

ALASKA STATE LEGISLATURE
SENATE EDUCATION STANDING COMMITTEE

March 22, 2010

8:04 a.m.

MEMBERS PRESENT

Senator Kevin Meyer, Co-Chair
Senator Bettye Davis, Vice Chair
Senator Charlie Huggins
Senator Donald Olson
Senator Gary Stevens

MEMBERS ABSENT

Senator Joe Thomas, Co-Chair

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)
03/10/10	(S)	Heard & Held
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03/12/10	(S)	EDC AT 8:00 AM BELTZ 105 (TSBldg)
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03/17/10	(S)	EDC AT 8:00 AM BELTZ 105 (TSBldg)
03/17/10	(S)	Heard & Held
03/17/10	(S)	MINUTE(EDC)
03/22/10	(S)	EDC AT 8:00 AM BELTZ 105 (TSBldg)

WITNESS REGISTER

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

POSITION STATEMENT: Provided a summary of changes on CSSB 224, version C.

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

POSITION STATEMENT: Provided a summary of changes on CSSB 224, version C.

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

POSITION STATEMENT: Commented on the changes made in CSSB 224, version C as compared to version S.

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

POSITION STATEMENT: Commented on CSSB 224, version C, as compared to CSSB 224, version S, and the House Version.

ACTION NARRATIVE

[8:04:04 AM](#)

CO-CHAIR KEVIN MEYER called the Senate Education Standing Committee meeting to order at 8:04 a.m. Present at the call to order were Senators, Olson, Huggins, Davis, and Meyer.

SB 224-POSTSECONDARY SCHOLARSHIPS

[8:04:30 AM](#)

CO-CHAIR MEYER announced continued consideration of SB 224.

SENATOR DAVIS moved to table CSSB 224, Version S and to adopt the proposed committee substitute (CS) to SB 224, labeled 26-GS2771\C, as the working document. There being no objection, the motion carried and version C was before the committee.

[8:06:33 AM](#)

At Ease

[8:06:58 AM](#)

CO-CHAIR MEYER brought the meeting to order.

[8:07:44 AM](#)

MURRAY RICHMOND, aide to Senator Thomas, explained that they received two committee substitutes over the weekend. The most recent is version C. Essentially the CS reflects all the changes the committee requested.

The first change is the name of the scholarship from the "Governor's Performance Scholarship" to the "Alaska student achievement scholarship fund," this change has been made and is consistent throughout the entire document. The next change is on page 6, where the six month clause on lines 9 and 12 has been reinserted. On lines 18-22, the six year clause has been reinserted.

Page 7, line 6, reflects the next change where the word "commission" has replaced "department." Because the career track has been reintroduced, page 7, lines 11, 12, 15 and 18, reflect the reintroduction of the academic track.

Page 8, line 3 the language on the three award levels has been cleaned up. Line 26 (bottom of page 8 and all of page 9) inserts the career track. The curriculum has remained the same for both tracks; however, unlike the academic track, the career track

does not include a tier award system. Instead a student must have a C plus average in order to be eligible for the career scholarship. It is also limited to \$3000.00. The exam can be either the ACT or SAT or another designated standardized exam selected by DEED (like WorkKeys).

SENATOR HUGGINS observed that on page 9, lines 8-9, the fine arts and cultural heritage component has been removed from the CS.

MR. RICHMOND answered that it disappeared in this version.

CO-CHAIR MEYER asked Mr. Richmond where the fine arts component would fall under.

MR. RICHMOND answered that the language was dropped out of this version inadvertently. He can make a note to have it reinserted or have a conceptual amendment to that effect.

CO-CHAIR MEYER asked if there was any reason to drop it.

JOMO STEWART, aide to Senator Meyer, answered that there had been some discussion about whether fine arts would be considered an elective or a social studies credit.

MR. RICHMOND said he thinks under the second core academic curriculum requirements (B) [page 9, lines 10-16] where it discusses two years of foreign language as a necessary core requirement. That language in version S, also included fine arts and cultural heritage, however, the intent was to have it be strictly a foreign or Alaska Native language. When the fine arts and cultural heritage component was taken out of the second set of curriculum requirements (B) it was also taken out of the first set of core academic curriculum requirements (A).

He continued on page 10, lines 4-18, the CS cleans up the language of the three award tiers. It also adds, per the committee's wish, that the approved tuition awarded for the program will be equal to the tuition at the University of Alaska for the 2010-2011 school year. It also stresses the minimum test scores on college entrance exams for each of the tiers.

He pointed out that line 19-21, which has been a concern, has remained in the CS whereby a student who qualifies for an academic scholarship can use their award to attend a qualified career and technical program instead.

On line 23-24 the language has been changed from a half-time student receiving their award "pro rata" to "50 percent" [of the scholarship].

Lines 25-27 is the six-year termination date. This means that after six years, with the exception of waivers from the DEED (previously defined as military service), a student's scholarship would be terminated.

8:16:00 AM

SENATOR HUGGINS asked about delineation between the responsibility of the ACPE and DEED.

MR. RICHMOND answered that he would like the commission and department to speak on this.

He continued on to line 28 there was a change in statute because of previous changes and that has been reinserted. On line 29 the 12 semester timeline was changed to eight semesters.

Beginning on page 10, line 31 the CS now limits the career scholarship to two calendar years. It also adds that a student may not receive both an academic and a career and technical scholarship.

SENATOR HUGGINS recalled in an earlier discussion that an individual in a vocational program could also attend the University of Alaska. He asked whether this means that they cannot do this. He isn't objecting to the cap, but believes that students should be given that opportunity.

CO-CHAIR MEYER said that the administration will address Senator Huggins' question.

MR. RICHMOND continued on page 11, lines 18-22, the CS puts a cap on the financial need's language. It means that if a student is going to school part time they cannot get the full-time needs-based award.

The next change is located on page 14 and redefines "commission" (ACPE) and "department" (DEED).

On page 20, per Ms. Barrans' request, the language has been changed on the commission's ability to "service" the financial aid instead of "guaranteeing."

Finally, on page 22, line 11, they changed the date of eligibility from September 1, 2010 to January 1, 2010 to allow for June 2010 graduates to participate in the program.

8:21:20 AM

CO-CHAIR MEYER invited Diane Barrans to address the changes in the CS that she has concerns about and answer questions that have emerged from the committee.

DIANE BARRANS, Executive Director, Alaska Commission on Postsecondary Education (ACPE), said she does have a couple of suggestions.

On page 7, line 19 and line 25, she thinks the phrase "a combination of" could be interpreted as ambiguous and should be deleted. She suggested, further, that on line 18, "one of the following" should also be deleted.

8:25:53 AM

LARRY LEDOUX, Commissioner, Department of Education and Early Development (DEED), said he does not think it would change the bill to add fine arts as an option.

CO-CHAIR MEYER asked if that would be added on line 30.

COMMISSIONER LEDOUX answered that "fine arts" should be added on page 7, lines 23 and 30.

8:27:10 AM

DIANE BARRANS pointed out that on page 11, lines 20-23, the attempt is to cap the amount a half-time person can receive. It should read:

(1) not less than full time, is 50 percent of the unmet financial need

Continuing, on line 22, it should read:

(2) less than full time but not less than half time, is 25 percent of the unmet financial need

She recapped Senator Huggins' question about the ability of a career scholarship student to use that scholarship at the University of Alaska (page 11, lines 1-3). She answered that it could be used there but only for a certificate program.

SENATOR HUGGINS asked, on page 10, line 27, who is responsible for determining whether a student qualifies for a scholarship extension.

MS. BARRANS answered that the DEED would set out circumstances that would qualify certain students for an extension and would regulate it as well. This would include circumstances outside of military extension which is mandated within the bill.

8:31:39 AM

SENATOR STEVENS joined the meeting

MS. BARRANS continued on to page 11, line 29 through page 12, line 4. She said in discussing how they would administer the needs-based scholarship, they propose the following amendment be used in this section:

Allowable standard costs of attendance means for a student who receives a merit-based performance scholarship the lesser of: (A) standard cost of attendance at the University of Alaska as determined by the commission or (B) actual cost of attendance at the qualified postsecondary institution that the student attends or plans to attend as determined by the commission.

This is an all encompassing definition that would apply to both the academic and career and technical scholarship. The effect is to cap the cost of attendance and to provide a benchmark to the cost at the University of Alaska.

SENATOR DAVIS asked if the language she is proposing is already in the House version.

MS. BARRANS said the structure of the House bill is different enough that this precise language is not in there.

She continued that the last comment she has is on the transition language on page 22, lines 11-13, which she suggests should be amended to say:

may apply for a scholarship on or after January 1, 2011, for enrollment in a program or study beginning on or after July 1, 2011

She explained that the reason for this change is, from a practical standpoint, so that a student has a reasonable amount

of time to apply for their financial aid and be ready to go by May or June of 2011. Delaying a student's application could, actually, take them out of the running for funds that year.

CO-CHAIR MEYER said they will make these suggestions conceptual amendments to the CS. The only issue now is the fine arts requirement of the CS which would have to be added on pages 7 and 9.

[8:37:30 AM](#)

SENATOR HUGGINS said they had some town hall meetings this weekend and people asked why this program is not a "loan program" with a forgiveness provision.

MS. BARRANS answered that the state's experience with a forgivable loan is that there were some unintended consequences. First, students always borrowed the maximum amount but due to the high attrition rate in the program the default rates were high. They are still trying to collect some of those loans from a program that ended 20 years ago. She is also concerned that typically in first generation college attendees they are debt averse and do not take advantage of it. She thinks the effect of the program would be adversely affected by this. Also, there was an entire industry in postsecondary education institutions that sprang up during that very generous program, very few of which remain.

[8:40:43 AM](#)

CO-CHAIR MEYER drew the committee's attention to the conceptual amendments at hand.

SENATOR DAVIS moved conceptual Amendment 1 as follows:

Conceptual Amendment 1

Page 6, lines 12-17 to read:

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

Page 6, lines 18-22 to read:

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

MS. BARRANS said that currently in the CS if a student is dependent on a military person they can be out of state for the entire period of their secondary program. In addition to that, the period of extension that is allowed for a military person has no time limit to it. For example, in the current CS, if a person returns to the state after 20 years of service, when they return to the state they remain entitled to the program. This is different than what the house version has done, which requires that a student have attended at least two years of their high school in the state and they have capped the period of extension for military service.

CO-CHAIR MEYER asked how the House came up with the two year extension.

MS. BARRANS replied that she thinks it was based on the standard minimum enlistment period.

CO-CHAIR MEYER thinks he likes the original verbiage.

SENATOR HUGGINS asked her, in regards to the military service extension after high school, if an individual graduated from a high school in the state and then left the state for military service for four years, would that individual be eligible for the program.

MS. BARRANS answered that in the CS, version C, there is no requirement that a student spend any of their high school career in the state if they are dependent on military person. Students can also enlist in the military right after high school and be entitled to apply to the program at any time as long as they are serving in the military. This is different from the House version in that they require a student to be in high school in the state for at least two years and the entitlement period after high school is only extended by two years. In the scenario

Senator Huggins described, under the House's version, the individual would only have extended their period of entitlement by two years, so they would return with only four years remaining of the scholarship.

[8:47:26 AM](#)

SENATOR HUGGINS recommended they keep it simple, but there needs to be some affiliation with the state. He prefers the House version in that regard because students will be required to attend some of their high school career in the state. He asked Ms. Barrans if the state is bound by law to extend this to students that are residents of the state but are out of state.

MS. BARRANS replied that the House may have discussed potential legal disputes on that issue. She deferred the question to counsel.

SENATOR STEVENS said statistics seem to show that a student who attends college in a state stays in that state, so he doesn't see this as a major issue.

[8:49:20 AM](#)

SENATOR HUGGINS mentioned it because he thinks there is a provision that allows a student, whose guardian was killed while in the service, to go to the University of Alaska at no cost.

CO-CHAIR MEYER said he thinks they should withdraw Amendment 1 for now.

SENATOR DAVIS moved to withdraw Amendment 1. It was so ordered.

SENATOR DAVIS moved conceptual Amendment 2 as follows:

Conceptual Amendment 2

Page 7, lines 16-31, page 9 Lines 4-15:

(1) the four year core academic curriculum, which may include virtual curriculum, that student must have completed in high school; the core academic curriculum must include; [one of the following]

(A) [a combination of]

- (i) four years of mathematics;
- (ii) four years of language arts;
- (iii) four years of science; and
- (iv) three years of social studies, one year of which may include foreign language, or an

Alaskan Native language, fine arts or cultural heritage; or

(B) [a combination of]

- (i) three years of mathematics;
- (ii) four years of language arts;
- (iii) three years of science;
- (iv) four years of social studies; and
- (v) two years of foreign language or Alaska Native Language;

CO-CHAIR MEYER suggested that these are fairly simple changes represented by these amendments, but need some clean up. They will do that and bring them back on Wednesday.

[SB 224 was held in committee.]

[8:57:02 AM](#)

There being no further business to come before the committee, CO-CHAIR MEYER adjourned the meeting at 8:57 a.m.