

ALASKA STATE LEGISLATURE
SENATE EDUCATION STANDING COMMITTEE

March 10, 2010

8:01 a.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

Senator Donald Olson

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

WITNESS REGISTER

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

POSITION STATEMENT: Provided a summary of the changes in CSSB 224, version S.

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

POSITION STATEMENT: Provided a summary of the changes in CSSB 224, version S.

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

POSITION STATEMENT: Commented briefly on CSSB 224, version S.

ACTION NARRATIVE

[8:01:39 AM](#)

CO-CHAIR THOMAS called the Senate Education Standing Committee meeting to order at 8:01 a.m. Present at the call to order were Senators Davis, Stevens, Huggins, Meyer and Thomas.

SB 224-POSTSECONDARY SCHOLARSHIPS

[8:01:58 AM](#)

CO-CHAIR THOMAS announced the continued consideration of SB 224 and briefly reviewed recent activity on the bill.

[8:03:24 AM](#)

CO-CHAIR MEYER moved to table SB 224 26-GS2771\A. There being no objection version A was tabled.

[8:03:49 AM](#)

CO-CHAIR MEYER moved to adopt the proposed committee substitute (CS) to SB 224, labeled 26-GS2771\S, as the working document of the committee. There being no objection, version S was before the committee.

CO-CHAIR THOMAS said that there are substantial differences between the original bill and the CS and the committee staff would talk about these differences.

[8:04:27 AM](#)

MURRAY RICHMOND, aide to Senator Thomas, said that there are three major differences between the CS and the original bill:

The first was a groundswell of opinion that career training should be given equal standing with academic training. For example, if a student is an A student who wants to go to career school they should be given everything available to them that a student going to an academic school would have. The amendment that reflects this takes the career segment out as a separate path and merged it with the academic path so that there is one merit based scholarship. The second major change is the addition of the needs-based amendment. The third change is the allowance of non-traditional students. A handout was included for the committee of the CS with notes made by the co-chair committee aids.

MR. RICHAMOND said the first change in Section 1 is located on page 1, line 9, where the scholarship is no longer be labeled as an academic scholarship, but rather a merit based scholarship. This occurs throughout document.

In Section 2 & 3, there are no changes.

The next change is on page 5, section 4. Originally drafted by Legal, it was assumed the Alaska Student Loan Corps (ASLC) would be administering this program. In discussing this with Diane Barrans, that is not the case. This program would reside solely within the Alaska Commission of Postsecondary Education (ACPE). It is the House's intention that section 4 be removed. We recommend that this entire section be removed from the CS as well before it is passed on. The entire section deals with the powers of the corporation in administering the program but throughout the rest of the document it talks about the commission. He does not believe that excising Section 4 would affect any other part of the bill.

CO-CHAIR THOMAS clarified that all of section 4 should be cut, which includes half of page 5 through page 7, line 28.

MR. RICHMOND said he agreed.

JOMO STEWART, aide to Senator Meyer, added that the only real change in the existing statute was the addition of AS14.43.091 through 14.43.890. Legal included all of section 4 in order to make that reference.

SENATOR STEVENS asked if the ACPE is comfortable with this and if this is how the ASLC would like it.

MR. RICHMOND said yes. He continued with section 5, which is the heart of the document, he said, and where they will see many of the changes. The goals section has been deleted and will be added, instead, as a memo of intent to be presented alongside the bill.

MR. STEWART added that it can still be referenced in a matter of court cases it just does not have the force of law.

MR. RICHMOND said that this bill presents a challenge for schools to rise to the curriculum level required for students to attend a major university in the state and perform well. Page 8, line 1, reflects the nature of this challenge and to ensure that a rigorous curriculum is available in all high schools in the state.

[8:11:35 AM](#)

SENATOR HUGGINS asked if, by setting these high standards, this opens the legislature up to legal attack because there are some schools that won't be able to meet the criteria set by the bill.

MR. RICHMOND said there is an allowance in the bill for students that are in areas where this curriculum is not available.

SENATOR HUGGINS disagreed.

MR. STEWART added that on page 9, line 25-26, there is a new reference that was inserted into the CS that will allow for schools to include virtual curriculum. Also, on page 8, line 1, the purpose of the scholarship would be to ensure that a rigorous curriculum is provided in all high schools. Through virtual means (i.e. distance education) they would be asking for the Department of Education and Early Development (DEED) to make

a commitment to have these resources available for schools who cannot reach the standards on their own.

CO-CHAIR THOMAS clarified that Senator Huggin's concern is that page 8, line 1, is a pretty strong statement.

SENATOR HUGGINS said yes. He added that in regards to virtual curriculums it will take time to establish those programs and he does not want to open the committee up to critique.

MR. RICHMOND declined to answer because he is not a lawyer. He continued with page 8, line 3, where he noted that the language discussing the two previous types of programs has been deleted. This reflects the fact that there is essentially one scholarship that can be used in either an academic or career track.

On Page 8, line 22, the original bill previously said that an Alaskan resident who has graduated or will graduate within six months of the date of application would qualify for the scholarship. The six month time frame was deleted in order to provide a longer time frame for students to apply (per the amendment by Senator Stevens who wanted to allow for more non-traditional students). Line 25 of the original bill was deleted for the same reason. On line 30 there was a proviso that the scholarship must be used within a six year time frame. This entire paragraph was deleted as well to make for an open ended time frame.

On page 8, line 31, the CS includes a minimum grade point average (GPA) that a student will be required to maintain during their postsecondary work in order to keep their scholarship. The average has not yet been specified; however, a 2.5 GPA has been suggested. The original bill did not include a minimum GPA, but rather a "minimum standard."

CO-CHAIR THOMAS asked where the GPA reference is.

MR. RICHMOND said it is not currently included in the bill. He assumed that it will be established in regulations, unless the committee would like to establish a GPA in the bill.

[8:16:42 AM](#)

SENATOR STEVENS said he always advises students to withdraw from a class as soon as possible if they are having trouble with it to avoid having that class on their record. He asked, in this case, if there are a minimum amount of credits to be earned that are required to maintain the scholarship?

MR. STEWART said that the minimum GPA addresses a student's continued performance in college in order to maintain the scholarship they have earned.

SENATOR STEVENS asked whether there are a minimum number of credit hours a student is required to take.

MR. RICHMOND said a student has to be enrolled at least half-time or take six or more credit hours at one time in order to keep their scholarship. If a student is enrolled part time the scholarship would be pro-rated.

SENATOR HUGGINS recommended they look at minimum GPA in bill. Also, the transition from high school can be traumatic. Should there be a probationary period in the first year to allow for slightly lower grades during this transition period?

MR. RICHMOND said they will discuss Senator Huggin's suggestion further. He continued on page 9, lines 14-18, were added to the CS to allow students with a non-traditional background to qualify and enroll in the scholarship program regardless of age.

He continued to say that lines 18, 19, and 24 of the CS add language that reflects that this is now a performance or merit based scholarship to reflect the unified nature of this bill. Page 9, line 25-26, addresses a virtual curriculum may be added and would be considered a valid part of a student's education.

[8:21:01 AM](#)

CO-CHAIR THOMAS asked whether non-traditional students on page 9, lines 14-18, consist of individuals who not only withdrew from a postsecondary institution but could also include almost any circumstance that might have interrupted their career.

MR. RICHMOND concurred. He continued on page 10, line 1, of the CS which discusses programmatic standards for eligibility for an award. The first change from the original bill was to move the social studies requirements from three years to four (which could include foreign language). The second component added was directed for students who are going in a career direction that demands less math and science skills. These requirements would include: three years of mathematics, three years of language arts, three years of science, four years of social studies, and two years of a foreign or Alaska Native language. The House amendment (26-GH2771\A.18) originally discussed two years of

foreign language or Alaskan Native language and four years of social studies.

SENATOR HUGGINS asked about these standards as opposed to current requirements and how many credits remain for electives.

MR. RICHMOND responded that all of these requirements exceed the standards that are found both in state statues and individual schools. He said that the amount of electives a student might have depends on what a student has taken at an earlier age. If a student takes the required courses early and passes, this would leave more room for electives. A student that might have to retake a course will not have as much room for electives.

CO-CHAIR THOMAS clarified that if a student takes the courses required to be eligible for the scholarship, how many credit hours remain for electives?

MR. RICHMOND deferred to the ACPE.

SENATOR STEVENS asked that cultural heritage be defined.

MR. RICHMOND said he assumes that it is not confined to Alaska cultural heritage. As he reads the bill, it appears that it would stand for any cultural heritage.

CO-CHAIR THOMAS suggested they get legal clarification

SENATOR HUGGINS asked if a person whose first language is not English takes English, would it qualify as a foreign language.

MR. RICHMOND replied no. He continued that page 10, lines 11-18, is an amendment offered by the administration that defines the three award tiers and lines out the actual grades and GPA necessary to qualify for the scholarship. The first tier is the "A level," which is 3.5 and higher and receives 100 percent of the scholarship; the second is the "B level," which is 3.0-3.49 and receives 75 percent of the scholarship; and the third tier is the "C+ level," which is 2.5-3.0 and receives 50 percent of the scholarship.

He pointed out the change on line 19 which includes a minimum score requirement on an entrance exam (either ACT or SAT). He explained that essentially what lines 22-25 mean is that if a student meets the GPA requirement for an "A level" scholarship but does not meet the minimum entrance exam scores, they can apply for a lower tier scholarship. This means that the ACT or

SAT requirements would also be tiered into an A, B, or C level. He is uncertain whether the student would be disqualified for a scholarship if their entrance exam score is below the minimum standard.

8:29:45 AM

SENATOR STEVENS asked where "pass\fail" fits into the grading system that has been established here.

MR. RICHMOND assumed that most universities would not allow a student to go through four years of school with "pass\fail." While he is not positive about this, he believed that the commissioner would address this.

MR. STEWART said their impression from the committee was that they wanted an objective benchmark to guard against grade inflation but they did not want the ACT or SAT to be the commanding factor in a student's eligibility for the scholarship. This particular amendment came directly from the administration and may be a topic that the committee would like to discuss further.

CO-CHAIR MEYER agreed and said that more discussion is necessary. He thinks, however, that a student who has a 4.0 GPA and takes a rigorous curriculum ought to be able to do well on an entrance exam, especially since they can take the test more than one time. He would hate to lower the standard too much because a student had a "bad test day."

MR. RICHMOND explained that the scoring percentiles on ACT are skewed to the higher level and then take a radical jump for mid-level students.

MR. STEWART referred the committee to the letter from the ACPE regarding post-secondary education, dated March 3, 2010. Included in the letter are the University of Alaska admission's test standards, provided by the university for the committee. While the University of Alaska does have an open university (i.e. anyone can take classes) there are minimum standards that a student must meet in order to enter into a degree seeking program. He said he was not sure how DEED would want to defer to the university's current standard.

CO-CHAIR THOMAS assumed that it would be even more difficult for non-traditional students to qualify for the program having not taken tests for some period of time.

MR. RICHMOND continued that on page 10, line 26, the language included in the CS now includes academic, career, and technical postsecondary institutions. Page 11, line 1 reflects a similar change. And finally, line 6 notes the merit based needs and the inclusion of academic and career schools.

On page 11, lines 7-15, the difference between the CS and the original bill connects the scholarship with the 2010 through 2011 school year, while the CS connects the scholarship with the 2009 through 2010 school year. The other thing to point out about this section is that in the needs based section (Sec. 14.43.828) of the CS the scholarship is based on the cost of attendance at the University of Alaska. This is not the case in this section (Sec. 14.43.820). Rather it is based on the school the student plans to attend. He recommended that this section be aligned with a University of Alaska tuition rate, and not solely "tuition." This would prevent a student from receiving a scholarship for a larger sum of money if they were to attend, for example, to Alaska Pacific University where the tuition is significantly higher.

MR. STEWART commented further the dates attached to the scholarship. The original bill pegged the dates for the 2010/2011 school year. The amendment offered by the House and included in the CS links the scholarship, instead, to the 2009/2010 school year. As the CS currently stands, having the date change will impact the amount of award a student will receive in coming year due to an increase in tuition for the University of Alaska by four percent for 2010/2011.

CO-CHAIR MEYER encouraged the committee to peg the tuition to the University of Alaska's tuition rate. He also believed that the current rate (2010/2011) should be used. He wondered if this change was made to accommodate 2010 graduates.

MR. RICHMOND said no and that there are still no allowances for that situation. He continued by noting that on page 11, line 16, the CS explicitly states that a merit based scholarship can be applied to a career school.

MR. STEWART further explained that this section made the other references to vocational and technical schools superfluous throughout the bill.

MR. RICHMOND continued on to line 24, which states that a student may only receive one scholarship.

SENATOR STEVENS remarked that line 24 did not make sense to him when he first read it. He asked that the wording of line 24 be clarified.

MR. RICHMOND agreed. He continued by moving back up to page 11, line 22. In the original bill a student would remain eligible for a scholarship for up to eight semesters. The CS, he said, has changed this to 12 semesters.

He continued on to the needs based section (Sec. 14.43.828) which does not include any substantial changes to that amendment. The rest of the CS includes statutes that allow departments to regulate the scholarship.

CO-CHAIR THOMAS asked Mr. Richmond to go over the needs-based section on page 12.

MR. RICHMOND explained that if a student were applying for the needs-based performance scholarship award they would first fill out a FAFSA form. If the student's financial needs were to exceed \$2,000.00 they would receive 50% of the unmet need after their expected family contribution of \$2000.00.

CO-CHAIR THOMAS clarified that a student would always contribute a minimum of \$2,000.00 under this plan regardless of the student's circumstances.

MR. RICHMOND agreed.

MR. STEWART explained that this was the needs based amendment as it had been proposed by the governor's office.

CO-CHAIR THOMAS asked if on page 12, lines 8-9, determine how these calculations are determined. He requested them to go through these calculations in more detail.

MR. RICHMOND gave the example of a student who, after they had applied for FAFSA and received a PELL grant, they still had \$4000.00 that needed to be covered. The student (or family) is still expected to contribute \$2000.00. Of the remaining \$2,000.00, half of that would be the responsibility of the student (\$1,000.00) and the needs based scholarship would pay for the other half (\$1,000.00).

MR. STEWART said that this scholarship was never intended to be an entirely full ride scholarship.

MR. RICHMOND explained that the most positive effect of the needs-based scholarship is that it would reduce the amount of loans students have.

8:44:05 AM

MR. STEWART explained that as a policy statement, all scholarships are now merit based scholarships, based on high academic performance. It appears, he said, that almost every student has the possibility of some needs-based contribution, depending on their family's income.

MR. RICHMOND continued by explaining section d (page 12, lines 10-14) which defines the process of receiving a needs-based scholarship. The student would fill out the FAFSA and the institution would then determine the cost of attendance and what the expected family contribution would be. Finally, line 16 pegs the allowable cost of attendance to the University of Alaska.

MR. STEWART pointed out a slight linguistic change on page 13, line 3 in the CS. In the original bill it states that a student should consider alternative means to financial aid but the department would consider whether these other means were applicable, would be fair to other students and whether it coincided with programmatic goals. This wording was taken out of the CS and replaced with "effect."

MR. RICHMOND explained that if the needs-based scholarship were to be financed as designed there would be a \$400 million fund of which five percent would be drawn from each year. That five percent would then be distributed among all of the students eligible for the needs based scholarship. If more students were added to the program there would be less money to be distributed per student. Before any exemptions for students are created it is important to understand how this will affect the other students that would be receiving this needs based scholarship.

MR. STEWART said it is similar to discussions regarding the distribution of the permanent fund to people out of state.

MR. RICHMOND continued on with page 13, lines 8-11, which discusses waivers that a student could receive if a particular curriculum in secondary school is not made available to them.

MR. RICHMOND said that one topic that should be discussed is the list of technical and career schools addressed in line 20. There are several lists in existence right now including ones kept by the ACPE and the Department of Labor(DOL). He wants to make sure

that they are all working from the same list. Mr. Stewart and Mr. Richmond plan to get back to the committee with more information on that.

MR. STEWART assured the committee that there are plans to create this list. There was a fiscal note that went along with the House version of the bill of \$25,000.00 that would coordinate the creation and maintenance of a unified list.

SENATOR HUGGINS asked whether this list is included in the statute (AS 14.43.835(a)(2)) discussed on page 11, line 18.

MR. STEWART said there are currently three different lists. Those holding lists include: the ACPE with authorized technical schools and training, the DOL with certified career training facilities, and a list that is within the statute. There is intention, however, to create a vocational and technical list where a student would be authorized to use their scholarship. This list is supposed to come from the DOL be published by the ACPE. He asked the committee how involved they would like to be in the creation of this list.

SENATOR HUGGINS agreed with consolidating the list but asked what the prevailing Alaska statute would be for the list.

MR. STEWART pointed out that the list that is being referenced on page 11, line 18 is the same statute referenced on page 13.

SENATOR STEVENS mentioned that it is important to address the title of the scholarship. The bill has been changed in a major way by the legislature, why is the scholarship still called the Governor's Performance Scholarship? He does not believe the title should be tied to an individual. Rather, it is a scholarship that they are all creating and will change education in the state. He would like to have further discussion about whether a more appropriate title exists.

CO-CHAIR THOMAS agreed to a discussion at a later time and also said that taking a look at all three lists of technical and vocational programs would be helpful.

MR. STEWART informed the committee of another slight linguistic change on page 15, lines 10-11, where the original bill referenced the goals of the program and has been taken out of the CS. Further on in the section on page 17, lines 12-13, which is in the current statute, the drafter took the opportunity to have the statute cleaned-up and renumbered.

Finally, at the end of the bill on page 22, line 16, a grammatical change was made. In the original bill "students" had been listed in the plural and the drafter changed it to "a student."

CO-CHAIR THOMAS said that these are simply statute changes that were required that had not been made previously.

MR. STEWART agreed with this clarification. He mentioned that he included a section on the inconsistency of grade terms to the concise topics of discussion that were identified during the meeting. It was pointed out to him that within the CS there are a number of ways that an A student, for example, was addressed and it should be made consistent. There are also a couple of lines on page 10 regarding programmatic flexibility that should be in a separate section and can easily be cleaned up.

[8:56:45 AM](#)

CO-CHAIR MEYER said he is not sure if the commissioner will be here on Friday and would like to get some preliminary comments from him.

CO-CHAIR THOMAS agreed and invited the commissioner to comment on the CS.

LARRY LEDOUX, Commissioner, Department of Education and Early Development (DEED), said he will be here on Friday to respond to the comments made during the meeting and will give them close consideration. There are some good additions and interesting changes in CS but he thinks it is important that the committee pay attention to the goals of the program, which have been taken out of the CS. The scholarship program is designed to make young people work harder and take responsibility for their choices. He took time to review the goals of the program to the committee. It is very important when working with young people that they are challenged and given a dream to work toward. High school students are working way under their potential and this follows them into college and careers. He believes that the committee has added some important additions but he also thinks it is important when revising this program that the goals are kept in mind.

[9:00:29 AM](#)

CO-CHAIR THOMAS said they would have the commissioner speak further at the next meeting. [SB 224 was held in committee.]

9:01:21 AM

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