

SB

167

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. SB 167

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

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					
TOTAL OPERATING	494.1	1,360.8	2,011.5	2,497.5	2,708.1

CAPITAL EXPENDITURES					
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CHANGE IN REVENUES ()					
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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
TOTAL	494.1	1,360.8	2,011.5	2,497.5	2,708.1

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	Phone	474-7958
Division	UA Office of Budget and Institutional Research	Date	4/30/99
Approved by	CoPat Pitney, Director	Date	4/30/99
Agency	UA Office of Budget and Institutional Research		

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SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 4/30/99

FURTHER: Finance

Date of 5-Day Notice: 24-hour rule in effect
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 5/6/99

HESS 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 _____ (_____)
- 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>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
CHAIR: <i>[Signature]</i>	✓	CHAIR:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
<i>U of A</i>	<i>4/30/99</i>		✓

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

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



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Sponsor Statement

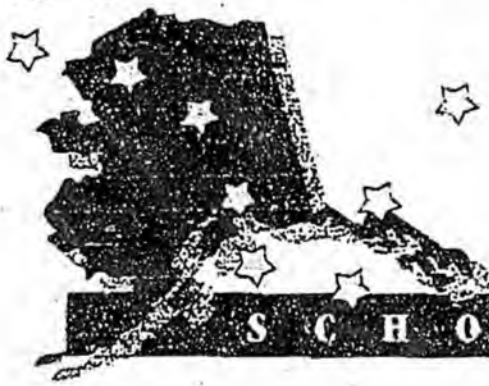
SB 167 - University of Alaska Scholarships

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.



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.

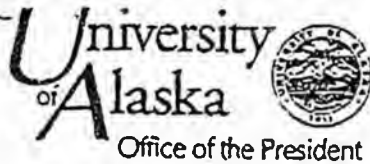
Approximately 7,200 Alaska high school students will graduate in the class of 1999; we had estimated that 733 students would qualify in the top 10% of their class of 1999. Current estimates of total participation in this program appear to be about a 25% acceptance rate.

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



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