

# Fiscal Note

State of Alaska  
2024 Legislative Session

Bill Version:	CSHB 148(FIN)
Fiscal Note Number:	6
(H) Publish Date:	2/14/2024

Identifier: HB148CS(EDC)-EED-APS-01-26-24  
 Title: AK PERFORMANCE SCHOLARSHIP;  
 ELIGIBILITY  
 Sponsor: EDUCATION  
 Requester: House Finance Committee

Department: Department of Education and Early Development  
 Appropriation: Student Financial Aid Programs  
 Allocation: Alaska Performance Scholarship Awards  
 OMB Component Number: 2990

**Expenditures/Revenues**

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

	FY2025	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2025 Request	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
<b>OPERATING EXPENDITURES</b>	<b>FY 2025</b>	<b>FY 2025</b>					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits	2,264.0		2,404.2	2,545.7	2,688.7	2,833.1	2,978.9
Miscellaneous							
<b>Total Operating</b>	<b>2,264.0</b>	<b>0.0</b>	<b>2,404.2</b>	<b>2,545.7</b>	<b>2,688.7</b>	<b>2,833.1</b>	<b>2,978.9</b>

**Fund Source (Operating Only)**

1226 High Ed (DGF)	2,264.0		2,404.2	2,545.7	2,688.7	2,833.1	2,978.9
<b>Total</b>	<b>2,264.0</b>	<b>0.0</b>	<b>2,404.2</b>	<b>2,545.7</b>	<b>2,688.7</b>	<b>2,833.1</b>	<b>2,978.9</b>

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2024) cost:** 0.0 *(separate supplemental appropriation required)*

**Estimated CAPITAL (FY2025) cost:** 0.0 *(separate capital appropriation required)*

**Does the bill create or modify a new fund or account?** No  
*(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? **Yes**  
 If yes, by what date are the regulations to be adopted, amended or repealed? **03/15/25**

**Why this fiscal note differs from previous version/comments:**

FY2023 actuals for APS usage are now available to calculate more precise numbers. Additionally, the adopted committee substitute includes two new provisions which could increase eligibility and usage numbers: 1) removed standardized test scores as an eligibility requirement and replaced with GPA or standardized test scores for meeting eligibility and 2) provides for a step-up provision for students to increase their award amounts based on a change in their GPA as calculated every two semesters completed. Updating SLA 2023 to SLA 2024 Fiscal Note Template.

Prepared By: Sana Efird, Executive Director  
 Division: Alaska Commission on Postsecondary Education  
 Approved By: Tama Carson, Administrative Services Director  
 Agency: Department of Education and Early Development

Phone: (907)465-2113  
 Date: 01/26/2024  
 Date: 01/26/24

REPORTED OUT OF  
HFC 02/14/2024

Control Code: LTRCE

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2024 LEGISLATIVE SESSION

## Analysis

The bill amends the qualification criteria of an Alaska Performance Scholarship (APS) applicant by adding an option for career and technical education (CTE) to the academic curriculum, inserts a definition for career cluster, removes the minimum score on college entrance or standardized examination requirement and adds language to allow for a GPA or a minimum college entrance examination to qualify instead of requiring both, adds a requirement for school districts to notify students in their junior year of their progress towards earning APS eligibility and requires districts to inform students in 9th and 10th grade about the APS, increases the annual award amounts (see table below), provides an additional two years for students to use the scholarship after high school graduation (from six years to eight years), and allows eligible award recipients to qualify for an increased award level while enrolled at a qualified postsecondary institution (step-up provision).

## Alaska Performance Scholarship Award Amounts (whole dollars)

	Current Amount	Proposed Amount
Level 1	\$4,755	\$7,000
Level 2	\$3,566	\$5,250
Level 3	\$2,378	\$3,500

- Level 1: 3.5 GPA or above or a very high minimum score on a college entrance exam
- Level 2: 3.0 GPA or above or a high minimum score on a college entrance exam
- Level 3: 2.5 GPA or above or a moderately high score on a college entrance exam

Considering the changes in eligibility requirements, this legislation could result in an increase of new students eligible for the scholarship. Additionally, the increases in award amounts could increase the appropriation amount.

Therefore, the calculation estimate for APS fiscal note award amount is based on the following assumptions:

- Started with APS actuals for FY 2023 as base
- Applied increased scholarship amounts included in CSHB 148 to FY 2023 numbers
- Projected a 2% increase in student usage for FY 2025 due to expanded eligibility criteria included in the bill
- Projected a 1% increase in number of students per year for FY 2026 to FY 2029

Funds available for appropriation from the Higher Education Investment Fund could be affected by future investment outcomes, which may alter the 7% calculation and amount available for appropriation.