 AM](#)

MS. BARRANS acknowledged that she may be right; she used numbers experienced by Wyoming to estimate the number of students in the class of 2011 who will qualify for the program.

SENATOR DAVIS asked what those numbers were.

MS. BARRANS answered that the estimate is than 30 percent of the graduating class or about 2500 students.

[9:21:42 AM](#)

MR. STEWART explained that House Amendment C was introduced by the governor and adds a needs-based component to his original bill. After a \$2000 deductable, this allows the state to pick up 50 percent of the student's outstanding need, the difference between tuition and what hasn't been covered by scholarships and grants.

SENATOR DAVIS said she would like to see a side-by-side analysis of the original bill with the governor's amendment and what is in their CS.

[9:24:06 AM](#)

MR. RICHMOND said the CS has three levels of scholarship. The top tier is a performance scholarship very similar to the governor's plan. It is for A students who have taken a tough curriculum and are being rewarded for their academic prowess. The next tier is similar to the Taylor plan for students who can't afford to go to school; it requires them to prove themselves by taking specific courses and getting at least a C+ level, but the award is based primarily on their need. Based on the CS, it is conceivable that a needs-based student could get a higher monetary award than a merit scholar because of his need. The third tier is the for career students.

CO-CHAIR THOMAS interjected that the committee staff will try to work up another comparison chart that illustrates the major differences between the two.

MR. RICHMOND said, in terms of what students will get in the end, the figures in the governor's bill and the CS are very similar.

[9:28:08 AM](#)

MR. STEWART pointed out that in both the CS and the governor's bill with the needs-based amendment, the possibility exists for the needs-based component to balloon well beyond the merit-based component. There is downward pressure on the merit award in both bills because it is pegged to tuition rates at in a certain year, but the needs-based component has no cap in either version, and that is something the committee may want to consider.

[9:29:20 AM](#)

MR. RICHMOND continued; the C students are the ones who will benefit most from either version of the bill.

He said that House Amendment J inserts language for the purpose of ensuring that a rigorous academic curriculum is available in all schools in the state. The hope of the administration is that this will reform the high schools and get them to offer the rigorous curriculum students need.

SENATOR DAVIS said she likes that amendment and wants to be sure the language is included in whatever version they go with.

CO-CHAIR MEYER reiterated that he is not in favor of House Amendment K.

[9:31:24 AM](#)

MR. RICHMOND said Amendment L allows a student to attend any certified postsecondary school on this scholarship.

[9:32:15 AM](#)

House Amendment N increases participation of Alaska high school students in Alaska postsecondary education institutions. That is not currently stated explicitly as a goal of the program.

House Amendment O raises the idea of virtual curriculum, especially in schools that are not close to major urban areas.

MR. STEWART said the caveat on amendment N is that, in Senator Stevens' amendment all of the intent language is pulled out of the statute itself. The information in N would be included in the intent letter accompanying the bill.

CO-CHAIR THOMAS said, if there are no objections, they will have a new CS drawn up this week and get it to the committee members for review prior to taking up SB 224 at the next meeting.

[9:35:02 AM](#)

There being no further business to come before the committee,
Co-Chair Thomas adjourned the meeting at 9:35 a.m.