

**SB**

**167**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 5/7/99

FURTHER:

DATE TURNED  
IN TO OFFICE: 5/14/99

Finance Committee considered

SENATE BILL NO. 167

"An Act relating to scholarships to attend the University of Alaska; establishing the Alaska scholars program; and providing for an effective date."

and recommends:

- be replaced with \_\_\_\_\_ CS SB 167 (FIN)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

- Senate Bill:
- same title
  - new title
- House Bill:
- same title
  - technical title
  - new: SCR# \_\_\_\_\_

| SIGNING DO PASS               | DP | OTHER RECOMMENDATIONS | NR | DNP | AM |
|-------------------------------|----|-----------------------|----|-----|----|
| <i>Arvo D. Jensen</i>         | ✓  | <i>STUDY OF STC</i>   | ✓  |     |    |
| <i>Paul Kelly</i>             | ✓  |                       |    |     |    |
| <i>John Green</i>             | ✓  |                       |    |     |    |
| <i>Warren Donley</i>          | ✓  |                       |    |     |    |
| <i>Gary Wilton</i>            | ✓  |                       |    |     |    |
| Co-Chair: <i>Arvo Jensen</i>  | ✓  | Co-Chair:             |    |     |    |
| Co-Chair: <i>David Howell</i> | ✓  | Co-Chair:             |    |     |    |

**NEW FISCAL NOTE(S):**

Department                      Date      Zero      Fiscal

| Department | Date | Zero | Fiscal |
|------------|------|------|--------|
|            |      |      |        |
|            |      |      |        |
|            |      |      |        |
|            |      |      |        |
|            |      |      |        |
|            |      |      |        |

**PREVIOUS FISCAL NOTE(S):\***

Department                      Date      Zero      Fiscal

| Department | Date    | Zero | Fiscal  |
|------------|---------|------|---------|
| University | 4/27/99 |      | 11-19.1 |
|            |         |      |         |
|            |         |      |         |
|            |         |      |         |
|            |         |      |         |
|            |         |      |         |

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

# FISCAL NOTE

No. 1  
 Bill Version: SB 167  
 (S) Publish Date: SB 167

STATE OF ALASKA  
 1999 LEGISLATIVE SESSION

|                                    |                              |                      |  |
|------------------------------------|------------------------------|----------------------|--|
| Revision Date (Note if correction) | _____                        | Dept. Affected       | University of Alaska                     |
| Title                              | <u>UA Scholars Program</u>   | BRU                  | University of Alaska                     |
|                                    | <u>University of Alaska</u>  | Component            | Systemwide Budget Reductions & Additions |
| Sponsor                            | <u>Senator Gary Wilken</u>   | Component Serial No. | _____                                    |
| Requester                          | <u>Senate HESS Committee</u> |                      |  |

**Expenditures/Revenues**

| OPERATING EXPENDITURES | FY 00        | FY 01          | FY 02          | FY 03          | FY 04          |
|------------------------|--------------|----------------|----------------|----------------|----------------|
| Personal Services      |              |                |                |                |                |
| Travel                 |              |                |                |                |                |
| Contractual            |              |                |                |                |                |
| Supplies               |              |                |                |                |                |
| Equipment              |              |                |                |                |                |
| Land & Structures      |              |                |                |                |                |
| Grants & Claims        | 494.1        | 1,360.8        | 2,011.5        | 2,497.5        | 2,708.1        |
| Miscellaneous          |              |                |                |                |                |
| <b>TOTAL OPERATING</b> | <b>494.1</b> | <b>1,360.8</b> | <b>2,011.5</b> | <b>2,497.5</b> | <b>2,708.1</b> |

|                             |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|
| <b>CAPITAL EXPENDITURES</b> |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|

|                               |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|
| <b>CHANGE IN REVENUES ( )</b> |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|

**FUND SOURCE**

|                             |              |                |                |                |                |
|-----------------------------|--------------|----------------|----------------|----------------|----------------|
| 1002 Federal Receipts       |              |                |                |                |                |
| 1003 GF Match               |              |                |                |                |                |
| 1004 GF                     |              |                |                |                |                |
| 1005 GF/Program Receipts    |              |                |                |                |                |
| 1037 GF/Mental Health       |              |                |                |                |                |
| Other (University Receipts) | 494.1        | 1,360.8        | 2,011.5        | 2,497.5        | 2,708.1        |
| <b>TOTAL</b>                | <b>494.1</b> | <b>1,360.8</b> | <b>2,011.5</b> | <b>2,497.5</b> | <b>2,708.1</b> |

Estimate of any current year (FY99) cost: None

**POSITIONS**

|           |  |  |  |  |  |
|-----------|--|--|--|--|--|
| Full-time |  |  |  |  |  |
| Part-time |  |  |  |  |  |
| Temporary |  |  |  |  |  |

**ANALYSIS:** (Attach a separate page if necessary)

This bill provides for a scholarship of \$2,700/year for 4 years to the University of Alaska for students who meet the following criteria: (a) graduate within the top 10% of a graduating class of 30 students or more; (b) be one of the top 2 graduates of a graduating class of 15-29 students; or (c) be the top graduate of a class of less than 15 students. Based on information compiled by the Alaska Dept. of Education and the above criteria, 733 students would be eligible for the scholarship. This fiscal note assumes that 25% of potentially eligible graduates will take advantage of the program in FY00, and that 50% of potentially eligible graduates will take advantage of the program each year thereafter. It further assumes that 75% of each year's participants will enroll in the following year - i.e., 75% of the freshmen will enroll as sophomores, 75% of the sophomores will enroll as juniors, etc.

The FY00 identified university receipt funding for this scholarship program is the University's Natural Resources Fund which is the earnings on the University's Land Grant Trust Fund.

Prepared by Pat Pitney, Director  
 Division UA Office of Budget and Institutional Research  
 Approved by CoPat Pitney, Director  
 Agency UA Office of Budget and Institutional Research

Phone 474-7958  
 Date 4/30/99  
 Date 4/30/99

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SENATE FINANCE  
COMMITTEE

Amendment Number: #1  
Bill Number: CSSB 167 ( ) "G"  
Sponsor: Wilken Date: 5/14/99  
Logged In By: Mindy

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR WILKEN

TO: CSSB 167 ( ) WORK DRAFT LS0900\G

Page 2, line 11, following "requirements"

Insert "for each scholarship program"

Page 2, following line 13:

Insert new paragraphs to read:

(c) A school district shall amend its policies, including those applying to student directory information, as necessary to comply with this section.

(d) A qualified high school may not provide to the board the name of a student if the parent of the student objects to the disclosure.

Reletter the following paragraph accordingly.

SENATE FINANCE COMMITTEE  
**1999 COMMITTEE ACTION**

|                                    |                    |
|------------------------------------|--------------------|
| <b>Bill Number:</b>                | SB 167             |
| <b>Amendment:</b>                  | #1                 |
| <b>Motion:</b>                     | adopt              |
| <b><u>Motion by:</u></b>           | Wilken             |
| <b><u>Objection:</u></b>           |                    |
| <b><u>Objection by:</u></b>        | Torgerson          |
| <b><u>Removed:</u></b>             | ( ) ✓              |
| <b><u>Second Objection by:</u></b> |                    |
| <b><u>Committee Member</u></b>     | <b><u>Vote</u></b> |
| Senator Loren Leman                |                    |
| Senator Al Adams                   |                    |
| Senator Gary Wilken                |                    |
| Senator Pete Kelly                 |                    |
| Senator Lyda Green                 |                    |
| Senator Randy Phillips             |                    |
| Senator Dave Donley                |                    |
| Co-Chair Sean Parnell              |                    |
| Co-Chair John Torgerson            |                    |
|                                    |                    |
| <b><u>Tally</u></b>                |                    |
| Yea                                | 0                  |
| Nay                                | 0                  |
| Absent                             | 0                  |
|                                    |                    |
| <b><u>MOTION</u></b>               | no objection       |

**CS FOR SENATE BILL NO. 167( )**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-FIRST LEGISLATURE - FIRST SESSION**

**BY**

**Offered:  
Referred:**

**Sponsor(s): SENATORS WILKEN, Tim Kelly, Pete Kelly**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to scholarships to attend the University of Alaska; and providing  
2 for an effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 \* **Section 1.** AS 14.40.040 is amended by adding a new subsection to read:

5 (b) The Board of Regents of the University of Alaska shall provide scholarship  
6 information to school districts as required by AS 14.43.930(a).

7 \* **Sec. 2.** AS 14.40.253 is amended to read:

8 **Sec. 14.40.253. Financing notice and approval.** If the University of Alaska  
9 intends to enter into an obligation, except for refinancing obligations, under  
10 AS 14.40.040(a)(5) [AS 14.40.040(5)] with an annual payment by the university  
11 anticipated to exceed \$1,000,000, the university shall provide notice to the legislature.  
12 The notice must include the anticipated annual payment amount, the anticipated  
13 financing, and the total construction, acquisition, or other costs of the project. The  
14 university may not enter into an obligation requiring a financing notice under this

1 section, other than a refinancing obligation, unless the project has been approved by  
2 the legislature by law. An appropriation for the project does not constitute approval  
3 of the project for the purpose of this section.

4 \* **Sec. 3.** AS 14.43 is amended by adding a new section to read:

5 **Sec. 14.43.930. Scholarship program information.** (a) The board shall  
6 make information about scholarship programs available in each school district in the  
7 state and at each campus of the University of Alaska.

8 (b) By September 15 before each annual graduation, a qualified high school  
9 in the state with a high school graduating class shall provide

10 (1) to the board a list of the names and addresses of students in the  
11 graduating class who meet scholarship eligibility requirements; and

12 (2) a notice of eligibility for the scholarship program to those students  
13 on the list prepared under (1) of this subsection.

14 (c) In this section,

15 (1) "board" means the Board of Regents of the University of Alaska;

16 (2) "qualified high school" means a public high school, a high school  
17 accredited by the Northwest Association of Schools and Colleges, or a high school  
18 registered with the department.

19 \* **Sec. 4. APPLICABILITY.** This Act applies to students who were in their senior year  
20 of high school in the 1998 - 1999 or a subsequent school year.

21 \* **Sec. 5. TRANSITION PROVISION.** Notwithstanding the deadline in AS 14.43.930(b),  
22 enacted by sec. 3 of this Act, a qualified high school in the state with a high school graduating  
23 class for the 1998 - 1999 school year shall provide the list and notice specified in  
24 AS 14.43.930(b)(1) and (2), enacted by sec. 3 of this Act, not later than 30 days after the  
25 effective date of this Act.

26 \* **Sec. 6.** This Act takes effect July 1, 1999.

# A FAX

## Alaska State Legislature

Date: 5/14/99

faxed at  
6:40 a.m. to  
Legal.

To: Peggy Legal Services

Fax #: 2029 Phone #: 2450

From: Jerry, SFC Secretary

Phone #: 2618

Re: Please incorporate attached amendment #1 into  
your work order 1-LS0900\G for Finance CSSB167 in  
final. It has been reported out. Many Thanks!

Following this page, please find 1 pages(s). If this does not reach you  
in full, please inform us ASAP.



## THANK YOU.

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

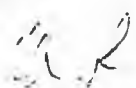
130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

## MEMORANDUM

May 13, 1999

**SUBJECT:** Release of Education Records (CSSB 167( ))

**TO:** Senator John Torgerson

**FROM:** Michael F. Ford   
Legislative Counsel

The enclosed blank CS makes the changes you requested to SB 167. Regarding the matter of federal law limiting the release of educational records, I find no reason why the legislature could not choose to provide for the release of this kind of educational record. While federal law does limit the release of educational records that contain personally identifiable information (see 20 U.S.C. 1232g), this law also contains an exception for the release of an educational record for the purpose of applying for financial aid (see 20 U.S.C. 1232g(b)(1)(D)).

Please contact me if you have further questions.

MFF:jdr  
99-275.jdr

Enclosure

## GARY WILKEN

SENATOR  
Districts 29 & 30  
West Fairbanks

### Senate Standing Committees

Member: Finance  
Member: Health, Education, &  
Social Services (HESS)  
Member: Legislative Budget & Audit  
Member: State Affairs

Alaska State Legislature

Senate

During Session:  
State Capitol Building  
Juneau, Alaska 99801-1182  
Tel: (907) 451-5501 (in Fbks area)  
Tel: (907) 465-3709 (outside Fbks)  
Fax: (907) 465-4714  
Website: [www.garywilken.com](http://www.garywilken.com)  
E-Mail: [Senator\\_Gary\\_Wilken@legis.state.ak.us](mailto:Senator_Gary_Wilken@legis.state.ak.us)

Interim:  
1851 Fox Ave.  
Fairbanks, Alaska 99701  
Tel: (907) 451-5501  
Fax: (907) 451-0438

## MEMORANDUM

TO: Senator John Torgerson, Co-chairman  
Senate Finance Committee

FROM: Senator Gary Wilken

DATE: May 7, 1999

RE: SB 167, "Alaska Scholars Program"

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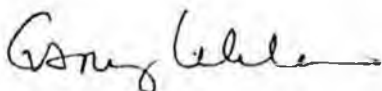
I respectfully request that SB 167, "Alaska Scholars Program," be scheduled for a hearing before the Senate Finance Committee.

Senate Bill 167 establishes the Alaska Scholars Program, administered by the Board of Regents of the University of Alaska. Under this program, scholarships are awarded to the top 10 percent of Alaska's high school students to attend the University of Alaska. A recipient receives the scholarship for up to four years, provided the student successfully completes a full-time certificate or degree program.

An individual is eligible for a UA Scholarship if, at the end of the junior year, the student is (1) in the top 10 percent of a class of 30 or more students; (2) one of the top two students in a class of 15-29 students; or (3) the top student in a class of less than 15 students. The award may be used at any University of Alaska campus.

Senate Bill 167 expands access to higher levels of learning and encourages our top high school graduates to attend the University of Alaska.

Thank you for your assistance in this matter.



## GARY WILKEN

SENATOR  
Districts 29 & 30  
West Fairbanks

### Senate Standing Committees

Member: Finance  
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1851 Fox Ave.  
Fairbanks, Alaska 99701  
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Fax: (907) 451-0438

## Sponsor Statement

### SB 167 - University of Alaska Scholarships

Senate Bill 167 establishes the Alaska Scholars Program, administered by the Board of Regents of the University of Alaska. Under this program, scholarships are awarded to the top 10 percent of Alaska's high school students to attend the University of Alaska. A recipient receives the scholarship for up to four years, provided the student successfully completes a full-time certificate or degree program. The award, in the amount of \$1,350 per semester, may be used for tuition, fees, room, board, books, transportation and other education expenses.

An individual is eligible for a UA Scholarship if, at the end of the junior year, the student is: (1) in the top 10 percent of a class of 30 or more students; (2) one of the top two students in a class of 15-29 students; or (3) the top student in a class of less than 15 students. The award may be used at any University of Alaska campus.

For the 1999-00 school year, the University of Alaska established this scholarship program as a pilot project using the University's Natural Resources Fund. However, in order for the Alaska Scholars Program to effectively continue, it is important it be established in law. Senate Bill 167 requires a qualified high school in the state to provide the Board of Regents a list of the names and addresses of eligible students. This condition offers a remedy to current confidentiality requirements that now make it difficult for schools to release the names of the scholarship recipients and for the University to directly contact the eligible students.

Senate Bill 167 provides an incentive for Alaska's high school students to achieve academic excellence, expands access to higher levels of learning, and encourages our top high school graduates to attend the University of Alaska. I urge your support for Senate Bill 167.



# News Release

January 8, 1999

Public Affairs

(907) 474-7272

## UA President Hamilton Says Scholars Award Program Looks Beyond Oil Prices to Secure Alaska's Future

There has never been a more important time for Alaska to invest in higher education, by increasing opportunities for young Alaskans to attend college in their own state, University of Alaska President Mark R. Hamilton told high school principals and counselors in Anchorage and Fairbanks this week.

The university's chief executive met with the school officials to discuss with them the University of Alaska Scholars Award Program which will give the top 10 percent of each high school graduating class, beginning in the spring of 1999, a four year scholarship award to the University of Alaska campus of their choice.

Hamilton said the program is designed to help reduce the number of Alaska's top high school graduates who leave the state for education and jobs elsewhere. He said almost 60 percent of the state's graduates who go on to higher education leave Alaska to attend college in the Lower 48 each fall, and most of them never return. Other states educate anywhere from 70 to 80 percent of their college-bound high school graduates at their own in-state colleges and universities.

"Alaska is dead last in this country in the retention of its high school students," Hamilton said. We have to turn that around because Alaska needs to take its whole team, not just the elite, into the 21st Century."

Hamilton said in his opinion the "brain drain" is a natural resource issue that dwarfs discussions about the price of oil from day to day. "We're exporting our future and we're not nearly concerned enough about it," he said.

Counting state, local and federal funds, Hamilton said Alaska spends about a billion dollars a year on K-12 education, so that means that each year the cohort of Alaska high school graduates represents an investment of \$12 billion, an amount which represents half of what's in the Alaska Permanent Fund.

"If we don't make more of an effort to keep Alaska's best and brightest in the state, then we are spending a considerable amount of money each year to make kids smarter for export to other states," he said. "It doesn't make any sense."

Hamilton believes the University of Alaska Scholars Award Program will start to make a difference in solving the problem, and he hopes that people around the state will agree with him. "The recipients of these awards will become the best possible ambassadors for the University of Alaska in communities all across the state, and because they are most likely to stay in Alaska after graduating, they will help build the state's future," he said.

The award amount for the graduating high school classes of 1999 and 2000 will be \$10,800 per recipient. The award is redeemable in the amount of \$1,350 per semester, for a total of eight semesters. To be eligible, students must be in the top 10 percent of their class at an Alaska high school accredited by the Alaska Department of Education.

The UA Scholars Award Program cost is estimated to vary from \$500,000 to \$750,000 a year, and will be paid initially by the university from earnings of the University of Alaska Land Grant Endowment Fund.

"This is part of the money the university receives for managing and developing its land," Hamilton said, "and it is appropriate that we re-invest a major part of it in Alaska's young people, the state's greatest natural resource."

Program specifics are being developed now, Hamilton said, and will be widely disseminated soon to all Alaska school districts.

The University of Alaska Scholars Program is receiving national attention because of recent studies which show that the cost of higher education continues to rise nationally as available federal grant money continues to erode, putting higher education out of reach for many families in America. California and Texas have both announced similar student retention scholarship programs.

FOR MORE INFORMATION: Bob Miller, 907-474-7272



# University of Alaska

UA Scholars Program  
P.O. Box 755200  
910 Yukon Dr., Suite 202  
Fairbanks, Alaska 99775-5200

**April 30, 1999**

## **Update on the UA Scholars Program**

State of Alaska Department of Education records show 286 public and 37 private Alaska High Schools that qualify to participate in the UA Scholars Program in 1999. These include all public high schools, charter schools and correspondence school programs tied to a public school, as well as private schools throughout the state which are either accredited by the Northwest Association of Schools and Colleges, or registered with the State of Alaska Department of Education.

Approximately 7,200 Alaska high school students will graduate in the class of 1999; we had estimated that 733 students would qualify in the top 10% of their class of 1999. Current estimates of total participation in this program appear to be about a 25% acceptance rate.

To date, we have received information from 117 Alaska high schools, including 2 charter schools, 7 correspondence schools and 4 Christian schools. Seven schools informed us that they do not have any graduating seniors for the class of 1999.

As of April 29, 1999, we have received 668 names of eligible UA Scholars Program recipients. All of these students have been notified of their receipt of this award via a personal letter from President Hamilton. Official UA Scholars Program certificates will be presented to these award recipients at the various awards ceremonies at the high schools throughout the state in early May.

UAA shows 82 UA Scholars have applied for admission; UAF shows 84 applicants that are receiving the UA Scholars Award and UAS has a total of 15 applicants as of April 29, 1999 that are UA Scholars Award recipients.

4/30/99 atr