

**HB**

**397**

# ALASKA STATE LEGISLATURE



**Sponsor**

**Statement**

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## Representative David Guttenberg

"An Act creating a postsecondary scholarship grant program for Alaska residents based on high achievement and financial need."

The rising cost of an education is changing the perception of affordability among our middle and high school students and their parents, as well as adults who are interested in continuing their education. For students approaching their high school graduation, the cost of a postsecondary education is the most important topic discussed by the student and the family. For nontraditional or continuing students, it can be the primary factor in the decision to further their education. It is unacceptable that Alaskans who show promise do not move on to higher learning simply because of the cost.

A 2007 report from the State Higher Education Executive Officers found that a \$1,000 difference in the price of college may impact college enrollment for the most financially needy students by as much as nine percent. A 2007 Western Interstate Commission for Higher Education report determined that for every \$160 in increased tuition, low income enrollments dropped by .5 percent in four year, public institutions and by 2.3 percent in community colleges. Perhaps most alarming, a recent internal University survey found that the number two reason why students dropped out was because of financial reasons.

Alaska's high school graduation rates are among the lowest in the country. The National Center for Education Statistics reported that Alaska ranks 42<sup>nd</sup> in high school graduation rates at 60.7%. There is no doubt that more students will be encouraged to graduate by providing the promise of a postsecondary education. Action is desperately needed. HB 397 will establish the Alaska Achievers Incentive Program within the Alaska Commission on Postsecondary Education. This program will help reduce the costs of a postsecondary education for those students who demonstrate academic success as well as financial need. By so doing, this program will increase educational opportunities for more bright, hardworking, and capable Alaskans so they may be ready to fill Alaskan jobs.

I urge your support of HB 397.

# LEGAL SERVICES

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

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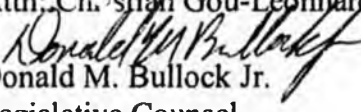
State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

March 1, 2008

**SUBJECT:** Sectional summary for HB 397, creation of Alaska achievers' incentive scholarship program (Work Order No. 25-LS1395M)

**TO:** Representative David Guttenberg  
Attn: Christian Gou-Leonhardt

**FROM:**   
Donald M. Bullock Jr.  
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

**Section 1.** States the intent of the legislature for establishing the Alaska achiever's incentive scholarship program.

**Section 2.** Adds a new article to AS 14.43 that creates the Alaska achiever's incentive scholarship program. The article includes the following sections:

**Sec. 14.43.190.** Creates the Alaska achievers' incentive scholarship program, to be administered by the Alaska Commission on Postsecondary Education. Sets the minimum amount for a scholarship. Authorizes the adoption of regulations to administer the program.

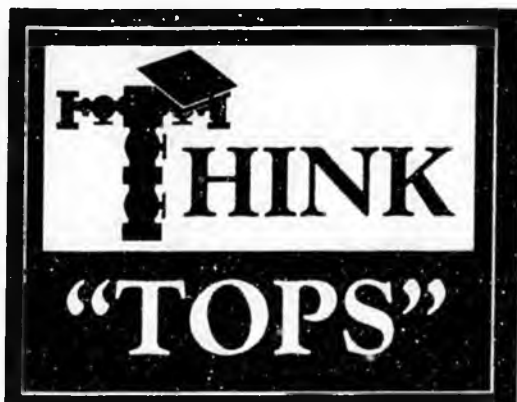
**Sec. 14.43.193.** Provides eligibility requirements for a scholarship award that include residency, a certain grade point average, an unmet financial need, and acceptance or attendance at a postsecondary institution.

**Sec. 14.43.195.** Establishes the Alaska achievers' scholarship fund as an endowment fund. Provides that the fund consists of appropriations, donations to the fund, and income earned on investment of fund assets. Requires the commissioner of revenue to manage the fund and to invest the assets to yield at least a five percent annual rate of return over time. Requires the commissioner of revenue to identify five percent of the average month-end market value of the fund for appropriation to scholarships or for any other public purposes.

Representative David Guttenberg  
March 1, 2008  
Page 2

Sec. 14.43.199. Defines the terms "commission," "qualifying postsecondary institution," and "unmet financial need."

DMB:lmb  
08-048.lmb



#### LOUISIANA'S TAYLOR PLAN

On March 16, 1988, Louisiana multimillionaire oilman and philanthropist Patrick F. Taylor made 183 underprivileged and underachieving inner city New Orleans students a deal. If they would maintain a B average, take college preparatory courses, and stay out of trouble, he would pay their way through college.

That deal to the first "Taylor's Kids" evolved into a statewide legislative campaign to ensure the opportunity to go to college be based on a student's ability to learn, not the ability to pay.

The media called it the Taylor Plan. Patrick Taylor's passion for the program stemmed from personal experience. He had once been just a penniless student himself whose life changed when Louisiana State University offered him the chance to earn a college degree tuition free. In 1988, Chairman, President, CEO, and sole owner of Taylor Energy Company, Taylor felt a burden to help others realize their dreams.

The legislative battle over Taylor's plan, though fierce, resulted in decided victory for Louisiana students and their families. In 1989, Louisiana governor signed into law the first state-funded, merit-based college tuition program in the country. The original Taylor Plan evolved into TAP (Tuition Assistance Program) and is currently known as TOPS (Tuition Opportunity Program for Students). All academic award programs were combined under TOPS, and the income cap was removed in 1997 from the program.

TOPS guarantees Louisiana students the right to a state-funded college education if they will earn 16.5 units\*\* in a specified core curriculum, score a minimum 20 composite on the ACT, and earn a minimum cumulative 2.5 grade point average in the core curriculum.

After TOPS became law in Louisiana, Patrick F. Taylor's focus shifted. He began taking the Taylor Plan elsewhere, so that by the time of his death in 2004, more than 20 states had adopted versions of the Taylor Plan.

Today, the Patrick F. Taylor Foundation remains committed to its founder's dream to remove the barriers between students and higher education. The Foundation works for the day when every American student has access to a college education based on the ability to learn, not on the ability to pay.

*"It is not a matter of leaving no child behind, but rather, of pushing every child forward."*

Patrick F. Taylor

Patrick F. Taylor Foundation  
One Lee Circle  
New Orleans, Louisiana 70130  
[www.TaylorPlan.com](http://www.TaylorPlan.com)

### TOPS REQUIREMENTS

Students must complete 16.5 units\*\* in a specified core curriculum, earn a grade point average of 2.5 or higher, and score an ACT composite of 20 or above.

#### TOPS CORE CURRICULUM

Units	Courses*
4	English I, II, III, and IV
1	Algebra I (one unit) or Applied Algebra IA and IB (two units)
1	Algebra II
1	Geometry, Calculus, or an approved advanced math substitute
1	Biology
1	Chemistry
1	Earth Science, Environmental Science, Physical Science, Biology II, Chemistry II, Physics, Physics II, or Physics for Technology (one unit) (Beginning with the graduating class of 2008 and thereafter, Agriscience I AND Agriscience II (two units) may be substituted for one unit required from among these science courses.)

1	American History
1	World History, Western Civilization, or World Geography
1	Civics and Free Enterprise (one unit combined) or Civics (one unit)
1	Fine Arts Survey (or substitute two units of performance courses in music, dance, and/or theater, or two units of visual arts, or two units of studio art, or one unit of an elective from among the other subjects listed in this core curriculum)
2	Foreign Language (two units in the same language)
5	Computer Science, Computer Literacy, or Business Computer Applications (or substitute at least one-half unit of an elective course related to computers approved by the State Board of Elementary and Secondary Education or one-half unit as an elective from among the other subjects listed in this core curriculum)

#### 16.5 UNITS\*\*

\*Other courses may be acceptable as substitutes for courses in the core curriculum.

\*\*Beginning with the graduating class of 2008 and thereafter, an additional unit of advanced math or advanced science, for a total of 17.5 units, will be required. The additional unit must be from among the following: Geometry, Calculus, Pre-Calculus, Algebra III, Probability and Statistics, Discrete Mathematics, Applied Mathematics III, Advanced Mathematics I, Advanced Mathematics II, Integrated Mathematics III, or Biology II, Chemistry II, Physics, or Physics II.

#### TOPS AWARD

Students earn state-paid tuition to attend any public two-year or four-year college, university, or vocational/technical school. Students may also receive an equivalent award at any Louisiana private institution.

#### ADDITIONAL AWARDS

- An additional \$400 is awarded to students who score an ACT composite of 23 or higher and graduate with a 3.5 grade point average or above.
- An additional \$800 is awarded to students who score an ACT composite of 27 or higher and graduate with a 3.5 grade point average or above.



STUDENTS: THINK  
AND YOU CAN GO TO COLLEGE  
AND GRADUATE.

## Taylor Plan History

Mr. Patrick F. Taylor conceived the idea of the Taylor Plan in 1988 when he was asked to speak to 183 underachieving inner-city seventh and eighth-grade students at Livingston Middle School in New Orleans East. These students had been held back in school, many more than once. They were not expected to make it past the eighth grade, let alone enter high school. Most had lost all hope in themselves and were planning to drop out of school.

When Mr. Taylor asked the Livingston students whether they wanted to go to college, every hand in the room went up. Curious about this paradox, Mr. Taylor soon learned that the students' parents had given up on their children. Since the parents could not afford to send their children to college, they were not pushing their children to do well in school. Mr. Taylor challenged these middle school kids (who became known as "Taylor's Kids"): if they maintained a B average in school in a college prep curriculum and stayed out of trouble, he would make sure they could go to college.

Approximately half of these original "Taylor's Kids" graduated from high school, and half of those students entered college. Five of the original Taylor's Kids were selected for *Who's Who Among American High School Students*.

The students' response to his challenge caused Mr. Taylor to examine the status of access to higher education in the late 1980s. He discovered numerous national reports and surveys showing that more than 80% of American parents felt they could not afford to send their children to college. Yet survey after survey showed that if kids were given an opportunity to break the financial barrier, many would strive for a college education.

In 1989, Mr. Taylor gathered data on college performance and costs. He learned that virtually every university in Louisiana had an open admissions policy. As a result, students came to college unprepared and dropped out in alarming numbers. This proved an expensive proposition for both the students and the state taxpayers footing the bill for the higher education system in the state. He also found the ACT was below the national average, and students graduating from high school needed remedial instruction in virtually every basic subject at the college level.

After much hard work, Mr. Taylor convinced the Louisiana Legislature to adopt what the news media named the "Taylor Plan." It guaranteed access to college for low and moderate-income students based on their academic achievements, and not on their ability to pay. The first Taylor Plan was signed into law on July 10, 1989.

The original 1989 Taylor Plan required that students earn a 2.5 GPA in a 17.5 unit college prep curriculum and score of 18 on the ACT. Because the program was implemented initially for low-and moderate-income students, the legislature capped the family income requirement at \$25,000 (two year adjusted gross) for families with one dependent child, increasing it by \$5,000 for each additional child up to a maximum of \$35,000. The Taylor Plan awarded qualified students with tuition and fees at any four-year public college or university of their choice in Louisiana.

When longtime CBS newsman Mike Wallace featured Mr. Taylor with the Taylor's Kids on a *60 Minutes* segment in September 1989, Mr. Taylor's mission took on a national scope, as other states called wondering how to implement a similar program. That same year, Mr. Taylor convinced New Mexico to enact a version of the Taylor Plan program. In 1990, Texas, Florida, and Indiana, voted for state-paid college tuition assistance programs for their children. In 2005, Wyoming became the 22<sup>nd</sup> state to enact a Taylor Plan.

In Louisiana, the current version of the Taylor Plan is known as "TOPS" (Tuition Opportunity Program for Students). TOPS requires a 2.5 GPA, a 16.5 unit college prep curriculum while in high school and a minimum score of 20 on the ACT. In 1997, at Mr. Taylor's urging, the Louisiana Legislature eliminated family income as a requirement.

To obtain more information on TOPS, students should contact their high school counselor, or the Louisiana Office of Student Financial Assistance at (800) 259-5626, ext. 1012. Students may also visit [www.osfa.state.la.us](http://www.osfa.state.la.us)

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## Representative David Guttenberg

### Facts About Financial Aid in Alaska

February 2008

#### How does Alaska compare with other states?

- Unfortunately, Alaska ranks 51<sup>st</sup> among states (including DC) in college-going rates of low-income youth from FY 1994 to FY2005. ("Low income" is defined as students who qualify for Pell grants.)
- The rate of college attendance among low-income youth ranges from 8.6% (Alaska) to 41.3% (Iowa). The next-lowest ranking goes to Nevada with 14.9%.

Source: Mortenson, Thomas G.  
"Higher education for Students from Low Income Families  
1970 to 2006"  
*Postsecondary Education Opportunity*  
No 183, September 2007

- Since FY1980 all states have reduced their investment efforts in public higher education institutions, causing tuition to rise. The burden has been shifted to the students, who increasingly have to take on loan debt.
- The federal average of state grant programs covered 38.6 % of what a Pell grant paid in 05-06. Alaska ranked 41<sup>st</sup>, paying 7.7 % of what a Pell grant paid. Vermont ranked 1<sup>st</sup>, paying 109% of what a Pell grant paid.

Source: Mortenson, Thomas G.  
"College Participation Rates for Students from Low Income Families by State  
1992-93 to 2004-05"  
*Postsecondary Education Opportunity*  
No 176, February 2007

#### Who gets financial aid at the University of Alaska?

- Almost 45% of our African-American students receive aid, while only 29% of Native Alaskans\* and 31% of White students do.
- 41% of students age 24 and under are on some form of aid, while only 25% of those 25 and over -- many of whom are non-degree-seeking -- are on financial aid.
- A slightly larger percentage of women are on aid than men.
- One out of every three financial aid dollars awarded to undergraduate students goes to a freshman.

Representative.David.Guttenberg@legis.state.ak.us  
<http://guttenberg.akdemocrats.org>

- UA is experiencing shifting demographics in our student population as a whole, just as the rest of the nation is. We see more students of color, more who are low-income and more who are the first in their families to attend college.

Price, Derek V. *Need-Based Grant at University of Alaska: An Independent Analysis*, May 2005.

*\*Financial aid numbers for Native Alaskans do not reflect all Alaska Native Corporation funding.*

### **What types of aid do students at UA receive?**

Loan	68.1%
Grant	13.3%
Scholarship	13.7%
Waiver	2.6%
Work Study	2.3%

University of Alaska Statewide Planning & Budget, 2005-2006 data, *UA in Review 2007*.

UA loan volume is growing at a faster pace than grant volume, meaning more and more students are going farther into debt to pay for their education.

### **Does the University have other scholarships that are at least partially based on financial need?**

	Total Scholarships	Scholarships with need component
UAA	180	3
UAF	316	63
UAS	56	8
SW	62	12

*UA received 3,116 applications for scholarships for the 0809 aid year.*

*SW = UA Foundation.*

### **Why can't the University internally fund this, like they do the UA Scholars Program?**

The UA Scholars Program is funded from the Natural Resources fund. The program has been very successful, but is itself in need of additional funding.

### **UA keeps raising its tuition. Why can't a portion of those funds be used to help these needy students?**

UA has allocated 1% of tuition revenue from each campus for need-based aid at the campus that generated the tuition. This is what is called the "UA Grant Program." UA allocated almost \$835,000 to this program for the 0708 aid year. However, further aid using this mechanism adversely impacts students not receiving aid and the debt load of UA students already using loans to complete their education. Two-thirds of UA graduates have student debt and in any given semester one-third of all students are using a student loan.

Additionally, until the state has an adequately funded program for needs and merits based financial aid, it will continue to be rate poorly in national status reports as university funded aid is not recognized as a state policy commitment.

### **Students that are Alaska residents already get almost \$2,000 per year for the PFD. Why should they get more from the state?**

Existing grant programs, and the PFD, cannot cover the cost of education and living expenses without forcing the student to go deeply into debt.

Here's a typical example for a very poor student (ZERO Estimated Family Contribution.)

Cost of Attendance:	\$17,000
Minus Pell Grant:	\$4,310*
Minus SFOG:	\$500*
Minus AkAdvantage:	\$1000*
Minus UA Grant:	\$190*
<hr/> Uncovered cost of attendance:	\$11,000

*\*All grant monies that do not have to be repaid*

That leaves \$11,000 of the year's expenses not covered by grants. This student could qualify for up to \$3000 in Federal Work Study funds, if available. Still, that means the student has to borrow \$8,000 for their first year of education. A student in this situation would graduate with \$40,000 in student loan debt after 5 years, *even while working during college*. Even if this student applied his or her PFD toward the cost of education every year, the debt upon graduation would be over \$30,000.

### **I hear a lot of students don't even bother to apply for financial aid.**

- UA has helped deliver "College Goal Sunday," for the past three years, an event provided at twenty sites across the state and aimed at low-income and first-generation incoming freshmen, to help them fill out the FAFSA.
- UA sponsors "February FAFSA Frenzy" each year since 2005. Overall FAFSA applications at UA increased 7% from 2005 to 2007, with early application activity increasing 73%.

### **If a student wants to attend, why don't they work or take out loans?**

- Students who work off-campus take longer to earn their degree and are less likely to graduate at all.
- Employment off campus increases their taxable income, making it harder for them to qualify for aid the next year.
- In the last four years, student loan volume has gone up 96.6%, while grant aid has only gone up 48%. Increased loan volume leads to increased student debt.

To Whom It May Concern:

My name is Jake Hamburg and I am a University of Alaska Fairbanks student who began his UA education at Kenai Peninsula College in Soldotna. I work approximately 56 hours per week both as UAF's student body president and as a weekend sales associate while also attending class fulltime. I cannot afford to work any less due to rent, inevitable car repairs, fuel, tuition and books. I do not shy away from hard work but paying for my college education is increasingly placing a strain upon my ability to successfully complete my degree.

As UAF's student body president, this a common experience I hear from many of the students and groups that I have met with. I have met far too many students who have been forced to drop out because they could not personally fund their education. I know from speaking with many other students around the state that they are working long hours to make ends meet while trying to also finish their homework and attend classes. Students know how important a college education is to their future and so they work incredible hours and burden themselves with debt.

The state of Alaska's employers are craving more university graduates and addressing the affordability issues plaguing students and their families will go a long way toward meeting that need. We know from existing research that a \$1,000 reduction in the cost of a college education can boost enrollment by nine percent. We also know that a \$160 increase in the cost of attendance can drop undergraduate enrollment by .5% and community college enrollment by 2.3%. A survey performed by the University of Alaska Southeast found that the number two reason why students were dropping out was because they couldn't afford to continue their education. The number one reason was family problems.

For students approaching their high school graduation, the cost of a higher education is the most important topic discussed by the student and the family. It is unfortunate that students do not move on to higher learning because of the cost.

It has also been shown that the growing cost of an education is changing the perception of affordability among our elementary and middle school students and their parents. It is at these ages that students really decide whether college is something attainable for themselves.

There is some good news. The state has an opportunity to support a student-led effort to provide scholarships to those students who demonstrate academic merit and financial need. In the interest of thousands of students from all ages and regions around this state, it is my sincere hope that you will support HB 397 and HB 403.

Thank you,

Jake Hamburg  
ASUAF President  
Fairbanks, AK

## **JJ Boggs**

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PO Box 82091, Fairbanks, AK 99708 • 907.457.1987 • [pschmidt92@hotmail.com](mailto:pschmidt92@hotmail.com)

February 26, 2008

To Whom It May Concern:

Please consider this a letter of support for HB 397 and HB 403 otherwise known as the Alaska Achievers Incentive Program or AAIP.

As citizens I believe we have a responsibility to provide a quality education to our young people. Currently we're fulfilling that responsibility through excellent higher education programs at the University of Alaska. Our next obligation is to ensure that all bright and motivated young people have equal access to higher education. Affordability should not be a hindrance to achieving an education. HB 397 and HB 403 would get us closer to making this a reality.

The fact that these bills were originally authored and championed by students should reinforce their importance. Shame on us if we do not listen to what these young people are telling us about their own financial difficulties and those of their peers.

Let's make a commitment to equipping ALL of our young people with the tools they will need to change our communities and our world so that they can tackle the daunting global issues we are currently facing. I urge you to support these bills as I can't think of a better investment!

If you have any further questions about my support for these bills, I urge you to contact me at (907) 457-1987 or [pschmidt92@hotmail.com](mailto:pschmidt92@hotmail.com). Thank you for taking the time to listen to constituents!

Sincerely,

JJ Boggs

To Whom It May Concern:

My name is Joseph Blanchard and I am a student of the University of Alaska. I am also an active member of my student government at the University of Alaska Fairbanks. My major concerns for you are that House Bills 397 and 403 get a chance to go through the process of governance from beginning to end. These bills deserve hearings and debate and though your session has been shortened and time is of the essence so is addressing the problems that these bills attempt to deal with.

Student Government has come a long way. Gone are the days when students felt distanced from the system and only through marching and protest could pressure and force change. Now using our collegiate experiences and knowledge we are trying to step up to meet government halfway in addressing the needs our constituents the student body. Alaskan students have done this and the Coalition of Students Leaders has actually taken data collected over a decade on the financial needs of Alaskan collegiate students and written legislation that was taken in by members of the legislature that you know see in the HESS Committee. We thank the initial and future sponsors of this legislation for their support and continue to hope that others will join this fight to increase access into our schools and help improve life for all Alaskans.

This legislation creates an endowment with both merit based and needs-based components which ensures that not just the elite but all hard-working Alaskans are allowed a chance to enjoy school without irresponsible levels of debt. Our students understand that we have to endure certain levels of debt to invest in our university system and we are willing to take out loans and even work a part-time job if possible. However today's financial environment creates unreasonable hardships for many students asking them to take out irresponsible levels of debt that prolong their ability to invest money into families and their respective communities. Grant programs that are available still leave levels of unmet need that plague the poorest students that even when they receive employment from their collegiate experience will have the hardest time paying back.

This is not a handout, or a free ride, or a way to pay for more administrative staff this is a student program designed and lobbied for by students, with student support from their respective unions and governments chartered by the Board of Regents. We ask for your support in whatever amount the state decides is fair and reasonable to begin a program that can bring more jobs, opportunity, and hope to a state that faces an uncertain future with fluctuating oil and gas prices.

Thank you for your consideration and good luck this session. We depend on your decision-making and wisdom for our future.

Sincerely,

Joseph Blanchard

February 26, 2008

To Whom It May Concern:

I thank you for recognizing the importance of the issue of higher education affordability. In understanding that our children are our future, this is a first step in guaranteeing that our future will be highly educated, critical thinkers who can make the appropriate decisions in a world becoming ever more complicated each year.

Now, in my junior year at UAF I have heard and personally experienced the dilemma of affordability. Amongst my peers, I have numerous times heard how difficult it is to get one of the highly specified and extremely limited, but needed scholarships at UAF. Whether it is because of Alaskan residency or GPA or lack of family Alumni or being in a non-hard science program or any number of other legitimate reasons, I have seen so many dedicated and deserving students be denied for much need financial assistance. This sends a loud and clear message that that individual is not valued by this institution or this state. This also then forces them to have to decide if finishing a degree at UAF is worth going into extreme debt.

As a freshman Orientation Leader and an Inside-Out Host (UAF's largest recruitment event), I have heard many new or potential students concerned that they won't be able to afford their education, yet most understand how important it is to continue school. While I stand there telling them their options including loans and working, I secretly think to myself of how likely it is that they will either drop out in fear of massive debt or actually end up in massive debt before they graduate. Not to mention those students, like myself, who choose to get a part time or full time job and often end up sabotaging the very education they are trying to fund. This is especially true when considering that so much of the available financial aid is only available to entering freshman, thus causing the problem of hooking a student into the higher education system to only leave them financially hanging in the subsequent years at the levels when tuition and costs are at their highest

These are a few of the many, many reasons why I encourage you to support the Alaska Achievers Incentive Program (AAIP), within HB397 and HB403. While this program is not an answer to all of the problems currently being faced in regards to affordability, it is a much needed first step. Finally, I want to highlight the importance of maintaining the \$100 million request, as in recognizing that this program will service the entire state of Alaska, a \$1,000 minimum for qualified students is truly a minimum effort in fighting against the ripple effects of the rising costs of higher education. Please show that you believe in students seeking a higher education; please demonstrate that you support students who are trying to improve themselves in order to improve the world; please support the AAIP this year, so next year's students will be equipped to take the next step.

Thank you for your time,  
Mariah Acton

February 25, 2008

To Whom It May Concern:

As a resident of Fairbanks, a student of the University of Alaska Fairbanks and an Alaskan, I would like to express my support for the Alaska Achievers Incentive Program (AAIP). This program is our first step towards college affordability and increased student success.

Higher education should be a top priority to our state, as we are the future of Alaska. Through this program those who have the grades and skills will be able to think about attending University without needing to think about the money. For graduating high school grads the cost of a higher education is the most important topic discussed by the student and the family. It is a shame that students do not move on to higher learning because of the cost. The AAIP looks to provide assistance to these students who have a 3.0 High School GPA and meet financial aid standards.

As a Junior here at the University of Alaska and a high school graduate of West Valley, I have seen way too many of my fellow students drop out of college because they cannot afford it. They did not leave because their classes were too hard, or they felt they were not getting a stellar education, it was because they could not afford the rising costs. No student should be forced to work 40 hours a week to struggle to pay for the 12 credits they now are struggling in because they are too busy working.

Our students of Alaska high schools deserve more. They need to know that someone cares and worries about the rising cost of tuition. We have a very successful merit based scholarship, the UA Scholars, now it is time for a needs based scholarship. I have never seen a group of students more passionate about a need. Here at the University of Alaska Fairbanks, the Associated Students of UAF have finally stood up and demanded an equal opportunity for the students of Alaska. There were many sleepless nights, pouring over thousands of pages of material and reports, and dialogue with students, staff, and administrators. In the end they achieved something that they were told was impossible. A House Bill No. 397 now sits in committee that would start an endowment to provide scholarships on a merit and needs based system.

The great state of Alaska and the nation thrive on our higher education institutions. The University of Alaska engages the community, provides a skilled labor force, and builds a stronger state. As your voting constituent I urge to please support bill number 397 and open up the future of many young Alaskans.

Sincerely,

Meredith Cameron  
UAF Student  
District 8  
Alaska Resident

To Whom It May Concern:

As an Alaskan resident and parent, please consider supporting any effort towards financial assistance for Alaska students in Alaska higher education.

High School graduates from Alaska schools sincerely wish to attend Alaska colleges but all too often finances do not allow it to happen.

Alaska High School students do work and their families help as best they can but it is too often not enough.

We understand there is some legislation in Juneau regarding the provision of help to Alaska students. It is our hope that there is follow through with this legislation as the need is very real.

Sincerely,

Nancy Hamburg  
Sterling, Alaska

To Whom It May Concern:

I strongly urge your support for the Alaska Achievers Incentive Program Scholarship in order to assist deserving students with the constantly rising costs of higher education. As I have read and discussed the proposed legislation, I feel it has been well researched, is soundly constructed and is crafted in a manner to make a significant difference in the lives of our most productive but financially needy students.

Please move this bill forward to increase the chances it will become a reality for current students who are working hard to build a positive future for Alaska. Thank you for your consideration.

Sincerely,

Sue McHenry

To Whom It May Concern:

This bill is designed to allow students who have shown scholastic integrity and achievement the ability to get a higher education, even if their financial situation prevents it. It pushes this state one step further to equality in both opportunity and quality of education. This bill will once again show the people of Alaska that intelligence and diligence are not attributes reserved to only the affluent and blessed members of society by eliminating financial barriers; financial barriers which serve no academic function and only discourage people from pursuing a higher education.

As a prospective teacher working at Lathrop High School in Fairbanks, I can attest first hand to the number of students who shy away from college because of the cost. I see students every day who demonstrate they have the ability to succeed and the ethics necessary to do great things for Alaska. But many of them see college as a burden, rather than an opportunity, and it is unfair to these young people to tell them that college isn't for them because they happen to fall in the wrong income bracket.

We owe it to these students to allow them the opportunity to grow to their fullest potential. We owe it to the State of Alaska to train people to be ready for our expanding economy. Alaska needs doctors and nurses. We need teachers, lawyers and social workers. Our state is growing and so are its needs. We cannot continue the antiquated idea that income is a reflection of ability.

Sincerely,

Patrick Frymark  
Fairbanks, AK

Mark R. Hamilton, President  
Phone: (907) 450-8000  
Fax: (907) 450-8012  
EMAIL: [sypres@alaska.edu](mailto:sypres@alaska.edu)



UNIVERSITY  
of ALASKA  
*Many Traditions One Alaska*

202 Butrovich Building  
910 Yukon Drive  
P.O. Box 755000  
Fairbanks, AK 99775-5000

March 7, 2008

Representative David Guttenberg  
State Capitol, Room 418  
Juneau, Alaska 99801-1182

Dear Representative Guttenberg,

The University of Alaska is committed to providing access to higher education for all Alaskans. Achieving access is especially critical for Alaska's first generation college students; and students from the lowest economic quartile. Unfortunately, Alaska ranks 51<sup>st</sup> among other states and the District of Columbia in college-bound rates of low-income youth (FY 1994 to FY2005).

The Coalition of Student Leaders at the University of Alaska has offered a visionary needs-based program that would offer substantial relief to eligible students. This program, that you have introduced as – the Alaska Achievers Program (HB 397) – is fully supported by both the students and administration of the university.

In addition, the Alaska Advantage Grant administered by the Alaska Commission on Postsecondary Education (ACPE) continues to help students afford higher education in this state. The university fully supports the Governor's proposed increases to this program as well.

To positively impact the neediest of students, the state of Alaska must continue to invest in needs-based financial aid programs. Additionally, until the state, through ACPE, has an adequately funded program we will continue to rank poorly. Keep in mind, for Alaska to reach the average of other states nearly \$7 million is required annually.

The university provides some relief for financially needy students. The UA Grant Program allocates 1% to needs-based; however, UA's focus remains first and foremost on assuring program availability for high demand occupations in Alaska.

If I can answer any questions or be of any further service, please contact me.

Thank you,

A handwritten signature in black ink, appearing to read 'Mark R. Hamilton'.

Mark R. Hamilton, President  
University of Alaska System

# ALASKA STATE LEGISLATURE



SESSION:  
Alaska State Capitol, Room 413  
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(907) 465-4457 Office  
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## Representative David Guttenberg

Date: March 4, 2008

To: Representative Peggy Wilson, Chair  
Health, Education and Social Services

From: Representative David Guttenberg

Re: HB397 -- Postsecondary Scholarships  
HB403 - Approp: Scholarship Fund

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I respectfully request that you schedule HB397 – Postsecondary Scholarships, and its corresponding appropriation bill, HB403 for Health, Education and Social Services' Committee consideration at your earliest convenience.

Enclosed are:

1. The most recent version of HB397 and HB403
2. Current sponsor statement
3. Current sectional analysis
4. List of recommended witnesses or interested parties
5. Additional background material/letters of support

Thank you for your consideration of this request.

**HB397 - Recommended Witnesses and Interested Parties (Preliminary)**

Diane Barrans – Executive Director, Alaska Commission on Postsecondary Education

Jake Hamburg – President ASUAF

Lindsay Forrest – President ASUAS

John Roberson – President ASUAA

Saichi Oba - Assistant Vice President, Student & Enrollment Services

Linda Luper – Program Director, UA College Savings plan



Department of Journalism

101 Bunnell, PO Box 756120, Fairbanks, Alaska 99775 6120, (907) 474-7761

Dear Lawmakers,

As the cost of a college education keeps going up, the ability of lower income folks to attain loans and grants to pay for high education keeps going down. The growing divide pushes students away from college, away from learning and away from opportunities.

I support House Bill 397, "an Act creating a postsecondary scholarship grant program for Alaska residents based on high achievement and financial need" because we need to push the citizens of our state closer, not further away, to a college education.

Statistics tell us students are dropping out of college because of cost. I can tell you from personal experience. I have watched students leave my classes at the University of Alaska Fairbanks because of the cost of college and a lack of need based grants and scholarships. This issue is building a wedge between some bright men and women and a college degree. It doesn't and shouldn't have to be this way. HB 37 seeks address this issue and get Alaska kids more ways to for school.

I encourage you to support this important piece of legislation. Opportunities to help our best and brightest pay for college and stay closer to home just makes sense. This piece of legislation will pay off in a better smarter workforce in the future.

Sincerely,  
Charles Fedullo  
Asst. Professor of Journalism  
University of Alaska Fairbanks

A handwritten signature in cursive script that reads 'Charles Fedullo'.

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**ALASKA FEDERATION OF NATIVES, INC.**

1577 C Street, Suite 300, Anchorage, Alaska 99501  
907-274-3611 Fax 907-276-7989

March 28, 2008

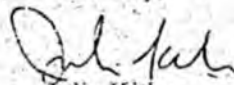
The Honorable Peggy Wilson, Chair  
Health, Education & Social Services Committee  
The Honorable Mike Chenault, Co-Chair  
The Honorable Kevin Meyer Co-Chair  
House Finance Committee  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear Representatives Wilson, Chenault and Meyer:

On behalf of the Alaska Federation of Natives, I am writing to express our strong support for HB 397, pending in the Finance Committee and HB 403, pending in the House Health, Education & Social Services (HESS) Committee. HB 397 establishes the Alaska Achievers Incentive Program to be administered by the Alaska Commission on Postsecondary Education. It would provide much needed postsecondary scholarships for Alaska residents based on high achievement and financial need and would benefit many Alaska Natives. HB 403 appropriates \$100 million as an endowment from the general fund to the Alaska Achievers' Scholarship Fund.

The rising cost of postsecondary education is becoming a serious deterrent to high school students and their parents as well as to adults who are interested in continuing their education. For many, the cost of a postsecondary education can be the primary factor in their decision on whether to further their education. Alaskans who are doing well in school and who wish to move on to higher learning should not be forced to forego that opportunity because of cost. The Alaska Achievers Incentive Program created by HB 397 and endowed by HB 403 will help reduce the cost of a postsecondary education for those Alaskans who demonstrate academic success but who cannot afford to continue their education without financial assistance. This program will benefit all Alaskans by ensuring that we have a well-educated work force. We urge passage of these bills during this legislature.

Sincerely,



Julie Kitka  
President

Cc: The Honorable Bob Roses, Co-Chair, HESS  
The Honorable Bill Stoltze, Vice-Chair, House Finance  
The Honorable Mary Nelson  
The Honorable Reggie Joule

**Department of Journalism**

101 Bunnell, P.O. Box 756120, Fairbanks, Alaska 99775-6120, (907) 474-7761

Dear Lawmakers,

As the cost of a college education keeps going up, the ability of lower income folks to attain loans and grants to pay for high education keeps going down. The growing divide pushes students away from college, away from learning and away from opportunities.

I support House Bill 397, "an Act creating a postsecondary scholarship grant program for Alaska residents based on high achievement and financial need" because we need to push the citizens of our state closer, not further away, to a college education.

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I encourage you to support this important piece of legislation. Opportunities to help our best and brightest pay for college and stay closer to home just makes sense. This piece of legislation will pay off in a better smarter workforce in the future.

Sincerely,  
Charles Fedullo  
Asst. Professor of Journalism  
University of Alaska Fairbanks

A handwritten signature in cursive script that reads 'Charles Fedullo'.

AMENDMENT <sup>#</sup> 1

Gardner

OFFERED IN THE HOUSE  
TO: HB 397

- 1 Page 2, line 9, following "\$1,000":
- 2 Insert "and not more than \$5,000 a year"

Passed

AMENDMENT #2

OFFERED IN THE HOUSE

TO: HB 397

*Passed*

- 1 Page 2, line 11, following "year.":
- 2       Insert "The commission may not award a scholarship to an eligible applicant for more
- 3 than four years or more than a cumulative amount of \$20,000."

AMENDMENT #3

OFFERED IN THE HOUSE

TO: HB 397

- 1 Page 3, line 22, following "AS 14.43.190":
- 2 Insert ", for the cost of administering the Alaska achievers' scholarship program,"

*Passed*

25-LS1395M.1  
Mischel  
3/10/08

AMENDMENT #4

OFFERED IN THE HOUSE

TO: HB 397

- 1 Page 3, line 16:
- 2 Delete "July"
- 3 Insert "May"

*Passed*

AMENDMENT #45

OFFERED IN THE HOUSE  
TO: HB 397

- 1 Page 2, line 23, following "achieved":
- 2 Delete "a"
- 3 Insert "and maintained a cumulative"

Passed

25-LS1395\M.6  
Mischel  
3/7/08

AMENDMENT

#76

OFFERED IN THE HOUSE  
TO: HB 397

- 1 Page 2, line 16:
- 2 Delete "needed"

Passed

AMENDMENT #7

OFFERED IN THE HOUSE

TO: HB 397

1 Page 4, following line 1:

2 Insert a new bill section to read:

3 **\*\* Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to  
4 read:

5 ALASKA ACHIEVERS' SCHOLARSHIP FUND; TRANSITION. Notwithstanding  
6 AS 14.43.195(c), added by sec. 2 of this Act, the commissioner of revenue shall determine the  
7 amount available for appropriation for scholarships from the Alaska achievers' scholarship  
8 fund as follows:

9 (1) as soon as practicable after the first appropriation is deposited into the  
10 fund, the commissioner shall determine the first full month-end market value of the fund and  
11 identify five percent of that amount available for the remainder of the fiscal year;

12 (2) as soon as practicable after May 1, 2009, the commissioner shall determine  
13 the month-end market value of the fund and identify five percent of that amount as the  
14 amount available for the following fiscal year; and

15 (3) as soon as practicable after May 1, 2010, the commissioner shall determine  
16 the average month-end market value of the fund for the preceding fiscal year and identify <sup>to 5</sup>  
17 percent of that amount as the amount available for the following fiscal year."

*amendment  
to amend.  
passed*

*Passed*

# ALASKA STATE LEGISLATURE



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1292 Sadler Way, Suite 304  
Fairbanks, AK 99701  
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Fax (907) 456-2490

Representative David Guttenberg

## MEMO

To: Members of the House HESS Committee

From: Christian Gou-Leonhardt, Staff to Representative David Guttenberg

Re: Questions regarding HB397 raised during committee

Date: March 14, 2008

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The following questions were raised during yesterday's committee meeting.

- 1. How many people utilize the PFD check box to deposit a portion of their Dividend into a UA College Savings Plan?**

According to the PFD Division's 2007 Annual Report 8,500 filers requested that at least a portion of their dividend be sent to the Plan on their behalf. That represents slightly more than 1.4% of all PFD recipients.

- 2. What are the qualifying postsecondary institutions under HB397?**

Institutions deemed eligible under current provisions of HB397:

- AVTEC
- University of Alaska (all campuses)
- Alaska Bible College
- Alaska Pacific University
- Career Academy
- Charter College
- Ilisagvik College
- Wayland Baptist University (Anchorage and Fairbanks campuses)

Please feel free to contact me directly at x4955 if you have any other questions or concerns.