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426



Official Business

Alaska State Legislature

Senate

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO: Senator Josephson, Chairman
Senate HESS Committee

FROM: Senator Ferguson *JRF*

SUBJ: Senate Bill 426

DATE: March 23, 1984

RECEIVED

MAR 23 1984

Josephson,

AS 14.43.055, establishing scholarships for Alaska Natives to attend the University of Alaska has been in the Statutes for the past 29 years. Under the present statute the University has a great deal of lee-way in deciding the amount of assistance which will be given to students -- they have been awarding a \$500 stipend to 15 Native students each year.

Senate Bill 426 would expand the present program to include 50 scholarships, potentially one for each school district outside of Anchorage, Fairbanks and Juneau. I would foresee little actual cost under this revised program because we would just be adding more students to present University programs. The only actual costs would be airfares, and incidental costs.

I believe the revision to AS 14.43.055 which is included in Senate Bill 426 is realistic in the assistance which should be given to each students, and is realistic in the number of students we are providing assistance. The present statute is little more than "face saving" in encouraging the education of Alaska Natives in the University of Alaska system.

In addition, Senate Bill 426 gives the option of choosing the scholarship recipients to local school boards, with the proviso that the recipient be qualified to attend the University of Alaska.

§ 14.43.050

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§ 14.43.055

EDUCATION

§ 14.43.075

Natives who wish to pursue a higher education beyond the attainments possible in the free public schools system. (§ 1 ch 140 SLA 1955; AS 14.40.510)

Sec. 14.43.055. Scholarships. The Board of Regents of the University of Alaska shall offer not more than 15 new scholarships for each academic year to Alaska Natives desiring to attend the University of Alaska. The board shall give preference to Natives residing in the rural areas of the state who desire to receive training in the field of education. If there are more than 15 applications the board shall award 15 scholarships to those applicants who have the highest scholastic record or who the board determines are the most qualified among the applicants and who are financially unable to obtain a higher education without assistance. The University of Alaska shall provide such minimum financial assistance to these students as is necessary in each individual case, but not exceeding fees, board and room. (§ 3 ch 140 SLA 1955; am § 1 ch 6 SLA 1960; AS 14.40.520)

Sec. 14.43.060. Continuation of scholarships. The award of free room and board shall be made from any funds available to the University of Alaska. Each Native who receives a scholarship under AS 14.43.050 — 14.43.075 is entitled to retain the scholarship and to receive free room and board during attendance at the University of Alaska as long as the student maintains a grade average equivalent to a "C" or better. However, no Native is entitled to the scholarship for more than four years, or for more than the number of years necessary to receive a bachelor's degree. (§ 4 ch 140 SLA 1955; AS 14.40.530)

Editor's notes. — This section was redrafted by the revisor of statutes to remove personal pronouns in conformity with AS 01.05.031(c) and § 4, ch. 58, SLA 1982.

Sec. 14.42.065. Scholarships in addition to other scholarships. The scholarships are supplemental and in addition to any other scholarship to which an applicant is entitled or may receive. (§ 5 ch 140 SLA 1955; AS 14.40.540)

Sec. 14.43.075. Definition of Native. For the purposes of AS 14.43.050 — 14.43.075, "Native" means any person between the ages of 17 and 25 who is a descendant of a member of the aboriginal races inhabiting the state when annexed to the United States, or who is a descendant of an Indian or Eskimo who, since the year 1867 and prior to June 30, 1952, migrated into the state from Canada, and who is a descendant having at least one-quarter blood derived from these ancestors. (§ 2 ch 140 SLA 1955; AS 14.40.550)

Revisor's notes. — AS 14.43.050 — 14.43.075 were substituted for a reference to AS 14.40.510 — 14.40.550 to conform to the renumbering of those sections by the revisor of statutes under AS 01.05.031.



STATE OF ALASKA

OFFICE OF THE GOVERNOR

ALASKA WOMEN'S COMMISSION
3601 C STREET - SUITE 742
ANCHORAGE, ALASKA 99503

April 10, 1984

RECEIVED

APR 12 1984

Senator Joe Josephson, Vice Chairman
Senate Judiciary Committee
State Capitol
Pouch V
Juneau, Alaska 99811

Josephson,

Dear Senator Josephson:

The Alaska Women's Commission strongly supports SB 426, "An Act relating to the University of Alaska scholarships for rural student." The Commission believes it is vitally important for teachers in rural schools to be Alaska Natives. We also think the bill will assist in increasing Native hire in rural Alaska.

If we can provide you with any additional information, please don't hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Kathy Marshall".

Kathy Marshall
Executive Director

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB 426
 Title: UA Scholarships to Natives
 Sponsor: Ferguson and Sackett
 Requestor: Senator Josephson
 Date of Request: 03-28-84

FISCAL DETAIL

Agency Affected: University of Alaska
 Program Category Affected: Adult and Postsecondary Education
 BRU, Program or Subprogram(s) Affected: All

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS	0	245.1	514.8	810.8	1,135.2	1,191.9
800 MISCELLANEOUS						
TOTAL OPERATING	0	245.1	514.8	810.8	1,135.2	1,191.9
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	245.1	514.8	810.8	1,135.2	1,191.9
FEDERAL FUNDS						
OTHER						
TOTAL	0	245.1	514.8	810.8	1,135.2	1,191.9

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL: None

ANALYSIS: Attach a separate page for analysis

Prepared By: Frank Spargo Phone: 474-7593
 Division: Statewide Budget Office Date: 3-28-84

Approved by Commissioner: Sherman Carter, Exec. VP Date: 3-28-84
 Agency: University of Alaska

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83



University of Alaska
Statewide System of Higher Education
Fairbanks, Alaska 99701

March 28, 1984

Senator Josephson
Pouch V
Juneau, AK 99811

SUBJECT: Fiscal Note for Senate Bill 426

Dear Senator Josephson:

Attached please find the fiscal note from the University of Alaska for Senate Bill 426 entitled "An Act Relating to University of Alaska Scholarships for Natives".

Assumptions

1. It is assumed that costs will increase at a rate of five percent a year over the next four to five years. This recognizes that in some years, tuition may or may not increase and all the cost increases may vary by different rates.
2. It is assumed that current personnel in the University of Alaska system can manage the additional scholarship load adequately. It may be that at some units the increased scholarship activity may require additional scholarship and financial aid personnel in future years. However, for the immediate future (FY85 and FY86) it is not expected that there would be any major impact on personnel.

Program Summary

It is expected that all the funds for implementation of this bill will be given to the university in the form of general funds and will be placed in the grants and claims object code. It is not expected that any other costs would be funded. There are no new positions associated with this request for at least FY85 and FY86 and the impact in years beyond that will not be known until the first two years of operation have been concluded.

University of Alaska

Senator Josephson
March 28, 1984
Page 2

Computations

The cost estimates were developed as follows for two semesters (or one nine month academic year) for each student.

Tuition	\$ 720
Housing (double occupancy dorm)	560
Health insurance and fees	140
Meal ticket	1,500
\$100 per month incidental expenses	900
Two round trip tickets	1,000
Application fees	10
Campus activity fee	48
Course fees	25
	<hr/>
	\$ 4,903

Please note that the university assumes that books will be purchased from the incidental expense money and it should also be noted that books currently cost approximately \$400 per year per student.

Given that 50 students will be awarded the scholarship, it is expected that the full cost the first year would be $\$4,903 \times 50 = \$245,150$ for FY85.

In following years, FY86 and beyond, each year's cost will be inflated by five percent plus during each of the first four years an additional 50 students will be added up to the maximum of 200 students.

Economic impact:

The university foresees no direct economic impact on the state's economy.

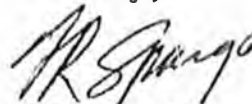
Impact on local government:

The university sees no fiscal impact on local governments.

Attachments:

Please find attached a copy of the letter from Dr. George West, the Vice President for Academic Affairs at the University of Alaska, describing some additional concerns the university has about the present bill.

Sincerely,



Frank Spargo
Director of Budget Development



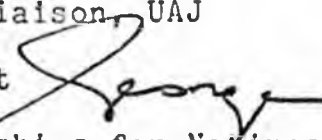
George C. West
Vice President for
Academic Affairs & Institutional Planning
(907) 474-7582

University of Alaska

102 Bunnell Building
303 Tanana Drive
Fairbanks, Alaska 99701

March 1, 1984

TO: Russ Jones
Legislative Liaison, UAJ

FROM: George C. West 

SUBJECT: SB426 Scholarships for Natives

The University agrees with the intent of the bill, but wishes to make the following comment and suggests several changes for clarification of the bill's intent.

1. If the University is to fund the scholarships and to accept the students, then the University should make the award. Therefore, each school district should recommend a candidate to the University, not make the award itself.
2. The criteria for the selected student should be better defined. Rather than simply being qualified for admittance, the school districts should find those Native students who have the greatest potential for success, or highest academic achievement in high school, or greatest need, or a combination of the above. We can set up guidelines if you wish.
3. The question arose as to why three cities were excluded from the scholarship opportunity as it is our understanding that a substantial Native population exists in both Anchorage and Fairbanks; Natives from these areas certainly could benefit from a scholarship award.
4. The timing of awards is critical as, for example, dormitories at UAF have waiting lists now for fall '84. Also, if a school district does not recommend a scholarship, the University will have to do so within some reasonable lead time.
5. If the University is expected to fund the 50 scholarships within its own resources, we request a fiscal note be prepared for the bill to cover the expenses in FY85 and continuing into the following years. Costs would average \$4,500 per student per year or in the first year, $\$4,500 \times 50 = \$225,000$, and by the fourth year, $\$4,500 \times 50 \times 4 = \$900,000$, a substantial burden for the University. Cost will increase with rising tuition, dormitory, meal, and air travel costs. No allowance is made here for special course material fees.

University of Alaska

Russ Jones
Page 2
March 1, 1984

Cost estimates include the following for two semesters or one nine-month academic year.

	<i>Books</i> 400 (50/course)
Tuition	720
Housing (double occupancy dorm)	560
Health Insurance & Fees	140
Meal Ticket	1,500
100/Month Incidental	900
Two Round Trip Tickets	-600 / 1000
Application Fees	10
Campus Activity Fee	48
Course Fees	<u>2</u> 25
	<u>4478</u>

6. Would it not be preferable to simply award a student \$4,500 per year with guarantee of placement in housing at a campus and let the student pay for all expenses from that amount. This would be like the Alaska State Student Loan Program except for the requirement for repayment.

Russ, would you please pass this information to the appropriate people. In the meantime, we will continue to work out ways to handle the provisions of the bill if it is enacted.

GCW/pe

cc: President Barton
Vice President Carter
Chancellors
Academic Vice Chancellors

TO: SENATE HESS COMMITTEE

FROM: LEE STOOPS, REPRESENTING THE LOWER KUSKOKWIM AND KUSPUK
SCHOOL DISTRICTS

RE: CSSB426

On behalf of the Lower Kuskokwim and Kuspuk School Districts, I am requesting your favorable consideration of CSSB426. The legislation reflects a strong commitment from the legislature for the encouragement of development of more Native and rural-oriented school teachers.

An important element of this scholarship program is the selection of recipients by rural school boards. Those boards should be in a position to recognize students who are most likely to succeed in their education and ultimate careers. It is also believed that local support and recognition will result in a higher graduation rate than has been realized by past recipients of Alaska Native scholarships.

I would like to emphasize also that while there is certainly some financial support required from the State to support this program, those funds all remain within this state, and in support of our own University.

Hearings conducted by a House committee concerning a loan program for prospective teachers indicated strong support throughout the state for the development of more local teachers. In passing this bill, you will be providing more students with this unique opportunity and providing school districts with a mechanism to play a role in the development of future teachers.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

RECEIVED

MAR 30 1984

Josephson

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

MEMORANDUM

March 30, 1984

SUBJECT: Constitutionality of SB 426

TO: Senator Joe Josephson
Chairman Senate HESS

FROM: *LHA* Linn H. Asper
Legislative Counsel

You have asked for an opinion on constitutional problems that may be posed by SB 426, relating to University of Alaska Scholarships for Natives. Although this program has existed without challenge for almost 30 years, it does raise a substantial constitutional problem under the equal protection clause of the state and federal constitutions. If passed in its present form, SB 426 would expand the scholarship program and place even more restrictions on those eligible for the scholarships in an effort to direct the scholarships to rural Native students.

Any legislation that creates classifications based on race or ethnic background is subject to close judicial scrutiny if challenged in the courts. In amending the Native scholarship program by increasing the number and value of the scholarships, retaining the racial limitation, and narrowing the class of Native students who would be eligible for the scholarships, SB 426 invites a constitutional challenge which it could not withstand. The United States Supreme Court has held that law that makes a classification based on race or ethnic background is "suspect" and will be closely examined by the court to determine whether it is supported by a compelling state interest and whether the racial or ethnic classification is necessary to promote that state interest. The states' compelling interest in awarding Native scholarships is presumably to provide access to the benefits of higher education for a group of people who have historically been denied such access due to economic and social factors. As important as higher education may be to Native people, it is doubtful that a scholarship program that applies only to a restricted class of Natives will be

Senator Joe Josephson
Page 2
March 30, 1984

upheld as an acceptable means to the end of equalizing educational levels and opportunities among the residents of the state. This is so because a less discriminatory program can be formulated that will accomplish the same purpose. For example, the Native scholarship program can be reestablished as a rural scholarship program, limited to persons living in rural areas of the state, regardless of race. This immediately removes the legislation from strict scrutiny based on suspect racial classifications. In such a program "rural" would have to be redefined to be an identifiable area with a certain level of population. The current language includes many urban areas and does not provide a rational method of defining "rural". The inhabitants of the rural areas of the state may well be mostly Natives, the group which the legislature seeks to assist, but since the program would be open to non-natives residing in the rural areas it would avoid many of the constitutional equal protection problems.

As currently drafted SB 426 allows rural school boards to award scholarships rather than the Board of Regents of the University of Alaska. Although I have not extensively researched the question, it appears that this procedure may be a constitutionally impermissible delegation of the powers of the governing body of the University granted by Article VII, Section 3 of the Constitution of State of Alaska. A better approach would be to allow the rural school boards to nominate students to receive scholarships, but to leave the award of the scholarships to the board of regents, as in the existing statute (AS 14.43.055).

LHA:ojb
J5/030

Vic, Paul, Joe

March 28

SB 533

no one to testify

SB 426 - scholarships for Natives

Russ Jones - U of A

U. agrees w/ intent; an advantage to rural students
fiscal problems - extrapolation based on
little or no drop out.

Paul - support scholarships for all districts

Lee Stoops - L. Kuskokwim/Kuopuk Sch. Dist + CC

need in statute is still current 20 yrs. later.

To merge w/ existing program - Sch. Districts
unaware it exists.

Fergie would like preference to those students
in field of education.

No problem with Anch/FBRS/Juno included.

Attrition rate of students high; transition to
College. + repayment difficult.

current → up to 15 students, chosen by Reps. U of A
writes off fm/Board/Justice → about \$3,500/yr.

Russ - for 15 students, U is eating expenses.

Ray Roushury - Post Sec Ed.

flat \$4,500 would not meet expenses in Anch/Juno

living expenses higher. UAA avg \$4,333 for living

Russ - in places w/o housing; the intent to give amt. needed for increased costs.

Joe - Constitutionality, intent language for a program based on race?
finding statement included
obj. to including Arch/FBIS/Juno Friday -> CS.

P. Fisher moves SB 533 / int. Recs.

SB 514-515

Dick Regan - Research Dir.; Code Revision Comm.

two bills related to probate, developed through assistance of probate Committee. State Bar Assoc.

SB 514

Purpose - remove language on dower. Dower not existed since 1963 -> are absolute. Common law right of woman to 1/3 of property of husband in marriage.

(3)

Substantive part of bill - RS 34,15,010
deleting subsection. problems are that
they are inconsistent and cloud real
property status at death when no marital
status is not shown or both names are
not on deed. Title companies require both
signatures on deed if property could be used
as a family home.

Does not apply to tenancy by entirety.

Joe - strike reference to title 34
Does not rec. to Judiciary.

JB 515

Let law by statute that otherwise has to be
established, by case law.

Introduced: 2/9/84
Referred: Health, Education and
Social Services and
Finance

1 IN THE SENATE

BY FERGUSON AND SACKETT

2

SENATE BILL NO. 426

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to University of Alaska scholarships
7 for Natives."

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

9 * Section 1. AS 14.43.055 is repealed and reenacted to read:

10 Sec. 14.43.055. SCHOLARSHIPS. The Board of Regents of the
11 University of Alaska shall offer not more than 50 new scholarships for
12 each academic year to ^{RURAL ALASKAN} ~~Alaska Natives~~ desiring to attend the University
13 of Alaska. Each school board of a borough or city school district or
14 a regional educational attendance area, ~~other than the school boards~~
15 ~~for Anchorage, Fairbanks, and Juneau,~~ may award a scholarship under
16 this section to one Native student from the district or regional
17 educational attendance area. A student who is awarded a scholarship
18 under this section must be qualified to be admitted to the University
19 of Alaska. If a school board that is entitled to award a scholarship
20 does not do so, the Board of Regents shall make the scholarship avail-
21 able to a student from another district or regional educational atten-
22 dance area, on a geographically equitable basis. The University of
23 Alaska shall provide financial assistance to a student awarded a
24 scholarship under this section ^{in the amount of \$4500 per year} for the full cost of tuition, fees,
25 room and board, incidental expenses of \$100 a month, and round-trip
26 air fare between the university campus and the student's home two
27 times during the academic year.

28 * Sec. 2. AS 14.43.060 is amended to read:

29 Sec. 14.43.060. CONTINUATION OF SCHOLARSHIPS. The scholarship

*Pay in
Fairbanks
\$4500
+ transport*

1 award [OF FREE ROOM AND BOARD] shall be made from any funds available
2 to the University of Alaska. Each Native who receives a scholarship
3 under AS 14.43.050 - 14.43.075 is entitled to retain the scholarship
4 and to receive scholarship benefits [FREE ROOM AND BOARD] during
5 attendance at the University of Alaska as long as the student main-
6 tains a grade average equivalent to a "C" or better. However, a [NO]
7 Native is not entitled to the scholarship for more than four years, or
8 for more than the number of years necessary to receive a bachelor's
9 degree.

Sec. 14.43.020. Applications for and issuance and report of certificates. A certificate shall be applied for and issued to a graduate before August 2 of each year and shall be reported immediately to the registrar of the University of Alaska by the superintendent or principal issuing it. (§ 37-10-43 ACLA 1949; AS 14.40.480)

Sec. 14.43.025. Forfeiture of scholarship benefits. Failure to do passing work in more than one subject during a semester, or withdrawal or expulsion from the University of Alaska, constitutes a forfeiture during the following semester or semesters of the benefits of AS 14.43.010 and 14.43.015. (§ 37-10-44 ACLA 1949; AS 14.40.490)

Revisor's notes. — AS 14.43.010 and 14.43.015 were substituted for references to AS 14.40.460 and 14.40.470 to conform to the renumbering of those sections by the revisor of statutes under AS 01.05.031.

Sec. 14.43.030. Payment of scholarships. Payment of the scholarships shall be made monthly to the University of Alaska upon vouchers drawn upon the Department of Administration and duly certified by the treasurer and the president of the Board of Regents. No payments may be made in excess of amounts specifically appropriated for this purpose. (§ 37-10-45 ACLA 1949; am § 23 ch 127 SLA 1974; AS 14.40.500)

Legislative history reports. — For report on ch. 127, SLA 1974 (SCSHB 817 am S), see 1974 House Journal p. 657.

Article 2. University of Alaska Scholarships for Natives.

Section	Section
50. Purpose of scholarships	65. Scholarships in addition to other scholarships
55. Scholarships.	75. Definition of Native
60. Continuation of scholarships.	

Revisor's notes. — This article derived from AS 14.40.510 — 14.40.550 and was renumbered by the revisor of statutes under AS 01.05.031.

Collateral references. — 15A Am.Jur.2d Colleges and Universities, §§ 19, 30. 14 C.J.S. Colleges and Universities, §§ 27, 28.

Sec. 14.43.050. Purpose of scholarships. Because of the language difficulty and economic conditions of the Native peoples of the state, and the necessity for integrating the Native cultures with the state economy, it is the purpose of the legislature to provide assistance to

Natives who wish to pursue a higher education beyond the attainments possible in the free public schools system. (§ 1 ch 140 SLA 1955; AS 14.40.510)

Sec. 14.43.055. Scholarships. The Board of Regents of the University of Alaska shall offer not more than 15 new scholarships for each academic year to Alaska Natives desiring to attend the University of Alaska. The board shall give preference to Natives residing in the rural areas of the state who desire to receive training in the field of education. If there are more than 15 applications the board shall award 15 scholarships to those applicants who have the highest scholastic record or who the board determines are the most qualified among the applicants and who are financially unable to obtain a higher education without assistance. The University of Alaska shall provide such minimum financial assistance to these students as is necessary in each individual case, but not exceeding fees, board and room. (§ 3 ch 140 SLA 1955; am § 1 ch 6 SLA 1960; AS 14.40.520)

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