

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version SCS CSHB 104(FIN)
 Fiscal Note Number 8
 (S) Publish Date 3/30/12

Identifier (file name) HB104SCS(FIN)-EED-ACPE(2)-2-13-12 DRAFT Dept. Affected Education
 Title Alaska Performance Scholarship Fund Appropriation ACPE
 Allocation Program Administration & Operations
 Sponsor Rules
 Requester (S)FIN OMB Component Number 2738

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants, Benefits		3,000.0	5,783.0	7,279.0	8,120.0	8,520.0	9,035.0	
Miscellaneous								
TOTAL OPERATING	0.0	3,000.0	5,783.0	7,279.0	8,120.0	8,520.0	9,035.0	

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF							
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)		3,000.0	5,783.0	7,279.0	8,120.0	8,520.0	9,035.0
TOTAL		0.0	3,000.0	5,783.0	7,279.0	8,120.0	8,520.0	9,035.0

POSITIONS								
Full-time								
Part-time								
Temporary								

CHANGE IN REVENUES								

Estimated SUPPLEMENTAL (FY12) operating costs 0.0 (separate supplemental appropriation required,
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs 0.0 (separate capital appropriation required,
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

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 Alaska Advantage education grants (AEG). The \$3,000.0 shown as FY13 costs is included in the Governor's FY13 base budget request.

Prepared by Diane Barrans, Executive Director
 Division Alaska Commission on Postsecondary Education
 Approved by Diane Barrans, Executive Director
Alaska Commission on Postsecondary Education

Phone 465-6740
 Date/Time 2/13/12 1:00 PM
 Date 2/13/2012

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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
FY13	\$ 3,000.0	1,899
FY14	\$ 5,783.0	3,660
FY15	\$ 7,279.0	4,607
FY16	\$ 8,120.0	5,139
FY17	\$ 8,080.0	5,114
FY18	\$ 8,520.0	5,392
FY19	\$ 9,035.0	5,718
FY20	\$ 9,450.0	5,981
FY21	\$ 9,596.0	6,073
FY22	\$ 9,835.0	6,225
FY23	\$10,095.0	6,389
FY24	\$10,226.0	6,472

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.