

1

COMMITTEE REPORT

4/26/76

HOUSE

Mr. Speaker:

Date 5-14-76

The Committee on FINANCE has had HB 899

under consideration. A Majority of the members of the Committee

() recommends it DO PASS

() recommends it DO NOT PASS

() recommends it DO PASS WITH ATTACHED AMENDMENT(S)

() recommends it BE REPLACED WITH CS FOR HB 899 AND THAT

CS FOR HB 899 DO PASS BE REFERRED BACK WITHOUT RECOMMENDATION

() "and" recommends it BE REFERRED TO THE

COMMITTEE

() reports it back WITHOUT RECOMMENDATION

() "other"

Members signing the Majority report:

[Signature] DO PASS

[Signature] Do Pass

[Signature] Do Pass

[Signature] "Do Pass"

Members NOT concurring in the Majority report:

[Signature] recommends: No Rec

[Signature] recommends: NO REC

[Signature] recommends: no rec

[Signature] recommends: no rec

[Signature] recommends: no rec

[Signature] Chairman

THE LEGISLATURE OF THE STATE OF ALASKA

FISCAL NOTE

Second Session - Ninth Legislature

CS HB 899 (FINANCE)

REVISED
15 MAY 76

JR

I. REQUEST
 Bill No. HB 899
 Title: An Act Relating to Student Financial Aid
 Requested by: Select Date: 4/22/76
 Return Date Requested: _____
 Agency: Postsecondary Education Comm. Program: Student Financial Aid - Tuition Grant Program

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78*	FY 79*	FY 80*	FY 81*
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		1,272.4	1,399.6	1,539.6	1,693.6	1,862.9
TOTAL		1,272.4 <i>993.9</i>	1,399.6	1,539.6	1,693.6	1,862.9

*Based upon 10% annual increase

B. FUNDING: (Thousands of dollars)

GENERAL FUND		1,272.4	1,399.6	1,539.6	1,693.6	1,862.9
FEDERAL FUNDS						
OTHER		1,272.4	1,399.6	1,539.6	1,693.6	1,862.9

C. POSITIONS:

PERMANENT/TEMPORARY	/	0 /	0 /	0 /	0 /	0 /
MAN MONTHS (P./T.)	/	0 /	0 /	0 /	0 /	0 /

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The \$1,272.4 thousand represents an increase of \$666.4 thousand over FY 76. The increase is a result of two factors, increased enrollment projections at Sheldon Jackson College and increased upper limit of grant. The cost of each of these is:

enrollment: \$411,500
 grant limit: 254,900
 Total \$666,400

The total request for FY 77 was \$1.4 million. Since Alaska Methodist University will not be involved the \$1.27 million would require no increase over the original request.

IV. ATTACHMENTS

278.5

V. DATE REVISED April 21, 1976 PREPARED BY: Gerry D. Jonesburg

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Original Sponsor: Select Committee
on Education

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 899 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to student financial aid; and pro-
7 viding for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 14.40.776(a) is amended to read:

10 (a) The executive secretary of the committee shall award a tuition
11 grant to a student in an amount up to the difference between (1) the
12 cost, in a city where there is both a four-year state university and a
13 four-year private university or in a city where there is both a two-year
14 state community college and a two-year private college, for the opera-
15 tion of the state institution on a full-time student per academic year
16 basis, and (2) the tuition or fees paid by the student at the state in-
17 stitution in those locations, but in no case may the amount exceed
18 \$2,500 plus a cost-of-living adjustment. Subject to the approval of the
19 committee and to the availability of appropriated funds, the executive
20 secretary may adjust the maximum grant based on a cost-of-living factor
21 comparable to that employed in making adjustments to the state employee
22 pay plan under AS 39.27.015 [\$1,850]. The tuition grant paid to a
23 [FULL-TIME] student may not be in an amount that would result in a
24 student paying less in tuition or fees at a private college or university
25 than would be required for a similar enrollment at the state institution
26 in the same city. The grant shall [IS TO] be applied by the student
27 toward his tuition at the private university or college in which he
28 enrolls.

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1 (b) The amount of the [MAXIMUM] tuition grant under sec. 776 of
2 this chapter that may be awarded to a student who is also the recipient
3 of a federal grant for tuition is computed according to the formula G
4 equals P minus S minus F, in which

5 (1) G = the grant awarded [, WHICH IN NO CASE MAY EXCEED
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8 or university in which the student is enrolled;

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11 located;

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14 * Sec. 3. AS 14.40.786(b) and (c) are amended to read:

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18 audited total operating revenues of a private university or college in
19 which students receiving tuition grants are enrolled is derived from the
20 sources of income other than tuition grants. Determination of the
21 required 55 [65] per cent revenue to be derived from sources of income
22 other than tuition grants shall be made by the commissioner and the
23 executive secretary as of May 1, based on the audit for the immediately
24 preceding fiscal year.

25 (c) No private university or college in which students receiving
26 tuition grants are enrolled may grant remission of tuition to any stu-
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19 institution of higher education has certified that the student has
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21 baccalaureate or graduate degree program or enrolled in continuing
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24 shall be guided by the provisions of sec. 776 of this chapter in making
25 that determination: the difference between (1) the cost of operation
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27 by the student at the state institution per semester credit hour, but
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29 adjustment [\$1,850]. The tuition grant paid to a part-time student may

1 not be in an amount that would result in a student paying less in
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7 a full-time or part-time course of study that is conducted by a private
8 college or university either off-campus or on the basis of the student's
9 full-time or part-time participation in field-based programs.

10 * Sec. 7. AS 14.40.801(c) is amended to read:

11 (c) All parties that [PRIVATE UNIVERSITIES AND COLLEGES IN WHICH
12 STUDENTS RECEIVING TUITION GRANTS ARE ENROLLED AND WHICH] are signatory
13 to a consortium agreement between [WITH THE] University of Alaska and a
14 private university or college in which students receiving tuition grants
15 are enrolled must abide by a decision rendered by the commission when
16 disagreements arise or exist between the parties.

17 * Sec. 8. This Act takes effect immediately in accordance with AS 01.10.-
18 070(c).

Original sponsor: Select Committee on
Education

Offered: 4/26/76
Referred: Finance

1 IN THE HOUSE

BY THE SELECT COMMITTEE
ON EDUCATION

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3 IN THE LEGISLATURE OF THE STATE OF ALASKA

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Introduced: 4/6/76
Referred: Select Committee on
Education and Finance

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7 is in regular attendance at classes for at least eight [12] semester
8 hours of credit during the semester; any combination of eight [12] or
9 more semester hours of credit undertaken during a semester at two or
10 more public or private institutions of higher education operating
11 under a consortium constitutes full-time student status;

12 (3) "part-time student" means a student who is enrolled and
13 is in regular attendance at classes for at least three but less than
14 eight [TWELVE] semester hours of credit during the semester;

15 (4) "resident" means a person domiciled in Alaska who has
16 resided in Alaska for at least one year [TWO YEARS] before an applica-
17 tion for a grant or loan is made under secs. 751 - 806 of this chapter;

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THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

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 Return Date Requested: _____
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III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The \$1,272.4 thousand represents an increase of \$666.4 thousand over FY 76. The increase is a result of two factors, increased enrollment projections at Sheldon Jackson College and increased upper limit of grant. The cost of each of these is:

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grant limit:	<u>254,900</u>
Total	\$666,400

The total request for FY 77 was \$1.4 million. Since Alaska Methodist University will not be involved the \$1.27 million would require no increase over the original request.

IV. ATTACHMENTS

V. DATE REVISED April 21, 1976 PREPARED BY: Ferry D. Jonesburg

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)



SHELDON JACKSON COLLEGE

P.O. BOX 479
SITKA, ALASKA 99835

May 12, 1976

Mr. Hugh Malone
Chairman, Finance Committee
Alaska House of Representatives
Juneau, Alaska 99501

Dear Mr. Malone

In response to your request for information on the cost rise for students attending Sheldon Jackson College in 1976-77, I hope the following will satisfy your needs and those of your fellow committee members.

The rise in costs for tuition, fees, room and board came about after a study last fall of the college's actual costs and a forecast of increased costs for the 1976-77 fiscal year. Small rises were seen in fuel, food, paper, text and other similar costs as well as certain services. The largest rise, however, which we considered most necessary, was in staff and faculty salaries. These were at least 25% under the public school system in Sitka and the BIA school at Mt. Edgecumbe and even further behind the state university system. They were somewhat behind south 48 colleges as a whole and at best were at par with south 48 private colleges. There are of course many rewards other than financial in working at Sheldon Jackson College, but not too many personal sacrifices can be endured. To keep salaries at par with the economy an average of 8 1/2% raises were granted for 1976-77 by the trustee executive committee in February. A new, small fund of under \$10,000 was begun for professional development of staff, mostly for travel to professional meetings, workshops and seminars.

A number of positions at the college are supported by federal and private grants. These are figured as a separate category in the college budget. Apart from these positions, the raises, with accompanying increases in benefits and the professional development came to a total of \$105,000. Several new positions were added after careful scrutiny. One was a full time printer to handle the two million impressions a year required by the college for orderly processing of admissions materials, fund raising materials, registration materials, letterhead, reports, etc. Personnel were added to the college's learning center, an effective collection of educational machines and materials staffed by tutors and counselors and

Mr. Hugh Malone
 May 12, 1976
 Page 2

to the science area where student increases recently have surpassed even the 20% average studentbody growth of the college as a whole. Taken with fuel, food, salary raises and other increases, these additions to the budget raised the total college budget from \$2.4 million to \$2.7 million, including federal grants.

Private donations to the college have been increasing at more than 25% per year. While this is an enviable record for a private college to sustain as SJC has, the total amount is still relatively small compared to the total budget of the college. Even when combined with the larger private grants, the total is under a half-million dollars per year.

Two negative factors have to be added (or subtracted, if you will) for students. Because certain federal programs are being phased out or are changing their approach, there is expected to be a decline in the net proceeds to the college in federal programs - from \$600,000 to 500,000 approximately. Also, during 1975-76 there was an unusually large amount of EOG, SEUG, BEOG and CWSP funding available, which does not appear to be available during 1976-77, a new loss to student funding of approximately \$80,000 to 90,000.

Excerpting these basic figures, then, we can draw the following summary:

Net expenditure increases (\$2.7 - 2.4 million)	= \$300,000
Decline in federal sources	<u>100,000</u>
	\$400,000

Student tuition, fees, room and board charges were adjusted to accomplish this. Actually it was a great deal more complex since possible costs were weighed against raises and other factors numerous times in the context of the total budget.

When the figures had been decided upon, as given below, the factor of decreased student aid had to be added in making a projection of what tuition grant to request, and the number of students requesting Tuition Grant. Projections change as more information is obtained, and the following may differ somewhat from earlier estimates.

	1975-76	↓	1976-77	↓
	<u>Cost</u>	<u>No. Students</u>	<u>Cost</u>	<u>No. Students</u>
Campus Tuition	\$1800	216	\$2100	250
" fees	125		150	
" rm & bd	1775		1850	
Teacher Education Program tuition	2500	90	3000	120
Foreign Study, Rural Business, Headstart, etc.	3000+	50	3000+	100
Barrow	3000+	100	3000+	100

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The factors in the increase in number of students are several-fold and interactive:

1. Less money in BEOG, SEOG, CWSP, etc. means not only less student aid for each eligible student but also that some students will have to apply for tuition grant that did not have to before.
2. Recent implementation of the Native Claims Settlement Act terms by corporations means an even faster growth of students seeking these jobs than the 20% growth rate average for the college over the last five years.
3. Certain fields such as aquaculture have had recent promotion by the state, fishery interests, etc. which have doubled and tripled the number of inquiries from potential students.

We seek to have enough in tuition grant funds available for all students who might utilize them. While the above figures are our upper estimates for this reason, we do not expect significantly lower numbers overall once registration is complete.

Sincerely



Edwin R. Scholz
Assistant to the President
for Advancement

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