

# Fiscal Note

Bill Version: CCS HB 104

Fiscal Note No. 11

(H) Published Date: 4/15/12

State of Alaska  
2012 Legislative Session

Identifier: HB104SCS(FIN)-EED-ACPE(2)-2-13-12 DRAFT  
Title: ALASKA PERFORMANCE SCHOLARSHIPS  
Sponsor: RLS BY REQUEST OF THE GOVERNOR  
Requester: (S)FIN

Department: Department of Education and Early Development  
Appropriation: Alaska Postsecondary Education Commission  
Allocation: Program Administration & Operations  
OMB Component Number: 2738

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2013 Appropriation Requested	Included in Governor's FY2013 Request	Out-Year Cost Estimates					
			FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits	1,000.0	3,000.0	5,783.0	7,279.0	8,120.0	8,520.0	9,035.0	
Miscellaneous								
<b>Total Operating</b>	<b>1,000.0</b>	<b>3,000.0</b>	<b>5,783.0</b>	<b>7,279.0</b>	<b>8,120.0</b>	<b>8,520.0</b>	<b>9,035.0</b>	

## Fund Source (Operating Only)

1226 High Ed	1,000.0	3,000.0	5,783.0	7,279.0	8,120.0	8,520.0	9,035.0
<b>Total</b>	<b>1,000.0</b>	<b>3,000.0</b>	<b>5,783.0</b>	<b>7,279.0</b>	<b>8,120.0</b>	<b>8,520.0</b>	<b>9,035.0</b>

## Positions

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>							
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Estimated SUPPLEMENTAL (FY2012) cost: 0.0

Estimated CAPITAL (FY2013) cost:

## Reason For Change:

4/14 CC: Establishment of Alaska Higher Education Investment Fund Code.

2/13 - This fiscal note differs in that estimates reflect amendments to HB104 which create an allocation of annual appropriations from the investment fund to pay for Alaska performance scholarships (APS) and for AlaskAdvantage education grants (AEG). The \$3,000.0 shown as FY13 costs is included in the Governor's FY13 base budget request.

## Analysis:

The committee substitute establishes award income accounts and an investment fund, the earnings from which will pay for APS and AEG awards to students; and, establishes a proportional allocation of funding structure with two-thirds of each year's appropriation allocated to APS and one-third of the appropriation allocated to AEG.

Based on the structure described above, the annual allocated amounts for AEG are shown below. These estimates are derived by assuming all APS-eligible students applying to use their award are fully funded. Also shown are the projected number of AEG recipients based upon an average individual annual award amount of \$1,580:

Funding Allocation#AEG Recipients

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FY13\$	3,000.01,899
FY14\$	5,783.03,660
FY15\$	7,279.04,607
FY16\$	8,120.05,139
FY17\$	8,080.05,114
FY18\$	8,520.05,392
FY19\$	9,035.05,718
FY20\$	9,450.05,981
FY21\$	9,596.06,073
FY22\$	9,835.06,225
FY23\$	10,095.06,389
FY24\$	10,226.06,472

It is important to note that AEG awards are made relative to the pool of applicants specific to a given academic year. Unlike the APS, there is no implied continuing obligation that an individual awarded an AEG in a given year will receive it in a subsequent year. The applicant pool is ranked in order of greatest to least financial need and AEGs are awarded until available funds are exhausted or all eligible applicants are awarded, whichever occurs first.