

**ALASKA STATE LEGISLATURE
SENATE EDUCATION STANDING COMMITTEE**

May 1, 2023

3:30 p.m.

MEMBERS PRESENT

Senator Löki Tobin, Chair
Senator Gary Stevens, Vice Chair
Senator Jesse Bjorkman
Senator Jesse Kiehl
Senator Elvi Gray-Jackson

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

Professional Teaching Practices Commission
Stephanie Green - Wasilla

- CONFIRMATION ADVANCED

SENATE BILL NO. 132

"An Act imposing an annual educational facilities maintenance and construction tax on net earnings from self-employment and wages; relating to the administration and enforcement of the educational facilities maintenance and construction tax; and providing for an effective date."

- HEARD AND HELD

SENATE BILL NO. 56

"An Act relating to the Alaska performance scholarship program."

- MOVED CSSB 56(EDC) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 132

SHORT TITLE: EMPLOYMENT TAX FOR EDUCATION FACILITIES

SPONSOR(S): SENATOR(S) BISHOP

04/21/23	(S)	READ THE FIRST TIME - REFERRALS
04/21/23	(S)	EDC, FIN

04/26/23 (S) EDC AT 3:30 PM BELTZ 105 (TSBldg)
04/26/23 (S) -- MEETING CANCELED --
05/01/23 (S) EDC AT 3:30 PM BELTZ 105 (TSBldg)

BILL: SB 56

SHORT TITLE: AK PERFORMANCE SCHOLARSHIP; ELIGIBILITY
SPONSOR(S): SENATOR(S) DUNBAR

02/06/23 (S) READ THE FIRST TIME - REFERRALS
02/06/23 (S) EDC, FIN
04/24/23 (S) EDC AT 3:30 PM BELTZ 105 (TSBldg)
04/24/23 (S) Heard & Held
04/24/23 (S) MINUTE(EDC)
04/26/23 (S) EDC AT 3:30 PM BELTZ 105 (TSBldg)
04/26/23 (S) -- MEETING CANCELED --
05/01/23 (S) EDC AT 3:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

STEPHANIE GREEN, Governor's Appointee
Professional Teaching Practices Commission
Department of Education and Early Development (DEED)
Wasilla, Alaska

POSITION STATEMENT: Testified as the governor's appointee to the Professional Teaching Practices Commission.

SENATOR CLICK BISHOP, District R
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified as the sponsor of SB 132.

CODY GRUSSENDORF, Staff
Senator Click Bishop
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Offered the sectional analysis for SB 132.

BRANDON SPANOS, Deputy Director
Tax Division
Department of Revenue (DOR)
Anchorage, Alaska

POSITION STATEMENT: Offered an overview of the fiscal note OMB 2476 for SB 132.

JAMES HARVEY, Director
Division of Employment & Training Services
Department of Labor and Workforce Development (DOLWD)

Juneau, Alaska

POSITION STATEMENT: Offered and overview of fiscal note OMB 2276 for SB 132.

TOM KLAAMEYER, President

NEA-Alaska

Anchorage, Alaska

POSITION STATEMENT: Testified by invitation on SB 132.

LISA PARADY, Executive Director

Alaska Council of School Administrators

Juneau, Alaska

POSITION STATEMENT: Testified by invitation on SB 13

NILS ANDREASSEN, Executive Director

Alaska Municipal League

Juneau, Alaska

POSITION STATEMENT: Testified by invitation on SB 132.

ALLIANA SALANGUIT, Staff

Senator Forrest Dunbar

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Offered an explanation of changes from version B to version S for SB 56.

KERRY THOMAS, Director

Program Operations

Alaska Commission on Postsecondary Education

Juneau, Alaska

POSITION STATEMENT: Offered an overview of the fiscal notes for SB 132.

LEM WHEELS, representing self

Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 56.

ACTION NARRATIVE

[3:30:25 PM](#)

CHAIR LÖKI TOBIN called the Senate Education Standing Committee meeting to order at 3:30 p.m. Present at the call to order were Senators Kiehl, Gray-Jackson, Stevens, Bjorkman, and Chair Tobin.

CONFIRMATION HEARING(S)

PROFESSIONAL TEACHING PRACTICES COMMISSION

[3:32:27 PM](#)

CHAIR TOBIN announced the consideration of governor appointee Stephanie Green to the Professional Teaching Practices Commission.

[3:32:50 PM](#)

STEPHANIE GREEN, Governor's Appointee, Professional Teaching Practices Commission, Department of Education and Early Development (DEED), Wasilla, Alaska, introduced herself and explained that this was her first appointment to the commission. She described her personal and professional history as a teacher for the past eight years. She looks forward to working to protect the students in Alaska while upholding the professional standards for all educators.

[3:34:54 PM](#)

SENATOR GRAY-JACKSON read an excerpt from the DEED website about the ethical standards the Professional Teaching Practices Commission is charged with defining and enforcing for its members. She asked Ms. Green to discuss the ethical standards for members and how they are defined.

MS. GREEN said she hopes to advocate for better training in that process because the code of ethics brochure for teachers does not receive the attention it merits. The brochure has lots of good information about boundaries between teachers and students and important details about being an educator.

[3:37:12 PM](#)

SENATOR GRAY-JACKSON asked what the most common unethical conduct is in the teaching profession that illustrates why this commission is necessary.

MS. GREEN replied that many issues are not in the public record and not discussed openly. She has heard rumors about teachers having relations with students, which illustrates the importance of this commission because there are solid consequences for that type of behavior.

[3:39:04 PM](#)

CHAIR TOBIN noted that either a nomination from a recognized teacher association or signatures from more than 25 teachers who have no affiliation to any organization qualified to submit nomination lists is required for appointees for this commission.

She asked Ms. Green if her nomination was from one of these ways.

MS. GREEN answered yes; the MatSu Education Association (MSEA) nominated her.

[3:39:41 PM](#)

CHAIR TOBIN asked her to speak to her experience with vaping in the public school system.

MS. GREEN replied that vaping is a huge issue and teachers at her school receive training and are vigilant in how to recognize the devices, the chargers, and the smells but it is difficult to detect. She said she wasn't sure what she'd be able to do about vaping by serving on this commission, but she intends to continue to work on the issue in any way she can.

[3:41:05 PM](#)

CHAIR TOBIN opened public testimony on the confirmation of Stephanie Green to the Professional Teaching Practices Commission; finding none, she closed public testimony.

[3:41:29 PM](#)

SENATOR GRAY-JACKSON stated that in accordance with AS 39.05.080, the Senate Education Standing Committee reviewed the following and recommends the appointment be forwarded to a joint session for consideration:

PROFESSIONAL TEACHING PRACTICES COMMISSION

Stephanie Greene - Wasilla

Signing the reports regarding appointments to boards and commissions in no way reflects individual members' approval or disapproval of the appointee; the nominations are merely forwarded to the full legislature for confirmation or rejection.

[3:41:55 PM](#)

CHAIR TOBIN stated that without objection, Ms. Green's name will be forwarded to the full session for consideration.

[3:42:11 PM](#)

At ease.

SB 132-EMPLOYMENT TAX FOR EDUCATION FACILITIES

[3:43:54 PM](#)

CHAIR TOBIN reconvened the meeting and announced the consideration of SENATE BILL NO. 132 "An Act imposing an annual educational facilities maintenance and construction tax on net earnings from self-employment and wages; relating to the administration and enforcement of the educational facilities maintenance and construction tax; and providing for an effective date."

[3:44:16 PM](#)

CLICK BISHOP, Senate District R, Alaska State Legislature, Juneau, Alaska, sponsor of SB 132, introduced the bill speaking to the following sponsor statement:

From 1919-1980, Alaska had an annual employment head tax for the purpose of collecting revenues to fund schools. The tax went through numerous transformations, but it always charged an equal amount to each employed individual. When it was repealed in 1980, the tax was \$10 per person which has the equivalent value of \$38.80 today. This bill proposes a \$30 tax.

Senate Bill 132 proposes to revive the repealed head tax on employed individuals, both resident and nonresident, with income from a source in Alaska. The Alaska Education Facilities, Maintenance, and Construction Tax would collect \$30 from each person employed in the state. The tax would be withheld from an employee's first paycheck each year while self-employed individuals would be required to remit payment to the Alaska Department of Revenue. The tax would be deductible on an individual's federal income tax return.

According to the most recent statistics from the Alaska Department of Labor and Workforce Development and the U.S. Census Bureau, there were approximately 390,465 employed individuals in Alaska in 2021. Roughly 20% of those workers who earn their living in Alaska do not reside here resulting in \$2.7 billion in nonresident income that leaves Alaska's economy each year and, in most cases, gets taxed by a nonresident's home state.

It is estimated that this tax would generate north of \$10 million each year. The revenue collected would be deposited into the state's general fund and accounted

for separately and intended to pay for the growing maintenance and construction needs of Alaska's schools.

[3:50:59 PM](#)

SENATOR GRAY-JACKSON expressed her pleasure that he reintroduced the bill this year.

CHAIR TOBIN asked Mr. Grussendorf to present the sectional analysis.

[3:51:31 PM](#)

CODY GRUSSENDORF, Staff, Senator Click Bishop, Alaska State Legislature, Juneau, Alaska, offered the following sectional analysis for SB 132:

Section 1 amends AS 23.05.060 relating to the powers of the Department of Labor and Workforce Development by adding a new subsection allowing the department to collect the tax if requested to do so by the Department of Revenue.

Section 2 adds a new chapter to AS 43 creating the Education Facilities Maintenance and Construction Tax.

- **Sec. 43.45.011** authorizes the Department of Revenue to levy a tax of \$30 on wages and net earnings from self-employment on all individuals, both resident and nonresident, with income from a source in Alaska.
- **Sec. 43.45.021** requires employers to withhold the tax from an employee's first paycheck of the calendar year. Failure to submit the tax may result in a civil penalty imposed on the employer in an amount up to five times the tax due. The Department of Revenue shall adopt regulations regarding the payment and maintenance of tax records. Finally, the Department of Revenue shall coordinate with the Department of Labor and Workforce Development to collect and report the tax in a manner similar to employment security contributions if it will result in cost savings for the state.
- **Sec. 43.45.031** requires self-employed individuals to remit the tax due in accordance with regulations adopted by the Department of Revenue.
- **Sec. 43.45.041** outlines the process for the refund of overpayments.

- **Sec. 43.45.051** requires a person to report to the Department of Revenue any payments to a self-employed individual if the same is required by the Internal Revenue Service.
- **Sec. 43.45.061** establishes the education facilities maintenance and construction fund as a separate account in the general fund.
- **Sec. 43.45.099** establishes the definitions for key terms.

Section 3 is uncodified law pertaining to the adoption and implementation of regulations by the Department of Revenue.

Section 4 provides an immediate effective date for section 3, the adoption of regulations.

Section 5 provides an effective date of January 1, 2024 for all other sections of the bill.

[3:53:53 PM](#)

CHAIR TOBIN asked Mr. Spanos or Ms. Glover to review the fiscal note for SB 132.

[3:54:30 PM](#)

BRANDON SPANOS, Deputy Director, Tax Division, Department of Revenue (DOR), Anchorage, Alaska, reviewed the analysis of the fiscal note OMB 2476 for SB 132 that read as follows:

Analysis

Background

This bill would enact a tax on both wage and self-employment income. The tax would be payable by residents on income, wherever earned, and by nonresidents on income earned in Alaska. The amount of the tax is a flat \$30 per person each year. The bill would require employers to withhold \$30 from an employee's first paycheck of the year, in most cases, and remit the tax to the state. An employer would be liable for the tax, and a penalty, if it failed to withhold and remit the tax.

This bill would require self-employed individuals to file and pay the tax with the Department of Revenue (DOR) in accordance with regulations adopted by the DOR. Resident individuals with wage income entirely from sources outside the state would also be required to file and pay the tax.

There would likely not be a need for the majority of taxpayers to file a return since the tax is a very simple, flat rate with a one-time withholding in most cases. Wage earners in Alaska would simply have their \$30 withheld from their first paycheck of the year and would not need to file anything with the DOR unless they had multiple jobs and had the \$30 withheld more than once. In that case, the taxpayer would need to file for a refund claim. Self-employed individuals and residents with income from sources entirely outside the state would need to file and pay taxes with the DOR. The bill allows for the Department of Labor and Workforce Development (DOLWD) to collect or coordinate collection and reporting of the tax. However, since not all taxpayers interface with DOLWD (e.g., residents who earn all their wages outside the state) the DOR believes it is better suited to collect the tax.

This bill would tax only wages and self-employment income. Dividends, capital gains, pensions, and other forms of income would not be taxed. Revenue Impact Our estimate is based on solid wage earner data and on less solid self-employment data. As the taxpayer base, we estimate about 414,050 resident wage earners and resident self-employed individuals and about 62,100 nonresident wage earners and nonresident self-employed individuals.

The bill would take effect on January 1, 2024, meaning that FY24 revenue would be for only the second half of the fiscal year. However, since the tax is a flat amount withheld from the first paycheck of the calendar year, we are estimating FY24 revenue at 75% of the amount that would be collected in a full year.

Implementation Cost

The \$10 [\$11] million supplemental request reflects an estimate for our contract with FAST Enterprises to develop a new module for this tax type in our Tax Revenue Management System (TRMS). The breakdown of that cost is an estimated \$8 million for development, and an extra \$2 million for an expedited rollout because of such a short timeline for programming and implementation before the effective date. This is also the reason for a supplemental request as opposed to

our usual capital request--the need to expedite the development. In addition to the tax return filing and examination functions, the contractor will need to provide for the associated databases, forms, communications, and integration with our existing imaging, accounting, and collections modules. There would also be an online component to allow taxpayers to file, pay and request refunds electronically. Services would increase in FY2026 and forward as it is the first year of additional maintenance and support of the new TRMS modules after rollout, which would be approximately \$1.0 million per year.

Currently, the DOLWD administers the Employment Security Tax, which establishes a relationship for data and tax collection with most employers in Alaska. It is possible that some efficiencies could be achieved by linking these databases. However, the proposed legislation adds at least two major functions that do not exist within the Employment Security Tax. These are: (1) receiving and processing individual (rather than employer aggregated) tax returns as well as direct payments from self-employed individuals, and (2) providing refunds in the event of overpayment.

Even though this bill would create a very large tax base, the tax is simple and could be administered by a relatively small group. Our initial analysis is that we would need to add 8 new employees to implement this tax.

Additional travel is largely for public education efforts, as well as the need to train new staff on the tax management system. Cost for services reflects primarily internal core services paid to other state agencies, due to additional staff within the Tax Division.

[4:01:48 PM](#)

SENATOR KIEHL noted that a self-employed person who also has waged employment could show they already paid the tax so the employer would not withhold the tax. He asked about that process and why it wasn't available to a person who works for more than one employer.

MR. SPANOS offered his understanding that the bill allows anyone to show that they'd already paid the tax, but the burden is on

the employee to show that payment. The software is capable of allowing employers to log into the system to verify that an employee had paid the tax but that would need to be added to the bill.

SENATOR KIEHL said he'd like to ask the sponsor whether that was the intention before the committee makes that technical adjustment.

[4:03:25 PM](#)

SENATOR STEVENS questioned adding eight employees at a cost of \$500,000 to collect \$10 million when it seems that the employer is doing all the work.

MR. SPANOS responded that fielding a large number of taxpayer phone calls and refunding the overpayments accounts for a lot of the staff time.

CHAIR TOBIN asked Mr. Grussendorf whether the fiscal notes for SB 132 were similar to other iterations of the legislation.

MR. GRUSSENDORF replied that the fiscal note is very similar to the 2019 legislation, but the services costs have risen a little.

[4:05:12 PM](#)

CHAIR TOBIN asked Mr. Spanos to speak to the reason for the increase in the services costs between the 2019 and 2023 legislation.

MR. SPANOS said he didn't have the 2019 fiscal note in front of him but his recollection was that the software costs increased. There is also an additional \$2 million in the current fiscal note to accommodate the expedited timeline.

[4:06:06 PM](#)

CHAIR TOBIN said she assumes that the increase in the services line from \$1.138 million in FY 2027 to \$7.138 million for FY 2028 is a misprint.

MR. SPANOS replied that is not a misprint. It's related to the upgrade the entire system receives every several years because that function is not built into the budget.

[4:07:04 PM](#)

MR. GRUSSENDORF asked whether the additional \$6 million in services is specific to SB 132 or Alaska's tax system as a whole.

[4:07:25 PM](#)

CHAIR TOBIN commented that she had the same question.

MR. SPANOS replied it's not specifically SB 132; it's probably generic for the entire system.

CHAIR TOBIN asked why the sponsor chose \$30 for the employment head tax.

MR. GRUSSENDORF replied that \$30 is consistent with the amount in the 2019 legislation, adjusted for inflation. He added that the tax was \$10 when it was repealed in 1980, and the equivalent value today is \$38.80.

[4:08:35 PM](#)

At ease.

[4:09:40 PM](#)

CHAIR TOBIN reconvened the meeting and asked James Harvey to review the fiscal note from the Department of Labor and Workforce Development (DOLWD).

[4:10:07 PM](#)

JAMES HARVEY, Director, Division of Employment & Training Services, Department of Labor and Workforce Development (DOLWD), Juneau, Alaska, offered an overview of fiscal note OMB 2276 for SB 132. He stated that DOR's fiscal note encapsulates the entire cost to implement and collect the Educational Tax. DOLWD's zero fiscal note assumes that DOR will collect all the taxes related to this legislation.

CHAIR TOBIN found no questions.

[4:11:15 PM](#)

CHAIR TOBIN segued to invited testimony on SB 132.

[4:11:35 PM](#)

TOM KLAAMEYER, President, NEA-Alaska, Anchorage, Alaska, expressed support for SB 132 on behalf of the more than 10,000 members of NEA-Alaska. He described the bill as a straightforward way for all wage earners in Alaska to support public education and its aging infrastructure, which requires repair to ensure basic safety for students and education

employees. He acknowledged the fiscal crisis that is forcing hard decisions about how best to use limited resources and stated that NEA-Alaska supports proposals to increase the base student allocation (BSA) and views SB 132 as another vehicle that will make additional revenue available for school facilities. The bill provides a creative solution that will make a lasting difference for public education.

[4:13:52 PM](#)

LISA PARADY, Ph.D., Executive Director, Alaska Council of School Administrators (ACSA), Juneau, Alaska, testified by invitation, delivering the PowerPoint, "SB 132: Employment Tax for Education Facilities." She stated that ACSA was established in 1973 to serve as the umbrella for the Alaska Superintendents Association, elementary and secondary principals, Alaska school business officials, and school administrators throughout the state. Each year ACSA develops joint position statements and this year determined that school safety was one of its highest priorities.

DR. PARADY advanced to slide 5, "ACSA Joint Position Statements - Major Maintenance," and spoke to the following:

ACSA supports funding through the Department of Education and Early Development's (DEED) school construction process for capital projects and major maintenance to existing school district facilities in order to provide students a safe and healthy learning environment.

[4:15:24 PM](#)

DR. PARADY advanced to slides 6 and 7 to discuss the following data from the November 2022 Department of Education and Early Development (DEED) school maintenance report.

- Alaska has 452 school facilities and 55 percent are more than 40 years old.
- The average school building is 42 years old and 66 buildings are more than 60 years old.
- 97 projects DEED has on its waiting list are estimated to cost \$280 million.

DR. PARADY highlighted that a 2022 survey of ACSA members about unmet needs revealed that many districts don't try to get their maintenance projects on the list because the process is cumbersome and expensive. Thus, ACSA is supportive of SB 132 and urges the committee to take favorable action.

CHAIR TOBIN thanked her for the emphasis on safety and security and articulated concern about the average age of Alaska's school facilities.

4:17:46 PM

NILS ANDREASSEN, Executive Director, Alaska Municipal League, Juneau, Alaska, testified by invitation in support of SB 132. He stated that school construction and major maintenance has been a priority for local governments for years because they manage and own a majority of schools in Alaska. He reported the following:

- Of the 1,008 school facilities in Alaska, municipalities own and maintain 757.
- In 2021, 429 of those schools were older than 40 years old, which is the average age that schools need major maintenance or replacement.
 - These schools represent 23 million square feet and the replacement cost is \$274.23 per square foot.
 - It would cost \$6.3 billion to replace the 429 schools, 75 percent of which are local government facilities.
- In the last five years, DEED increased the amount school districts might request for major maintenance from \$25,000 to \$50,000, but the state has funded few of the requested projects.
- AML's review of the grant program from FY11 through FY19 indicated that only 11 percent of projects were funded, despite it being the state's responsibility and constitutional obligation.
- The request this year through the School Construction and Major Maintenance Program was just over \$600 million.
 - The trend since FY11 has been for school districts not to submit projects to the School Construction and Major Maintenance Program.
- School districts' six-year capital plan for maintenance is also a good indication of how they are approaching the lack of funding at the state level.
 - Fewer districts are contributing projects because the return on their investment is so small.

4:22:04 PM

MR. ANDREASSEN stated that SB 132 is a tool in the toolbox and a step in the right direction, but there is still a long way to go to adequately or equitably address the needs that school districts are facing in school construction and major maintenance. Without the School Bond Debt Reimbursement Program,

more of those needs are crashing into the grant program that this bill hopes to alleviate.

MR. ANDREASSEN concluded his comments stating that when the state doesn't fund school district priorities, it affects desired educational attainment, teacher recruitment and retention, and the sustainability of communities. Local governments continue to emphasize the importance of this issue and SB 132 will make strides toward alleviating some of the challenges Alaska communities are facing.

[4:23:32 PM](#)

CHAIR TOBIN opened public testimony on SB 132; finding none, she closed public testimony. She asked Mr. Grussendorf if he had any closing comments.

[4:23:57 PM](#)

MR. GRUSSENDORF restated that SB 132 is a step in the right direction. He noted that the fiscal note suggests anticipated revenue of \$10-\$14 million and that is the cost of the top 2 of 97 projects on the major maintenance list. Certainly there is no intention for this to be the sole source of funding for the major maintenance program; it is a new revenue stream to supplement that program.

[4:24:39 PM](#)

SENATOR KIEHL commented that two of the four school districts in his district put money from sales and property taxes into school maintenance but the Regional Education Attendance Area (REAA) in his district does not have that option, so this bill is essential.

[4:25:20 PM](#)

CHAIR TOBIN held SB 132 in committee.

SB 56-AK PERFORMANCE SCHOLARSHIP; ELIGIBILITY

[4:25:44 PM](#)

CHAIR TOBIN announced the consideration of SENATE BILL NO. 56 "An Act relating to the Alaska performance scholarship program."

She noted that there was a committee substitute for the committee to consider.

[4:26:00 PM](#)

SENATOR GRAY-JACKSON moved to adopt the committee substitute (CS) for SB 56, work order 33-LS0350\S, as the working document.

[4:26:11 PM](#)

CHAIR TOBIN objected for purposes of discussion.

[4:26:18 PM](#)

ALLIANA SALANGUIT, Staff, Senator Forrest Dunbar, Alaska State Legislature, Juneau, Alaska, offered the following summary of changes from version B to version S for SB 56:

Summary of Changes

SB 56: AK PERFORMANCE SCHOLARSHIP; ELIGIBILITY

Version B to Version S, 5.1.2023

Section 4

Page 4, line 12

Insert language in the section regarding grade-point averages (GPAs) and test score requirements to read "... grade point average or above, or the equivalent established under (g) of this section;" This is to ensure students who attend schools that do not award GPAs are still able to qualify for the Alaska Performance Scholarship.

Section 7

Page 5, line 5

Insert a new subsection (g) directing the Department of Education and Early Development to establish regulations creating an equivalent rating for schools that do not award GPAs.

NEW: Section 8 *Page 5, line 20* Adds a conforming change regarding the changes made in section 4 and 7 by amending the definition of "grade-point average" in AS 14.43.849(2) to include "or the equivalent as established by the department regulation."

NEW: Section 6

Page 5, line 1

Amends AS 14.43.825(c) to extend a student's eligibility to use the APS award by one semester for each semester an award recipient is enrolled part-time and still in good standing. Currently, if a student were to be in part-time status for a semester, they would only be eligible for half of their award that semester and forgo the remaining funds. This language allows for flexibility and ensures students are able to use their full award.

[4:27:33 PM](#)

SENATOR DUNBAR said he appreciates the changes the committee suggested.

[4:27:46 PM](#)

CHAIR TOBIN removed her objection; she found no further objection and the CS for SB 56, work order 33-LS0350\S, was adopted.

CHAIR TOBIN noted that SB 56 had three fiscal notes.

[4:28:17 PM](#)

At ease.

[4:28:34 PM](#)

CHAIR TOBIN reconvened the meeting and asked Kerry Thomas to provide an overview of the three fiscal notes for SB 56.

[4:28:56 PM](#)

KERRY THOMAS, Director, Program Operations, Alaska Commission on Postsecondary Education, Juneau, Alaska, reviewed the fiscal notes for SB 56.

- The allocation for the Alaska Performance Scholarship Awards, OMB Component 2990, is zero. The department does not expect additional appropriations to be required to fund the changes to the scholarship program.
- The allocation for Program Administration and Operations for the Alaska Commission on Postsecondary Education, OMB component 2738, is \$41.6 thousand. This is to allow the changes to be made to the system that administers the Alaska Performance Scholarship; to notify students and schools of the changes in the bill; and to promulgate regulations to implement the changes.
- The allocation for Student and School Achievement for DEED's Education Support and Administrative Services, OMB component 2796, is \$6 thousand. This is to promulgate the necessary regulations to implement the changes in SB 56.

[4:30:49 PM](#)

CHAIR TOBIN opened public testimony on SB 56.

[4:31:07 PM](#)

LEM WHEELS, representing self, Anchorage, Alaska, testified in support of SB 56. He related his experience as an original UA Scholar in 1999. The scholarship was an incentive to attend

school in Alaska and it kept him living in Alaska. He described the Alaska Performance Scholarship (APS) as a great way to encourage Alaska students to go to school in state. While looking at colleges with his oldest daughter, he's learned that many states provide their high school graduates who have a 3.0 GPA with a full tuition scholarship to their state school. He's pleased that SB 56 seeks to increase the amount of the APS and offer additional pathways for young Alaskans to earn this scholarship so they can pursue their education in state. But he did have one suggestion.

His daughter is not eligible for the APS because she chose to focus on fine arts and student government in high school. She did not meet the four years of math and science track and the social studies/humanities track requires two years of a world language, which she didn't have time for because she was taking classes in fine arts and student government. He suggested that if the APS criteria were modified to allow either two years of fine arts or two years of world language, many students like his daughter would be encouraged to stay and attend school in state. He asked the committee to consider such an amendment for students pursuing a fine arts education.

[4:33:25 PM](#)

CHAIR TOBIN closed public testimony on SB 56.

[4:33:33 PM](#)

SENATOR DUNBAR stated that SB 56 is a tool to help young people achieve their educational dreams and goals in Alaska.

[4:34:13 PM](#)

SENATOR GRAY-JACKSON asked him to respond to the last testifier's suggestion about making the APS more inclusive.

SENATOR DUNBAR replied it's a great idea and the next committee of referral might put an amendment forward. He added that his belief is that students should have the flexibility to take the courses they want.

[4:36:03 PM](#)

At ease.

[4:36:13 PM](#)

CHAIR TOBIN reconvened the meeting and solicited a motion.

[4:36:22 PM](#)

SENATOR GRAY-JACKSON moved to report the CS for SB 56, work order 33-LS0350\S, from committee with individual recommendations and attached fiscal note(s).

[4:36:33 PM](#)

CHAIR TOBIN found no objection and CSSB 56(EDC) was reported from the Senate Education Standing Committee.

[4:37:20 PM](#)

There being no further business to come before the committee, Chair Tobin adjourned the Senate Education Standing Committee meeting at 4:37 p.m.