

**2/02/11**

**PRESENTATION**

**HIGHER**

**EDUCATION**

**SCHOLARSHIP**

**FUNDING TASK**

**FORCE**

<TARGET><BILL></BILL><SUBJECT>2-02-11 PRESENTATION HIGHER  
EDUCATION SCHOLARSHIP FUNDING TASK  
FORCE</SUBJECT><COMM>HEDC27</COMM></TARGET>



# LAWS OF ALASKA

2010

**Source**

HCS CSSB 221(FIN)

**Chapter No.**

\_\_\_\_\_

**AN ACT**

Relating to the AlaskAdvantage education grant program; relating to professional student exchange program availability; establishing the Alaska merit scholarship program and relating to the program; relating to student records; making conforming amendments; establishing a Joint Legislative Higher Education Scholarship Funding Task Force; establishing an advisory task force on higher education and career readiness in the legislative branch of government; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

AN ACT

1 Relating to the AlaskAdvantage education grant program; relating to professional student  
2 exchange program availability; establishing the Alaska merit scholarship program and relating  
3 to the program; relating to student records; making conforming amendments; establishing a  
4 Joint Legislative Higher Education Scholarship Funding Task Force; establishing an advisory  
5 task force on higher education and career readiness in the legislative branch of government;  
6 and providing for an effective date.

7

8 \* **Section 1.** AS 14.03 is amended by adding a new section to read:

9           **Sec. 14.03.113. District determination of scholarship eligibility.** A school  
10 district shall determine whether a student who graduates from a high school in the  
11 district is eligible for an award of an Alaska merit scholarship program scholarship  
12 under AS 14.43.810 - 14.43.850. If a student is eligible, the district shall state in the  
13 student's permanent record the highest level of funding for which the student is

1 eligible. A district shall provide a student with an opportunity to request that the  
2 district correct an error in the eligibility determination.

3 \* **Sec. 2.** AS 14.42.030(e) is amended to read:

4 (e) The commission may  
5 (1) adopt regulations under AS 44.62 (Administrative Procedure Act)

6 to

7 (A) carry out the purposes of

8 (i) AS 14.43.091 - 14.43.850 [AS 14.43.091 -  
9 14.43.750], 14.43.990, AS 14.44, and AS 14.48; and

10 (ii) AS 14.43.910 and 14.43.920 as they relate to the  
11 purposes of AS 14.43.091 - 14.43.850 [AS 14.43.091 - 14.43.750],  
12 14.43.990, AS 14.44, and AS 14.48;

13 (B) ensure compliance with the requirements imposed by state  
14 and federal statutes and regulations governing the guaranty, insurance,  
15 purchase, or other dealings in eligible loans by federal agencies,  
16 instrumentalities, or corporations; and

17 (C) establish standards for the

18 (i) administration of hearings conducted under  
19 AS 14.43.153; and

20 (ii) administrative enforcement of collection orders  
21 under AS 14.43.151 - 14.43.155;

22 (2) delegate to the executive director of the commission or a  
23 subcommittee of the commission any duty imposed on or power granted to the  
24 commission by this chapter, AS 14.43, AS 14.44, or AS 14.48, except its power to  
25 adopt regulations and its duty to consider appeals under AS 14.43.100(b) and  
26 AS 14.48.120;

27 (3) establish task forces, committees, or subcommittees, not  
28 necessarily consisting of commission members, to advise and assist the commission in  
29 carrying out its functions;

30 (4) contract with or use existing institutions of postsecondary  
31 education or other individuals or organizations to make studies, conduct surveys,

1 submit recommendations, or otherwise contribute to the work of the commission;  
2 (5) establish fees for the review of an out-of-state institution that  
3 (A) requests approval for participation in the programs under  
4 AS 14.43.091 - 14.43.750, 14.43.990, and AS 14.44; and  
5 (B) is not accredited by a national or regional accreditation  
6 association recognized by the Council for Higher Education Accreditation; and  
7 (6) collect all fees and costs incurred in collection of the amount owed  
8 on a loan or repayment obligation if the loan or repayment obligation becomes  
9 delinquent or in default; in this paragraph, fees and costs include attorney fees, court  
10 costs, and collection fees charged by a collection agency.

11 \* **Sec. 3.** AS 14.43.420(a) is amended to read:

12 (a) A grant made under AS 14.43.400 - 14.43.420 may not be in an amount  
13 less than \$500 nor more than \$3,000 [\$2,000] for each school year.

14 \* **Sec. 4.** AS 14.43.420(c) is amended to read:

15 (c) A student may receive not more than a total of \$12,000 [\$8,000] in grants  
16 awarded under AS 14.43.400 - 14.43.420.

17 \* **Sec. 5.** AS 14.43 is amended by adding new sections to read:

18 **Article 11A. Alaska Merit Scholarship Program.**

19 **Sec. 14.43.810. Alaska merit scholarship program established; regulations.**

20 (a) The Alaska merit scholarship program is established to provide scholarships for  
21 high school graduates who are Alaska residents to attend a qualified postsecondary  
22 institution in the state.

23 (b) The department shall, in consultation with the commission, adopt  
24 regulations necessary to implement the program. The commission shall administer the  
25 daily operations of the program and financing of the program, including the  
26 procedures for applying for the scholarships, establishing standards for and ensuring  
27 continuing compliance with programmatic standards, and requiring students to apply  
28 for other nonloan financial aid, consistent with federal law.

29 **Sec. 14.43.820. Alaska merit scholarship program; eligibility.** (a) Subject to  
30 appropriation, the commission shall award an Alaska merit scholarship program  
31 scholarship to an applicant who

- 1 (1) is a resident of the state as defined in AS 01.10.055;
- 2 (2) graduated or will graduate within six months from a high school in
- 3 the state;
- 4 (3) has completed a core academic curriculum in high school that
- 5 includes
- 6 (A) four years of mathematics, four years of language arts, four
- 7 years of science, and four years of social studies, one year of which may
- 8 include a foreign language, an Alaska Native language, fine arts, or cultural
- 9 heritage; or
- 10 (B) three years of mathematics, four years of language arts,
- 11 three years of science, four years of social studies, and two years of a foreign
- 12 language or an Alaska Native language;
- 13 (4) has a minimum grade-point average in high school of 2.5 or higher;
- 14 the department shall set by regulation minimum requirements based on a substantially
- 15 similar standard for districts that do not assign grades;
- 16 (5) has achieved a minimum score on a
- 17 (A) college entrance examination; or
- 18 (B) standardized examination designed to measure a student's
- 19 level of preparedness to make the transition to work, as selected by the
- 20 department; and
- 21 (6) is enrolled in good standing in a course of study at a qualified
- 22 postsecondary institution in this state that is intended to result in the award of a
- 23 certificate or degree.

24 (b) The commission shall establish in regulation standards for continuing and

25 regaining eligibility for a scholarship.

26 **Sec. 14.43.825. Maximum annual awards.** (a) The maximum annual awards

27 for the Alaska merit scholarship program scholarships are as follows:

- 28 (1) the first award level is \$4,755 and requires a 3.5 grade-point
- 29 average or above and a very high minimum score on a college entrance examination;
- 30 (2) the second award level is \$3,566 and requires a 3.0 grade-point
- 31 average or above and a high minimum score on a college entrance examination;

1 (3) the third award level is \$2,378 and requires a 2.5 grade-point  
2 average or above and a moderately high minimum score on a college entrance  
3 examination.

4 (b) A student's eligibility for a scholarship terminates six years after the date  
5 the student graduated from high school unless the student qualifies for an extension of  
6 time allowed by the department by regulation.

7 (c) Except as provided in (b) of this section, a student receiving a scholarship  
8 may remain eligible for up to eight semesters of enrollment in good standing at a  
9 qualified university or college, which may include graduate courses.

10 (d) Scholarships may be awarded to a full-time student or, if a student is  
11 enrolled part time, prorated based on the number of credits. In this subsection, "full  
12 time" means enrollment in a course of study that is not less than 12 credits, and "part  
13 time" means enrollment in a course of study that is not less than six credits but less  
14 than 12 credits.

15 (e) The amount of a scholarship award may not exceed the amount of the  
16 student's costs of attendance as certified by the postsecondary institution for the  
17 purposes of federal financial aid, less any other scholarships or nonloan financial aid  
18 awarded to the student.

19 (f) Payment of a scholarship is subject to appropriation. If insufficient funds  
20 are appropriated to pay all eligible scholarships, the commission shall pay existing  
21 awards on a pro rata basis.

22 **Sec. 14.43.830. Qualified postsecondary institutions.** (a) The following  
23 institutions are qualified postsecondary institutions for purposes of awarding an  
24 Alaska merit scholarship program scholarship:

25 (1) a university or college physically located in the state that is

26 (A) authorized to operate in the state under AS 14.48.020 or is  
27 exempt from authorization under AS 14.48.030(b)(1); and

28 (B) accredited by a regional accreditation association;

29 (2) a career and technical school program physically located in the  
30 state that has been included on a list of certified career and technical school programs  
31 received from the Department of Labor and Workforce Development; the commission

1 shall publish the list on or before June 30 of the year preceding enrollment.

2 (b) The Department of Labor and Workforce Development shall, in  
3 consultation with the Department of Education and Early Development, adopt  
4 regulations under AS 44.62 (Administrative Procedure Act) establishing criteria under  
5 which the Department of Labor and Workforce Development shall certify career and  
6 technical school programs in the state as eligible to participate in the Alaska merit  
7 scholarship program.

8 **Sec. 14.43.840. Report to the legislature.** (a) To the extent permitted under  
9 law, the department, the commission, the University of Alaska, and the Department of  
10 Labor and Workforce Development shall share data necessary to prepare public  
11 reports regarding the program.

12 (b) Not more than 10 days after the convening of each regular legislative  
13 session, the department, the commission, the University of Alaska, and the  
14 Department of Labor and Workforce Development shall present an annual report to  
15 the public, the governor, and the legislature containing information of public interest  
16 regarding the program, including

17 (1) the number of applicants and number and types of scholarships  
18 awarded;

19 (2) the dollar amount of scholarships awarded in past years and the  
20 dollar amount expected to be awarded for the next year; and

21 (3) data and trends in the data regarding high school and postsecondary  
22 student performance, programmatic changes, and retention and graduation rates over  
23 time.

24 **Sec. 14.43.850. Definitions.** In AS 14.43.810 - 14.43.850, unless the context  
25 requires otherwise,

26 (1) "department" means the Department of Education and Early  
27 Development;

28 (2) "grade-point average" means the average of all grades on a four-  
29 point scale, or five-point scale for advanced placement classes, obtained by the student  
30 in high school;

31 (3) "high school" means a public or accredited secondary school in the

1 state and a home school program that is approved by the department;

2 (4) "program" means the Alaska merit scholarship program established  
3 under AS 14.43.810 - 14.43.850;

4 (5) "school district" means a borough school district, a city school  
5 district, a regional educational attendance area, and a state boarding school.

6 \* **Sec. 6.** AS 14.44.025 is amended by adding a new subsection to read:

7 (b) Notwithstanding the funding priorities established under (a) of this section,  
8 the Alaska Commission on Postsecondary Education shall provide adequate funding  
9 for not fewer than five students each year to attend four-year programs in each of the  
10 following fields:

11 (1) dentistry;

12 (2) optometry; and

13 (3) pharmacy.

14 \* **Sec. 7.** AS 14.45.130(a) is amended to read:

15 (a) A religious or other private school that elects to comply with AS 14.45.100  
16 - 14.45.130 shall maintain permanent student records reflecting immunizations,  
17 physical examinations, standardized testing, academic achievement, [AND] courses  
18 taken at the school, and level of eligibility for an Alaska merit scholarship  
19 program scholarship under AS 14.43.810 - 14.43.850.

20 \* **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to  
21 read:

22 **TRANSITION: PROGRAM STANDARDS AND IMPLEMENTATION FOR**  
23 **INITIAL SCHOOL YEARS.** Notwithstanding any contrary provision of this Act, the  
24 Department of Education and Early Development and the Department of Labor and  
25 Workforce Development, after consultation with the Alaska Commission on Postsecondary  
26 Education, may adopt regulations under AS 44.62 (Administrative Procedure Act) to  
27 implement their respective duties under the Alaska merit scholarship program established in  
28 AS 14.43.810, enacted by sec. 5 of this Act, so that a student

29 (1) may be eligible for the program even though the student did not fully meet  
30 the required core academic curriculum for the school years beginning July 1, 2010, through  
31 June 30, 2014; and

1 (2) who graduated from high school in this state after January 1, 2011, and  
2 before July 1, 2011, and meets eligibility requirements for the program may apply for a  
3 scholarship on or after January 1, 2011, for enrollment in a program of study beginning on or  
4 after July 1, 2011.

5 \* **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to  
6 read:

7 **TRANSITION: REGULATIONS.** The Department of Education and Early  
8 Development, the Department of Labor and Workforce Development, and the Alaska  
9 Commission on Postsecondary Education may proceed to adopt regulations necessary to  
10 implement changes made to their respective authorities by secs. 1, 2, 5, 7, and 8 of this Act.  
11 The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before  
12 July 1, 2011, except that regulations pertaining to applications for scholarships may take  
13 effect on or after January 1, 2011.

14 \* **Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to  
15 read:

16 **JOINT LEGISLATIVE HIGHER EDUCATION SCHOLARSHIP FUNDING TASK**  
17 **FORCE.** (a) The legislature finds that

18 (1) there is a growing problem of students entering degree programs at  
19 postsecondary institutions in Alaska but not completing the degree programs;

20 (2) at 22.4 percent, Alaska ranks last in the nation for first-time full-time  
21 bachelor degree-seeking students who complete their degrees within six years;

22 (3) it is estimated that, by 2025, 50 percent of all jobs in the United States will  
23 require a college-level degree;

24 (4) having an educated population is integral to economic development and  
25 promotion of lifetime success;

26 (5) the cost of attending postsecondary institutions continues to rise while  
27 financial aid for students fails to alleviate their unmet financial need so that they may attend  
28 college;

29 (6) improving financial aid opportunities for Alaska students would likely  
30 improve postsecondary graduation rates in the state; and

31 (7) establishing a state scholarship program to improve access to student

1 financial aid requires a more thorough examination by the legislature.

2 (b) The Joint Legislative Higher Education Scholarship Funding Task Force is  
3 established in the legislative branch for the purpose of examining higher education costs and  
4 identifying the best approach in providing financial aid to assist students in the state.

5 (c) The duties of the task force established under this section include

6 (1) evaluating how best to provide long-term and sustainable funding for state-  
7 provided financial aid for postsecondary institutions in the state, including scholarship  
8 opportunities;

9 (2) evaluating proposals that are based on available facts and conclusions  
10 pertaining to financial aid opportunities at postsecondary institutions in the state;

11 (3) recommending improvements or additions to the laws providing for  
12 financial aid at postsecondary institutions; and

13 (4) taking public comments on financial aid opportunities in the state.

14 (d) The task force consists of 15 members, as follows:

15 (1) five members of the senate appointed by the president of the senate;

16 (2) five members of the house of representatives appointed by the speaker of  
17 the house of representatives; and

18 (3) five members appointed by the governor, as follows:

19 (A) the commissioner of education and early development or the  
20 commissioner's designee;

21 (B) the president of the University of Alaska or the president's  
22 designee;

23 (C) the director of the office of management and budget or the  
24 director's designee;

25 (D) a member of the state Board of Education and Early Development;

26 (E) the executive director of the Alaska Commission on Postsecondary  
27 Education.

28 (e) The president of the senate and the speaker of the house of representatives shall  
29 jointly appoint the chair and vice-chair of the task force.

30 (f) The task force shall meet during the interim between legislative sessions.

31 (g) The task force shall submit a report of its findings and proposed legislative

1 changes to the governor, the Alaska Commission on Postsecondary Education, the  
2 Department of Education and Early Development, and the legislature by December 1, 2010,  
3 and may make any additional reports it considers advisable.

4 (h) The Joint Legislative Higher Education Scholarship Funding Task Force is  
5 terminated on January 1, 2011.

6 \* **Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section to  
7 read:

8 ESTABLISHMENT OF ADVISORY TASK FORCE ON HIGHER EDUCATION  
9 AND CAREER READINESS; COMPOSITION. (a) An advisory task force on higher  
10 education and career readiness is established in the legislative branch of state government for  
11 the purpose of compiling data and advising the legislature on matters pertaining to college and  
12 career readiness of students who graduate from public secondary schools in the state and  
13 students who are nontraditional students.

14 (b) The task force established under this section consists of 20 members, as follows:

15 (1) the governor or the governor's designee;

16 (2) the executive director of the Alaska Commission on Postsecondary  
17 Education or the executive director's designee;

18 (3) the commissioner of education and early development or the  
19 commissioner's designee;

20 (4) one member appointed by the governor who represents vocational,  
21 technical training, or apprenticeship programs in the state;

22 (5) a student representative appointed by the state Board of Education and  
23 Early Development;

24 (6) the student member of the Board of Regents of the University of Alaska or  
25 the student's designee;

26 (7) the president of the University of Alaska or the president's designee;

27 (8) the executive director of the Association of Alaska School Boards or the  
28 executive director's designee;

29 (9) the executive director of the Alaska Association of School Administrators  
30 or the executive director's designee;

31 (10) the president of the National Education Association of Alaska or the

1 president's designee;

2 (11) the president of the Alaska Federation of Natives or the president's  
3 designee;

4 (12) two members of the house of representatives, appointed by the speaker of  
5 the house of representatives, one of whom shall be appointed co-chair;

6 (13) two members of the senate, appointed by the president of the senate, one  
7 of whom shall be appointed co-chair;

8 (14) one member appointed by the governor who represents private colleges  
9 or universities;

10 (15) one member appointed by the governor who represents public  
11 postsecondary institutions and who is not affiliated with the University of Alaska;

12 (16) three members appointed by the governor who have specialized  
13 knowledge, skill, or experience in education remediation and who are employed as faculty at  
14 postsecondary institutions located in separate major administrative units in the state, at least  
15 one of whom resides outside of Anchorage, Fairbanks, and Juneau.

16 (c) A majority of the members of the task force constitutes a quorum. A vacancy on  
17 the task force shall be filled in the same manner as the original selection or appointment.

18 (d) Members of the task force serve without compensation but are entitled to per diem  
19 and travel expenses authorized for boards and commissions under AS 39.20.180, except that  
20 per diem and travel expenses shall be paid from the budget of the agency or institution the  
21 member represents on the task force. The agency or institution may opt out of participating to  
22 avoid payment of per diem and travel expenses. The staff of the legislative members of the  
23 task force shall serve as staff for the task force.

24 (e) The task force shall meet at the call of the chair not less than once every three  
25 months. The co-chairs shall call the first meeting of the task force not later than 30 days after  
26 the effective date of this section. The members of the task force shall elect other officers as  
27 needed to conduct the business of the task force.

28 (f) The task force shall

29 (1) compile research conducted in the state and nationally on reducing  
30 remediation, improving retention, and increasing college and postsecondary vocational or  
31 technical program graduation rates;

- 1 (2) summarize data on
- 2 (A) types of testing used to determine college and career readiness;
- 3 (B) remediation rates;
- 4 (C) effectiveness of remediation for students entering college or
- 5 postsecondary vocational or technical training programs with skill deficits;
- 6 (D) characteristics of programs that are most effective in addressing
- 7 skill deficits;
- 8 (3) create a definition of remediation to ensure consistency in reporting of
- 9 remediation rates by postsecondary institutions in the state;
- 10 (4) identify the contributing causes of a lack of college and career readiness of
- 11 students who graduate from public secondary schools in the state and the course topics taken
- 12 in college or postsecondary vocational or technical training programs for which students
- 13 require remediation;
- 14 (5) identify best practices examples of school systems, colleges, and
- 15 postsecondary vocational or technical training programs that are succeeding in reducing the
- 16 need for remedial education;
- 17 (6) explore new approaches that may be effective in producing increased
- 18 levels of college and career readiness;
- 19 (7) determine the availability of broadband and Internet capabilities and the
- 20 effect of the use of electronic, Internet, and virtual instruction on student learning and success
- 21 in schools;
- 22 (8) determine the role various types of postsecondary institutions may play in
- 23 addressing the need for remediation;
- 24 (9) review graduation rates of colleges, universities, and postsecondary
- 25 vocational or technical training programs located in the state for the six years preceding the
- 26 effective date of this section;
- 27 (10) prepare for the legislature a set of written recommendations to improve
- 28 remediation, retention, and graduation rates at colleges, universities, and postsecondary
- 29 vocational or technical training programs in the state;
- 30 (11) review completion rates for career skill certificate programs,
- 31 disaggregated by program and postsecondary campus.

1 (g) The task force shall submit the assessment and recommendations developed under  
2 (f) of this section in a report to the legislature not later than April 1, 2011.

3 \* **Sec. 12.** Section 11 of this Act is repealed on July 1, 2011.

4 \* **Sec. 13.** Sections 3, 4, 6, and 8 - 11 of this Act take effect immediately under  
5 AS 01.10.070(c).

6 \* **Sec. 14.** Except as provided in sec. 13 of this Act, this Act takes effect July 1, 2011.

Effective 11/4/2010  
DEED

Register \_\_\_\_, \_\_\_\_\_, 2011

EDUCATION AND EARLY DEV.

4 AAC is amended by adding a new chapter to read:

**Chapter 43. Alaska Performance Scholarship Program.**

**Section**

- 10. Requirements for school districts and certain religious or private schools
- 20. Standardized testing and grade point average requirements
- 30. Curriculum requirements
- 40. Procedures for home-based education and certain religious or other private schools
- 900. Definitions

**4 AAC 43.010. Requirements for school districts and certain religious or private schools.** In administering a school district's duties under the scholarship program established in AS 14.43.810 – 14.43.850, a school district, or a religious or other private school accredited under 4 AAC 04.300(c) that elects to comply with AS 14.45.100 - 14.45.130, shall

(1) determine a student's level of eligibility for the Alaska performance scholarship based on curriculum, standardized examination scores, and grade point average for each of its graduating students;

(2) record a student's level of eligibility on the student's permanent record;

(3) require a student seeking Alaska performance scholarship eligibility certification to provide proof of results achieved on one of the standardized examinations required for scholarship eligibility; and

(4) no later than July 15 of each year, transmit to the department an electronic version of each graduating student's permanent record that describes the student's eligibility for the Alaska performance scholarship. (Eff. \_\_/\_\_/\_\_, Register \_\_)

**Authority:** AS 14.07.060 AS 14.43.810

**4 AAC 43.020. Standardized examination and grade point average**

**requirements.** (a) A student is eligible for an Alaska performance honors scholarship if the student meets the curriculum requirements of 4 AAC 43.030, obtains a grade point average of 3.5 or higher, and provides proof of

- (1) an ACT score of 25 or higher;
- (2) an SAT score of 1680 or higher; or
- (3) a WorkKeys score of five or higher in each of the following areas:
  - (A) applied mathematics;
  - (B) reading for information;
  - (C) locating information.

(b) A student is eligible for an Alaska performance achievement scholarship if the student meets the curriculum requirements of 4 AAC 43.030, obtains a grade point average of 3.0 or higher, and provides proof of

- (1) an ACT score of 23 or higher;
- (2) an SAT score of 1560 or higher; or
- (3) a WorkKeys score of five or higher in each of the following areas:
  - (A) applied mathematics;

(B) reading for information;

(C) locating information.

(c) A student is eligible for an Alaska performance opportunity scholarship if the student meets the curriculum requirements of 4 AAC 43.030, obtains a grade point average of 2.5, and provides proof of:

(1) an ACT score of 21 or higher;

(2) an SAT score of 1450 or higher; or

(3) a WorkKeys score of five or higher in each of the following areas:

(A) applied mathematics;

(B) reading for information;

(C) locating information.

(d) A student who qualifies for a scholarship using the WorkKeys examination must use the scholarship award in a career and technical program that results in the award of a certificate. (Eff. \_\_/\_\_/\_\_, Register \_\_)

**Authority:** AS 14.07.060 AS 14.43.810

**4 AAC 43.030. Curriculum requirements.** (a) For a student graduating from high school in 2011, the curriculum requirements for all levels of the Alaska performance scholarship are completion of

(1) the subject matter requirements for high school graduation under 4 AAC 06.075(b); and

(2) one additional unit of credit from any of the following:

(A) mathematics – one unit of credit;

(B) science – one unit of credit;

(C) mathematics and science – one-half unit of credit in

mathematics and one-half unit of credit in science. (Eff. \_\_/\_\_/\_\_,

Register\_\_)

**Authority:** AS 14.07.060 AS 14.43.810

**4 AAC 43.040. Procedures for home-based education and certain religious or other private schools.** (a) To establish eligibility for an Alaska performance scholarship, a student who is not enrolled in a public school program and who completes a home-based education program in the state, or who graduates from a religious or other private school accredited under 4 AAC 04.300(c) that does not elect to comply with AS 14.45.100 - 14.45.130, shall apply to the department no later than July 1 of the year the student intends to enroll at an eligible postsecondary institution. The application must be in writing, on a form provided by the department, and must include documentation demonstrating

(1) proof of results achieved on a standardized examination that meet the requirements of 4 AAC 43.020(a), (b), or (c); and

(2) completion of the curriculum requirements in 4 AAC 43.030.

(b) No later than 15 days after receipt of a complete application under (a) of this section, the department will provide the student with a written notice of eligibility. In this notice, the department will state whether the student is eligible for a scholarship, and, if eligible, the student's maximum level of scholarship eligibility.

(c) A student who is denied eligibility for a scholarship under this section or wishes to dispute the department's determination of the student's maximum level of scholarship eligibility may appeal the department's determination by sending a written request for appeal no later than 15 days after the department issues the notice of eligibility.

(d) A request for appeal under (c) of this section must include

- (1) the name, mailing address, and telephone number of the appellant;
- (2) the relief requested in the appeal;
- (3) a short and concise statement identifying the reasons supporting a reversal or modification of the department's eligibility determination; and
- (4) all documents, papers, or other materials that support a reversal or modification of the department's eligibility determination.

(e) The commissioner will designate a reviewer who did not participate in the department's initial determination of scholarship eligibility to review a timely request for appeal received under (c) of this section. The reviewer shall consider all information and materials submitted and issue a written decision that determines the student's eligibility for a scholarship, and if eligible, the student's level of eligibility. The reviewer's decision is the final decision of the department. Notice of the department's decision will be sent to the student no later than 45 days after the department receives the notice of appeal. (Eff. \_\_/\_\_/\_\_\_\_, Register \_\_)

**Authority:** AS 14.07.060 AS 14.43.810

**4 AAC 43.900. Definitions.** In this chapter, unless context indicates otherwise,

- (1) "ACT" means the ACT high school achievement and college admissions examination administered by ACT, Inc.;
- (2) "Alaska performance scholarship" means the scholarship program established under AS 14.43.810 – 14.43.850;
- (3) "Alaska performance achievement scholarship" means an Alaska performance scholarship at the award level described under AS 14.43.825(a)(2);
- (4) "Alaska performance honors scholarship" means an Alaska performance scholarship the top award level described under AS 14.43.825(a)(1);
- (5) "Alaska performance opportunity scholarship" means an Alaska performance scholarship the award level described under AS 14.43.825(a)(3);
- (6) "commissioner" means the Commissioner of Education and Early Development;
- (7) "home-based education program" means an educational program that qualifies the student for an exemption under AS 14.30.010(b)(12) from the compulsory education requirement of AS 14.30.010(a);
- (8) "SAT" means the SAT high school achievement and college admissions test administered by College Board, Inc.;
- (9) "standardized examinations" means the ACT, SAT, or WorkKeys examinations;
- (10) "unit of credit" has the meaning given in 4 AAC 06.075(e);
- (11) "WorkKeys" means the WorkKeys Job Skills Assessment administered by ACT, Inc. (Eff. \_\_/\_\_/\_\_, Register \_\_)

**Authority:** AS 14.07.060 AS 14.43.810

Will be effective  
2/25/2011  
DEED

Register 197, April 2011

EDUCATION AND EARLY DEV.

4 AAC 43.030 is amended by adding new subsections to read:

(b) For a student graduating from high school in 2012, the curriculum requirements for the Alaska performance achievement scholarship and Alaska performance opportunity scholarship are completion of either the 2012 mathematics and science curriculum or the 2012 social studies and language curriculum. The required courses are as follows:

(1) for the 2012 mathematics and science curriculum,

(A) either of the following:

(i) mathematics - four units of credit, and science - three units of credit;

(ii) mathematics - three units of credit, and science - four units of science;

(B) language arts - four units of credit;

(C) social studies - four units of credit; however, one unit of a foreign language, an Alaska Native language, fine arts, or cultural heritage may substitute for one of the four units of credit of social studies;

(2) for the 2012 social studies and language curriculum,

(A) mathematics - three units of credit;

(B) science - three units of credit;

(C) language arts - four units of credit;

(D) social studies - four units of credit; and

(E) foreign, Alaska Native, or American sign language - one unit of credit.

(c) For a student graduating from high school in 2012, the curriculum requirements for the Alaska performance honors scholarship are completion of either, as described in (d) of this section,

- (1) the 2013 and after mathematics and science curriculum;
- (2) the 2013 and after social studies and language curriculum.

(d) For a student graduating from high school in and after 2013, the curriculum requirements for all levels of the Alaska performance scholarship are completion of either the mathematics and science curriculum or the social studies and language curriculum described in this subsection. The required courses are as follows:

- (1) for the 2013 and after mathematics and science curriculum,
  - (A) mathematics - four units of credit;
  - (B) science - four units of credit;
  - (C) language arts - four units of credit;
  - (D) social studies - four units of credit; however, one unit of a foreign language, an Alaska Native language, fine arts, or cultural heritage may substitute for one of the four units of credit of social studies;

- (2) for the 2013 and after social studies and language curriculum,
  - (A) mathematics - three units of credit;
  - (B) science - three units of credit;

- (C) language arts - four units of credit;
- (D) social studies - four units of credit;
- (E) foreign, Alaska Native, or American sign language - two units of credit.

(e) The curriculum requirements described in this section do not excuse a student from compliance with the high school graduation requirements in 4 AAC 06.075 or graduation requirements imposed by the student's district. (Eff. 11/4/2010, Register 196; am 2/25/2011, Register 197)

**Authority:** AS 14.07.060      AS 14.43.810      Sec. 8, ch. 14, SLA 2010

4 AAC 43 is amended by adding a new section to read:

**4 AAC 43.035. Grace period for curriculum requirements.** (a) The commissioner may grant a student a grace period to meet curriculum requirements for the Alaska performance scholarship, if the standards set out in this section are met. A grace period grants the applicant one extra year of eligibility after the date of the applicant's high school graduation to complete the curriculum requirements of 4 AAC 43.030. A student who is granted a grace period is not eligible for the scholarship during the year in which the grace period is granted.

(b) In order to be eligible for a grace period, a student must

(1) apply on a form prescribed by the department and the form must be received by the department no later than 30 days after the student graduates from high school;

(2) have graduated from a high school in this state in 2011 or 2012;

(3) have attained the required grade point average and ACT, SAT, or WorkKeys score as described in 4 AAC 43.020; and

(4) be unable to complete the curriculum requirements described in 4 AAC 43.030 because of circumstances outside of the control of the student; those circumstances

(A) include the required curriculum not being reasonably available to the student because the student attended a small and remote high school in the state;

(B) do not include the student's attendance at a high school outside of the state.

(c) The commissioner will issue a written decision denying or granting the application for a grace period. In evaluating the application, the commissioner must consider the curriculum requirements of 4 AAC 43.030 that were available to the student at the student's school.

(d) If the application for a grace period is granted, the student shall

(1) obtain a passing grade on a course to meet the curriculum requirement for which the grace period was granted; and

(2) submit documentation to the commissioner of compliance with (1) of this subsection, no later than 30 days after the one-year anniversary of the granting of the grace period.

(e) A student who received a grace period and does not satisfy the requirements of (d) of this section is not eligible for the scholarship. (Eff. 2/25/2011, Register 197)

**Authority:** AS 14.07.060 AS 14.43.810 Sec. 8, ch. 14, SLA 2010

**Alaska State Legislature**  
**Joint Legislative Higher Education Scholarship Funding Task Force**

**Senate**

**Senator Kevin Meyer, Chair**  
Senator Johnny Ellis  
Senator Lyman Hoffman  
Senator Gary Stevens  
Senator Joe Thomas



**House**

**Representative Paul Seaton, Vice-chair**  
Representative Peggy Wilson  
Representative Wes Keller  
Representative Anna Fairclough  
Representative Chris Tuck

**Administration**

ACPE: Diane Barrans, Director  
OMB: Karen Rehfeld, Director  
AK State Board of Education: Esther Cox, Chair  
University of Alaska: Saichi Oba, Associate Vice President  
Department of Education: Eddy Jeans, Education Policy Coordinator

December 1, 2010

Senate President Gary Stevens  
State Capitol Room 111  
Juneau, AK 99801-1182

Speaker of the House Mike Chenault  
State Capitol Room 208  
Juneau, AK 99801-1182

Dear President Stevens and Speaker Chenault,

This report is submitted to the Legislature by the Joint Legislative Higher Education Scholarship Funding Task Force, established by the 26<sup>th</sup> Alaska State Legislature under Senate Bill 221 to "examine higher education costs and identify the best approach in providing financial aid to assist students in the state".

Pursuant to this purpose, the Task Force has spent the interim performing three of the duties outlined in SB 221. These included evaluating how best to provide long-term and sustainable funding for state provided financial aid, evaluating proposals pertaining to financial aid opportunities and taking public comments on financial aid opportunities in the state.

Having completed all these assigned duties, the Task Force now respectfully submits the attached report in fulfillment of its fourth and final duty: "recommend improvements or additions to the laws providing for financial aid at postsecondary institutions." Those recommendations, along with supporting justifications and documentation, as included herein.

Respectfully,

A handwritten signature in cursive script that reads "Kevin Meyer".

Senator Kevin Meyer,  
Chairman, Joint Legislative Higher Education Scholarship Funding Task Force

Alaska State Legislature Joint Legislative Higher Education

# Scholarship Funding Task Force



## Report to the Legislature

Task Force Recommendations on

The Alaska Scholarship Program and

State-supported Educational Financial Assistance

Fall 2010

# Executive Summary

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Throughout the fall of 2010, the Scholarship Funding Task Force, established by Senate Bill 221 during the 26<sup>th</sup> Alaska State Legislature, performed an analysis of higher education financial aid policy in an effort to arrive at a set of recommendations for providing financial assistance for the post-high school education and training of Alaska students.

Specifically, the Task Force had been asked to consider options to ensure a long-term and sustainable funding stream for the newly created Alaska Scholarship program (Scholarship) and other state-provided financial aid. To do this, the Task Force solicited input from professionals with knowledge and expertise in education, administration, financial aid and governmental budgeting. It also took public testimony from groups and individuals (including current postsecondary students) who would benefit from or be impacted by the new program. The Task Force performed an in-depth analysis of the existing and potential components of the Scholarship and then, finally, reviewed the budgetary means and mechanisms available to the State to sustain programs like the Scholarship.

In a series of meetings, the Task Force reviewed the legislative history of the Scholarship, from inception to passage into law, and examined the form and function of the merit-based scholarship program created in statute with passage of SB 221. The Task Force also considered needs-based financial aid and examined the State's existing needs-based education assistance program – the AlaskAdvantage education grant program. Finally, the Task Force reviewed the budgetary tools available for supporting state-sponsored programs and analyzed structures the State might use to fund and finance the Scholarship.

Within the context of these reviews, evaluations and analyses, the Task Force formulated a consensus opinion on the funding strategy members agreed would be most efficient and effective in placing the Scholarship on a firm and enduring financial footing. It also considered numerous structural conditions and modifications through which the State's scholarship and financial aid systems might be strengthened to support the optimal functioning of the Scholarship.

This work of the Task Force formed the basis for the following recommendations to the Legislature and the State.

Implementation of these recommendations is expected to provide the structure necessary for the Scholarship to meet its two great promises: Its promise to Alaska that it can raise student academic performance by raising expectations, and its promise to students that, if they challenge themselves and achieve academic success under a highly rigorous curriculum, the State will reward them with a Scholarship.

# Summary of Recommendations

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## **Funding and Finance**

- The Legislature should immediately create a Scholarship Fund for the Scholarship program.
- If possible, the Scholarship Fund should be immediately capitalized to the point where it can be both self-sufficient and self-sustaining.
- Otherwise, the Scholarship Fund should be incrementally capitalized to a minimum balance of \$160 million using sources which have been positively identified and with revenues that have been affirmatively designated.

## **Merit-Based Component**

### Curriculum:

- No immediate amendment should be made to the Scholarship curriculum until its yearly reporting can provide the data to serve as a factual basis for such alterations.
- The Department of Education & Early Development should specify the “required courses” not specifically delineated in statute for each curricular subject area and define the content requirements and standards for those courses.

### Distance Delivery:

- The Legislature should do an assessment of the State’s existing distance delivery capacity and, should it be necessary, develop a plan (including cost estimates) for upgrading the Department of Education & Early Development’s capacity to provide virtual program or distance-delivered secondary courses.

## **Needs-Based Component**

- To directly support Scholarship awardees, a capped needs-based supplement should be reintegrated into the Scholarship.
- To assist all students, however, the Legislature should continue its support of the AlaskAdvantage grant program but do so at higher than historic levels.
- The supplemented Scholarship and AlaskAdvantage grant programs should be programmatically separate but should be funded through the same mechanism, under a funding formula which ensures adequate support for both.

## **Other Policy Recommendations**

- Any institution which accepts Scholarship awards should integrate an advisor/advocate program to assist Scholarship awardees in expediting the students’ time to education program completion.

# Summary of Recommendations

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- Institutions accepting Scholarship awardees should make their best effort to provide course delivery structures that allow for two and/or four year certificate/degree completion timelines.

## Introduction

Throughout the fall of 2010, the Joint Legislative Higher Education Scholarship Funding Task Force (hereafter referred to as the “Task Force”), established by Senate Bill 221 during the 26<sup>th</sup> Alaska State Legislature and in accordance with the Purpose and Duties described therein (Attachment 1), performed an examination of higher education financial aid policy options relative to student success in its effort to arrive at a set of recommendations for providing state financial assistance to Alaska students for post-high school education and training. Specifically, the Task Force was asked to consider options for securing a long-term and sustainable funding stream for the Alaska Scholarship (hereafter referred to as the “Scholarship”), and other state-provided financial aid meant to assist students in attending postsecondary institutions within the State, and to offer guidance to the Legislature on how it might best achieve that goal.

In furtherance of its statutory mandate, the Task Force solicited input from professionals with knowledge and expertise in education, administration, financial aid and governmental budgeting, and took public testimony from impacted groups and individuals, as it performed an in-depth analysis of the existing and potential components of the Scholarship and the means and mechanisms available to the State to sustain it.

The Task Force reviewed the legislative history of the Scholarship (Attachments 2 – 6):

- the Taylor Plan, which served as its preliminary model
- the proposal submitted by the Governor
- the versions created by the House and Senate Education Committees
- the Alaska Performance Scholarship codified in statute today

The Task Force discussed the merit-based component of the Scholarship:

- how students become eligible
- how they apply and the level of awards they can achieve
- where and how recipients can use their scholarships
- how many students are likely to apply for and receive awards
- how much it is likely to cost the State to provide those awards (Attachment 7)

The Task Force discussed the needs-based complement to the Scholarship (Attachment 8):

- the rationale for needs-based assistance
- the proposals on the issue vetted by the Legislature
- the vehicle the Legislature used to mitigate the Scholarship’s lack of an integrated needs-based assistance component - the AlaskAdvantage education grant program
- an estimate of the annual full cost of funding the current AlaskAdvantage grant program to serve as the state’s needs-based assistance component

- potential modification of the AlaskAdvantage grant program to better align it with the student performance goals of the Scholarship

The Task Force discussed the budgetary tools available to the State for funding and financing the Scholarship (Attachment 9):

- the revenues available for appropriation for its support
- the fund and account structures the State can create or maintain to securely hold those funds
- the methods available to the State of ensuring the directed distribution of monies
- the advantages and disadvantages relative to each budgetary structure in relation to the goals of the Task Force

The Task Force analyzed, as representative examples, funding and financing structures submitted to the Task Force (Attachments 10 - 14):

- Two forms of Endowments
- Two Rolling-Account proposals
- the default, annual General Fund appropriation option

Finally, The Task Force discussed ideas for possible “improvements and additions” to the Scholarship, in areas including:

- mandatory curriculum
- assessment alternatives
- access to education programs through distance delivery
- the postsecondary educational system

Having concluded its fact finding and subsequent deliberations, and in accordance with its statutory mandate, the Task Force has generated a list of consensus recommendations regarding the State’s postsecondary financial aid system in general and the Scholarship in particular. Those recommendations, and their supporting rationales, are included in the following report under their corresponding subject heading.

## Funding and Finance

The first duty and priority for the Task Force was to “evaluate how best to provide long-term and sustainable funding for state provided financial aid for postsecondary institutions in the state” with particular emphasis being given to the performance-based Alaska Scholarship.

The Task Force analyzed – as representative examples – a number of funding and financing structures which were submitted to the Task Force. Those structures included: heavily capitalized, constitutionally protected endowment funds; heavily capitalized, statutorily created General Fund sub-accounts; moderately capitalized rolling-fund accounts; and, as a control group, the pay-as-you-go default case of annual General Fund appropriations. The Task Force also considered both the numerous revenue sources which could be tapped to provide monies for scholarships and the appropriation mechanisms available for directing such monies to specific programs, as well as the opportunities and challenges associated with each approach.

Relatively speaking, the ideal structure for ensuring a secure, long-term, sustainable funding source for the Scholarship would be a constitutional account, not unlike the Permanent Fund or Constitutional Budget Reserve, specific to the Scholarship and capitalized at a level where revenues generated from investment of the corpus would be sufficient to not only fully fund annual scholarship awards but also sufficient to inflation-proof the fund itself through reinvestment. Though subject to market volatility, such a mechanism (essentially a constitutionally protected endowment) would be highly durable, self-sustaining, more able to attract private donations through the newly augmented education tax-credit system and more likely to provide an adequate, predictable funding stream for the program.

However, such a constitutionally protected endowment account, due to the need for overwhelming legislative support and a further vote of the people, would be difficult and time consuming to create. Another substantial challenge would be capitalizing the account – identifying and appropriating the hundreds of millions of dollars in initial investment necessary to place the fund on the desired self-financing and self-sustaining footing.

One alternative to the constitutionally protected account was reflected in the Governor’s original Scholarship proposal. Senate Bill 224 and House Bill 297 each called for the establishment of a “scholarship fund” - a statutorily created sub-account of the General Fund, to hold appropriations, donations and income earned on investments of fund assets. Such a statutory account would have offered, though to a lesser degree, many of the same benefits as its constitutionally protected counterpart yet, because it could be created through a purely legislative process, would have been far easier to make and could have been established on a timeline as compressed as a single legislative session.

This option, however, suffered from the same fund capitalization shortcomings (both in immediacy and scale) as its counterpart. As described in Fiscal Note 2 of SB 224, the purely

statutory endowment would still have required an initial, immediate, investment of no less than \$400 million to approach fund self-sustainability.

Attempts to mitigate these capitalization challenges resulted in proposals which functionally resembled the revised School Bond Debt Reimbursement program. Under these designs, termed rolling-fund accounts by the Task Force, the fund capitalization threshold was reduced and the investment timeline extended. Under draft legislation requested for the Task Force (Attachments 15 and 16), the Scholarship Fund would be incrementally capitalized up to \$160 million over a series of years as monies were deposited into the fund in excess of those required for distribution as scholarship awards. Such a system would represent a moderate continuing strain on the State's finances but would allow the Legislature to capitalize the fund without the budgetary shock of a large, one-time appropriation. Also, though a smaller account balance would not afford the fail-safe, in perpetuity funding security of a heavily capitalized endowment, the corpus of a rolling-fund would provide a reasonable level of mid-term programmatic funding assurance; allowing the State the potential of a program wind-down while still having sufficient funds to meet its obligations to Scholarship awardees already in the training/education pipeline.

The Task Force considered all of these account options to be preferable to the pay-as-you-go default case of making no specific accommodation for the Scholarship and simply allowing the Administration to submit yearly funding requests for legislative consideration.

Therefore, ***it is the recommendation of the Task Force that the Legislature immediately create, through statute, a Scholarship Fund as a sub-account within the General Fund.*** As an account capitalization goal, ***the Task Force recommends the Scholarship Fund account balance to be an amount sufficient to allow the Scholarship Fund to be wholly self-sustaining both for award distribution and inflation-proofing replenishment.*** As an optimal capitalization strategy, ***the Task Force would prefer, should sufficient funds be available, immediate account capitalization.*** However, recognizing this may not be possible, ***the Task Force recommends, as an alternative, incremental capitalization of the Scholarship Fund to a minimum balance of \$160 million,*** or whatever amount the Legislature deems sufficient for it to act as a surety account for already obligated awards.

Possible funding sources for the Scholarship are many since the State has multiple sources from which it collects revenue (like severance taxes and corporate income taxes), multiple ways it generates income (like investment returns, dividends and program receipts) and dozens of existing accounts in which it is already holding money. Much of this income flows into the General Fund and is as available for appropriation to the Scholarship as it is for any other state program.

However, relying primarily on General Funds for support of a program is to subject it to the uncertainty of the budgetary process by placing it in competition with all other programs for yearly legislative prioritization and appropriation. This is a situation the Task Force, with an

overarching interest in assuring an adequate, secure and predictable funding stream to the Scholarship, would hope to avoid. Therefore, the Task Force advocates a funding regime which would require General Funds as supplemental funds only, if at all.

In general, and as much as is practicable, ***the Task Force recommends that sources of funding for the Scholarship by positively identified, "funds-in" revenue be affirmatively designated*** and General Funds be used as necessary and in supplement only. In order of preference, from "first place to go" to last, the Task Force advises the Legislature to fund the Scholarship Fund as follows:

1. Designating Interest from Specific, Existing Accounts
2. Designating Program Receipts and Dividends *Revenue Sharing*
3. Designating Revenues from Specific, External Sources *Corporate Tap*
4. Re-appropriated Assets from Liquidated Accounts
5. General Funds

## Merit-based Component

### Curriculum

It is the intent of the Scholarship (Attachment 17), through “increased academic rigor”, to improve the academic performance of Alaska students in grades kindergarten through 12 and thereby improve preparedness for postsecondary education and successful performance at postsecondary educational institutions. As such, many Task Force discussions focused on the dual curricular offerings embedded in the codified Scholarship.

To some, the inclusion of a “liberal arts” option, allowing for the taking of three years of mathematics, four years of language arts, three years of science, four years of social studies, and two years of a foreign language or Alaska Native language, represented a diminishment of programmatic rigor, and it was argued that the State should return to the single curricular option described in House Bill 297. To others, the inclusion of the two curricular options better reflected the reality of individual scholastic propensity and represented no such diminishment.

Recognizing that other states, with longer established Taylor Plan-based scholarship programs, have wrestled with this issue, and that future adjustments regarding these broad curricular categories are always within the State’s power, ***the Task Force recommends making no immediate amendment to the curricula of the Scholarship until its yearly reporting can provide the data to serve as a factual basis for alteration.***

The Task Force does, however, further recognize that broad statements regarding years of required schooling by discipline are relatively meaningless, and the State’s goal of increasing academic proficiency is less likely to achieve success, without a clearer definition of precisely what courses are to be taken and what content is expected to be taught and learned. Succinctly, course rigor is dependent on content not course titles. Therefore, to ensure the quality and uniformity of statewide Scholarship curricular offerings, ***the Task Force recommends the Legislature direct, and statutorily allow, the Alaska State Department of Education & Early Development, in consultation with the Alaska State School Board and any other public or private parties deemed necessary or beneficial, to specify the required courses not specifically delineated in statute for each educational category*** (Ex. 4yrs Math = Algebra 1, Algebra 2, Geometry and Trigonometry, etc.) ***and define the content requirements and standards for those courses in regulation.*** Although the State might experience resistance to such a move, the voluntary nature of the Scholarship vis-à-vis student curricular choices, coupled with the size of the State’s required investment and the customary ability of scholarship sponsors to set whatever requirements it feels most likely to achieve its desired ends, are compelling justifications for such a move.

### **Distance Delivery**

There is concern the State, due to a lack of physical infrastructure and/or virtual secondary-level educational content, may currently be unable to deliver, on a consistent basis, all facets of the rigorous curriculum required by the Scholarship to all students in all locations throughout Alaska. Therefore, recognizing that a robust, reliable distance delivery system is essential to ensuring all students will have a reasonable opportunity to compete for Scholarship awards, and to ensure equity in the Scholarship Program, ***the Task Force recommends the Legislature, in partnership with the State Department of Education and Early Development, the University of Alaska, and any other public or private parties deemed necessary or beneficial, do an assessment of the State's existing distance delivery capacity and, should it be necessary, develop a plan (including cost estimates) for upgrading the Department's capacity to provide virtual program or distance-delivered secondary courses.***

## Needs-Based Component

The original scholarship proposal (SB 224/HB297), as submitted, provided only for merit-based financial assistance but was later amended to include a needs-based component that was supplemental to the merit-based Scholarship. By supplemental, it is meant that the needs-based component was integrated within the merit-based Scholarship, creating a single program whereby a student would have to be a Scholarship recipient to be eligible to receive needs-based assistance. The goal of integrating a needs-based component into the merit scholarship was to ensure that the lesser socio-economically advantaged students who qualified for the merit scholarship would have the ability to use their merit-based award.

However, the statute that created the Scholarship (SB 221) used the AlaskAdvantage education grant program – an existing, stand alone program which, as a function of historic funding levels, had only been able to provide grants to those students demonstrating the highest level of financial need based on the methodology used in the Free Application for Federal Student Aid: primarily non-traditional, older students - to address the possible necessity for added assistance by Scholarship awardees specifically and the acknowledged insufficiency of state-funded needs-based financial assistance in Alaska generally.

This was not a perfect fit as these programs were not designed to work in concert and generally target groups which are not aligned. The AlaskAdvantage grant program has much broader eligibility standards than the Scholarship. Seeking to make the Scholarship's qualifications the same as for AlaskAdvantage would greatly impair, or even eliminate, its efficacy related to its broad-based programmatic goals just as seeking to amend AlaskAdvantage education grant's qualifications to mirror those of the Scholarship would render it unavailable to many of the groups it currently serves. However, the Task Force recognizes the value of the programs, their complementary natures and the statewide benefit of maintaining them both.

Therefore, ***the Task Force recommends the creation of a second needs-based assistance program: a needs-based component, similar or identical to the one proposed in Education Committee versions of SB224/HB297, to be reintegrated into the Scholarship.*** Such a supplement will allow the Scholarship to more fully serve its high achieving, traditional student population. However, recognizing the indeterminate funding liability potential of the need-based supplement, ***the Task Force recommends the integrated needs-based component be capped***, either at a 2010 amount of \$4,755 (as the merit-based portion of the Scholarship award has been capped at the 2010 UA tuition amount) or some other reasonable figure. ***The Task Force further recommends continued funding, at a level commensurate with its full functioning, of the AlaskAdvantage grant program***, allowing it to serve the non-traditional, General Education Development (GED), and older students as prioritized for grants under the program's current criteria. Finally, though they are to be programmatically separate, ***the Task***

*Force recommends the supplemented Scholarship and AlaskAdvantage grant programs be funded through the same mechanism, perhaps, though not necessarily, under a funding formula which will ensure adequate support for both.*

## Other Policy Recommendations Regarding Scholarship Investments

It is recognized that remedial courses delivered at the postsecondary level may entail public and/or private expense but do not count for degree credit. Also, by delaying progress toward completion, the need for remediation substantially reduces the probability a student will ever complete a degree/certificate program. Therefore, a goal of the Legislature in establishing a merit scholarship program was to create a source of transformational pressure on Alaska's K-12 system - a renewed impetus for it to adequately prepare students for successful entry into college and career/tech - and, in so doing, ensure scholarship awardees will not need to expend time or personal capital on developmental education (remedial) courses.

Degree/certificate completion – not simply attendance – is the investment objective of the State. It should therefore look at factors that produce delay in progress or otherwise contribute significantly to non-completion. What other policies should be instituted in the scholarship program to stimulate postsecondary education changes to incentivize completion and make our money count? On-time completion will also become vital to Alaska institutions as a scholarship program becomes fully implemented because the anticipated growth in student enrollment may well overwhelm available capacity if students do not progress more rapidly. The following suggestions are programmatic recommendations to advance that goal:

***The Task Force recommends that any institution which accepts Scholarship awards should integrate an advisor/advocate program to assist Scholarship awardees.***

Evidence shows that advisor/advocate programs work at all education levels. Many designs are in use across the nation. Private institutions with traditionally high completion rates almost always incorporate a rigorous advising model. The University of Nevada even aids students through a Course Concierge program (Attachment 18). Some initiatives such as Complete College America presume advising programs as evidenced in discussion of retention rate metrics by the statement that colleges “can actively work to better engage those students during their first year...” The Task Force heard testimony that University of Alaska Fairbanks (UAF), with mandatory advising for all degree seekers, has a five-year completion rate which is 50% higher than University of Alaska Anchorage (UAA) with optional advising for degree candidates. As the State will be making a significant investment in the scholarship student, it is reasonable for the State to request that institutions receiving those funds advise that student on how to remain on track toward graduation.

***The Task Force recommends that institutions accepting Scholarship awardees should assist them in maximizing the value of their awards by providing timely course offerings (or courses***

*of study) that allow for completion of certificate and/or degree programs within a two- or four-year course of study.*

This would not guarantee that all students would progress perfectly but would mean that those who desire to move forward would be provided that opportunity. The diversity of methods for providing access to courses for on-time completion has never been more available to Alaska institutions. Programs such as the Western Interstate Commission for Higher Education's Internet Course Exchange (WICHE ICE) or other programs through participating institutions permit students to take courses not otherwise available to them. It will be important for all programs requiring more than 60 units for an AA certificate and more than 120 credits for a BA/BS degree to provide students the estimation of time for completion so they can reasonably assess the probability of their Scholarship funding their education through completion and make further arrangements as appropriate or necessary.

## Scholarship Funding Task Force Report to the Legislature

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# Attachment 1

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## Joint Legislative Higher Education Scholarship Funding Task Force

### Membership:

**Chair:** Senator Meyer  
**Vice-chair:** Representative Seaton

#### Senate

Senator Johnny Ellis  
Senator Lyman Hoffman  
Senator Gary Stevens  
Senator Joe Thomas

#### House

Representative Peggy Wilson  
Representative Wes Keller  
Representative Anna Fairclough  
Representative Chris Tuck

#### Administration

Department of Education: Eddy Jeans, Education Policy Coordinator  
University of Alaska: Saichi Oba, Associate Vice President  
OMB: Karen Rehfeld, Director  
ACPE: Diane Barrans, Director  
AK State Board of Education: Esther Cox, Chair

**Purpose:** Examine higher education costs and identify the best approach in providing financial aid to assist students in the state.

**Duties:**

- Evaluate how best to provide long-term and sustainable funding for state provided financial aid for postsecondary institutions in the state, including scholarship opportunities
- Evaluate proposals that are based on available facts and conclusions pertaining to financial aid opportunities at postsecondary institutions in the state.
- Recommend improvements or additions to the laws providing for financial aid at postsecondary institutions.
- Take public comments on financial aid opportunities in the state.

# Attachment 2

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## **TAYLOR PLAN – Louisiana (2014 Graduates)**

### *CURRICULUM\**

Four (4) years of math

Four (4) years of Language Arts

Four (4) years of Science

Four (4) years of Social Studies

One (1) year Fine Arts

Two (2) years Foreign Language

\*Specific required courses spelled out in publications

### *MINIMUM ACHIEVEMENT*

- 2.5 or higher cumulative GPA
- Composite ACT of 20 or above

### *STANDARD AWARD*

State-paid tuition at any public two- or four-year college, university or vocational/technical school or equivalent award at any in-state private institution.

### *ADDITIONAL AWARDS*

- \$400 for students with a GPA of 3.5 or better, and ACT of 23 or higher
- \$800 for students with a GPA of 3.5 or better, and ACT of 27 or higher

# Attachment 3

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## GOVERNOR'S PERFORMANCE SCHOLARSHIP

### *QUALIFICATIONS OF APPLICANTS*

- Alaska Residents who have applied, or will apply, no more than six (6) months before or after date of graduation.
- Will use the scholarship at a qualified (Alaskan) post secondary institution no later than 6 years after the beginning of the first school year after graduation.

### *ELIGIBILITY*

- Completed Core Curriculum
- Met minimum grade-point average threshold
- Met minimum career-skills assessment or college entrance examination threshold
- Be enrolled in a certificate or degree-seeking program

### *CURRICULUM\**

Four (4) years of math

Four (4) years of Language Arts

Four (4) years of Science

Three (3) years of Social Studies

\*Specifics TBA

### *AWARD LEVELS\* \*\**

- 3.5 and up - 100% of qualified tuition
- 3.0-3.49 - 75% of qualified tuition
- 2.5-2.99 - 50% of qualified tuition

\*Minimum test scores per tier, and how they would impact awards, TBA

\*\*Career Scholarship award not to exceed \$3,000 per school year

### *ESTIMATED PROGRAMMATIC COST*

FY 2012 - \$8,221,935

FY 2016 - \$20,556,621

# Attachment 4

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## SENATE EDUCATION COMMITTEE

### QUALIFICATIONS OF APPLICANT

- Alaska Residents who have applied, or will apply, no more than six (6) months before or after date of graduation.
- Will use the scholarship at a qualified (Alaskan) post secondary institution no later than 6 years after the beginning of the first school year after graduation.

### ELIGIBILITY

- Completed Core Curriculum
- Met minimum grade-point average threshold
- Met minimum career-skills assessment or college entrance examination threshold
- Be enrolled in a certificate or degree-seeking program

### CURRICULUM\*

Four (4) years of math	Three (3) years of math
Four (4) years of Language Arts	Four (4) years of Language Arts
Four (4) years of Science	Three (3) years of Science
Four (4) years of Social Studies, one may include a non-English language, art, etc.	Four (4) years of Social Studies
	Two (2) years of foreign or Alaska Native language

\*Specifics TBA

### AWARD LEVELS\* \*\*

#### Academic

- 3.5 and up - 100% of qualified tuition
- 3.0-3.49 - 75% of qualified tuition
- 2.5-2.99 - 50% of qualified tuition

#### Need

- 50% of outstanding "unmet financial need" after grants, awards and \$2,000 student contribution

\*Minimum test scores per tier, and how they would impact awards, TBA

\*\*Career Scholarship award not to exceed \$3,000 per school year

### ESTIMATED PROGRAMMATIC COST

FY 2012 - \$25,341,600\*

**FY 2015 - \$40,106,600**

\*Reflects inclusion of 2010 graduates in first cohort

# Attachment 5

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## HOUSE EDUCATION COMMITTEE

### *QUALIFICATIONS OF APPLICANTS*

- Alaska Residents who have applied, or will apply, no more than six (6) months before or after date of graduation.
- Will use the scholarship at a qualified (Alaskan) post secondary institution no later than 6 years after the beginning of the first school year after graduation.

### *ELIGIBILITY*

- Completed Core Curriculum
- Met minimum grade-point average threshold
- Met minimum career-skills assessment or college entrance examination threshold
- Be enrolled in a certificate or degree-seeking program

### *CURRICULUM\**

Four (4) years of math

Four (4) years of Language Arts

Four (4) years of Science

Three (3) years of Social Studies

\*Specifics TBA

### *AWARD LEVELS\* \*\**

Academic

- 3.5 and up - 100% of qualified tuition
- 3.0-3.49 - 75% of qualified tuition
- 2.5-2.99 - 50% of qualified tuition

Need

- 50% of outstanding "unmet financial need" after grants, awards and \$2,000 student contribution

\*Minimum test scores per tier, and how they would impact awards, TBA

\*\*Career Scholarship award not to exceed \$3,000 per school year

### *ESTIMATED PROGRAMMATIC COST*

FY 2012 - \$14,480,000

**FY 2016 - \$37,169,600**

# Attachment 6

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## ALASKA SCHOLARSHIP PROGRAM

### QUALIFICATIONS OF APPLICANTS

- Alaska Residents who have applied, or will apply, no more than six (6) months before or after date of graduation.
- Will use the scholarship at a qualified (Alaskan) post secondary institution no later than 6 years after the beginning of the first school year after graduation.

### ELIGIBILITY

- Completed Core Curriculum
- Met minimum grade-point average threshold
- Met minimum career-skills assessment or college entrance examination threshold
- Be enrolled in a certificate or degree-seeking program

### CURRICULUM\*

Four (4) years of math

Four (4) years of Language Arts

Four (4) years of Science

Four (4) years of Social Studies, one may include a non-English language, art, etc.

Three (3) years of math

Four (4) years of Language Arts

Three (3) years of Science

Four (4) years of Social Studies

Two (2) years of foreign or Alaska Native language

\*Specifics TBA

### AWARD LEVELS\*

#### Academic

- 3.5 and up - \$4,755
- 3.0-3.49 - \$3,566
- 2.5-2.99 - \$2,378

#### Need

- \$400,000 one-time appropriation to AlaskAdvantage to accommodate increased maximum award

\*Minimum test scores per tier, and how they would impact awards, TBA

### ESTIMATED PROGRAMMATIC COST

FY 2012 - \$9,321,900

**FY 2016 - \$21,656,600**

# Attachment 7

Department of Education Updated Scholarship Cost Estimate – 8/17/10:

District Name	2010 Graduates	3.5 +	3.0-3.49	2.5-2.99	3.5 +	3.0-3.49	2.5-2.99	Percentage of Graduates with GI 2.5 or better
North Slope Borough School District	81	9	19	23	11.11%	23.46%	28.40%	62
Northwest Arctic Borough School District	99	16	19	19	16.16%	19.19%	19.19%	54
Petersburg City School District	38	8	18	8	21.05%	47.37%	21.05%	89
Matanuska-Susitna Borough School District	1,092	233	234	269	21.34%	21.43%	24.63%	67
Ketchikan Peninsula Borough School District	666	171	173	150	25.68%	25.98%	22.52%	74
Juneau Borough School District	356	94	70	68	26.40%	19.65%	19.10%	65
Fairbanks North Star Borough School District	889	213	193	219	23.96%	21.71%	24.63%	70
Anchorage School District	3,082	714	681	742	23.17%	22.10%	24.08%	69
Total Statewide Graduates 2010		8,256	Estimated number of Students on GPA Averages		19.78%	26.89%	23.45%	69
Est # students eligible and using Scholarship		2,244	5 yr avg # of students ACT cuts		1.633	2.179	1.936	
% of graduates utilizing scholarship		27.2%	Estimated number of Students on ACT		29.31%	24.20	12.87%	12.87%
			Difference between ACT and GPA		2.420	1.002	1.063	1.063
			Scholarship Type >>>					
Estimated number of students eligible for scholarships by category			Honors	1,633	Achievement	1,789	Opportunity	1,063
Variable for eligible students >>>>			Percentage of eligible students using scholarship		50%	817	895	532
			scholarship rates		\$4,755	\$3,566	\$2,378	Estimated \$9,341
					\$3,884,835	\$3,191,570	\$1,265,096	

Participation rates	number of Students	Est. annual cost	Year 1 Estimated cost	Year 2 Estimated cost	Year 3 Estimated cost
Year 1 100%	2,244	\$8,341,501	\$8,341,501		
Year 2 75%	1,683	\$6,256,126		\$14,597,627	
Year 3 50%	1,122	\$4,170,751			\$18,789,378
Year 4 25%	561	\$2,085,375			
Estimated annual cost when fully implemented		5,610	\$20,853,753		

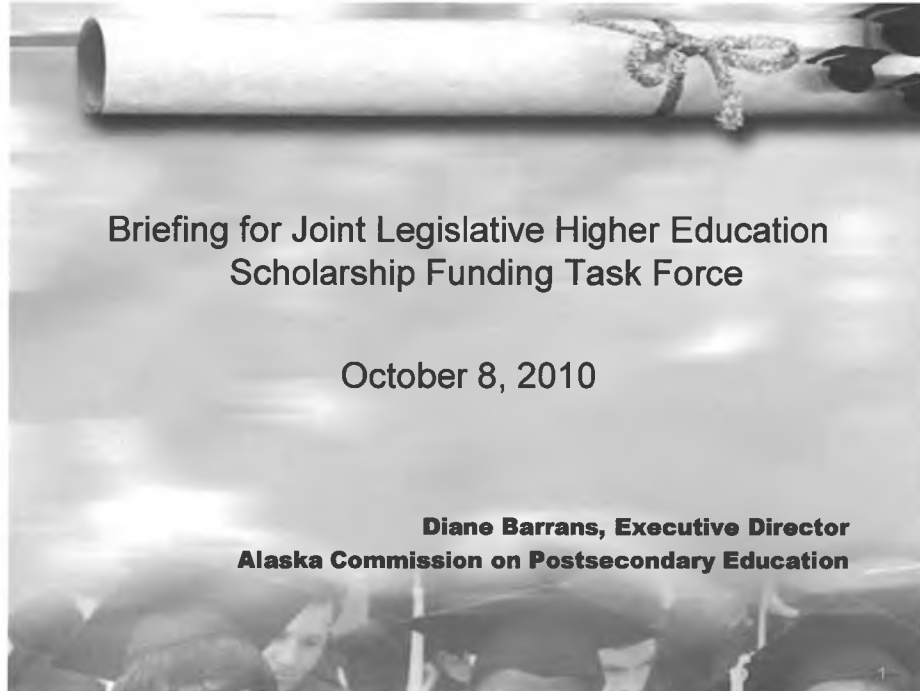
According to Education Trust, the average graduation rate for 5 year graduation for UAF is 25% and UAA is 36.5%. The four year graduation rate is significantly lower.

Prehistory 2010 District Graduation Rate

# Attachment 8

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ACPE Needs-Based Assistance Presentation:



# Attachment 8

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## Needs-based aid policy goals

**A society's ability to equip citizens to improve their economic status results in financial and social public and personal benefits:**

<b>Social/public benefits</b>	<b>Private/personal benefits</b>
<ul style="list-style-type: none"><li>✓ Increase resident hire opportunities</li><li>✓ Attract and retain business investment</li><li>✓ Strengthen economic base of health-care and school systems</li><li>✓ Decrease violent crime rate</li><li>✓ Decrease low birth weight babies and infant mortality</li><li>✓ Increase home ownership and civic participation</li></ul>	<ul style="list-style-type: none"><li>✓ Increase personal income</li><li>✓ Increase career opportunities</li><li>✓ Improves healthcare and life expectancy</li><li>✓ Improves likelihood for healthy, successful children</li><li>✓ Increases capacity for leisure activities and life satisfaction</li></ul>

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## Needs-based aid policy goals

**While Alaska is second from the bottom in state rankings of the rate at which our young people go on to college (30%), we are a distant last in the rate at which low-income residents do so (7.9%)**

**National average on this measure is 25.7% low-income student college-going rate**

**As recently as 2002, a national report\* reiterated that the least academically prepared high-income student had better odds for completing a college degree than the best academically prepared low-income student. In fact the report found that cost was a substantial barrier to students from both low and moderate income families.**

\*Empty Promises, The Myth of College Access in America, A Report of the Student Financial Aid Advisory Committee, June 2002  
(<http://www2.ed.gov/about/bdscomm/list/acsfa/emptypromises.pdf>)

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# Attachment 8

## Alaska's state financial aid policy goals

By *combining strategies* of needs-based and performance-based financial aid opportunities, Alaska's governor and legislature are utilizing two components that are each critical to Alaskans' access to and success in postsecondary education—academic and financial capacity.

## 2010 Legislative models

HB297(EDC)/SB224(EDC) entitled scholarship recipients to an additional 50% of unmet cost of attendance (COA) > \$2,000

**B-level Award Distribution by Family Income Level**

Family AGI	\$25,000	\$50,000	\$75,000	\$100,000
Cost of attendance	\$18,500	\$18,500	\$18,500	\$18,500
Less Pell grant	-\$5,550	-\$0	-\$0	-\$0
Remaining costs	\$12,950	\$18,500	\$18,500	\$18,500
Less APS award	-\$3,566	-\$3,566	-\$3,566	-\$3,566
Remaining costs	\$9,385	\$14,934	\$14,934	\$14,934
Less EFC+\$2,000	-\$2,000	-\$6,772	-\$14,157	-\$15,401
Unmet need	\$7,384	\$8,212	\$777	\$0
Less needs award @ 50%	-\$3,692	-\$4,106	-\$388	\$0
Remaining family costs	\$3,692	\$4,106	\$389	\$0
Total State aid	\$7,258	\$7,672	\$3,954	\$3,566
Total student & family paid costs	\$5,692	\$10,878	\$14,546	\$15,401

# Attachment 8

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## 2010 Legislative models

**This approach lacked a cost containment mechanism re: cost of attendance (COA). As a result the per-student amount of state-paid funds was substantial for family incomes at or below \$50-\$60,000**

**Need-based supplement to APS would have provided additional funds to APS recipients based on a pre-determined formula**

***Important to note that an APS supplemental award would exclude all currently enrolled postsecondary students and future non-traditional students entering the pipeline***



## SB221 as passed

**SB221 was ultimate vehicle for establishing the current scholarship structure**

**Performance eligibility requirements pared down with minimal statutory academic framework**

**Provided for needs-based grant aid administration through the AlaskAdvantage grant program with increased annual and lifetime per-student grant maximums**

# Attachment 8

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## **SB221 as passed**

**Fiscal Note passed to provide FY11 funding in the amount of \$400,000 to supplement approximately \$980,000\* remaining from FY09 capital budget and \$122,400 in federal LEAP/SLEAP funds**

**\*This amount is higher than previously estimated due to a lower than expected FY10 grant award use**



## **Current grant criteria**

**Alaska resident enrolled at least half time in a certificate or degree program at a regionally or nationally accredited school in Alaska**

**Meet institution's satisfactory academic progress requirements**

**Demonstrate financial need based on the methodology used in the Free Application for Federal Student Aid**

# Attachment 8

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## **Current grant criteria**

**Meet other criteria to receive federal financial aid (not already have an undergraduate degree, registered for the draft, no drug convictions while receiving aid, etc.)**

**Have a high school diploma or GED**

**Have unmet need of at least \$500 after all other non-loan financial aid considered**

**Applicant pool is all otherwise eligible students who file a FAFSA on or before April 15**



## **Current award process**

**Applicant information is made available to schools students have listed on their FAFSAs**

**Schools provide information about other financial aid awarded and verify enrollment**

**Using a set standard cost of attendance (based on current year UA COA), ACPE reduces the COA by each student's other non-loan aid and the Estimated Family Contribution (EFC)**

**Standard COA**

- Other non-loan aid**
- EFC**
- = Unmet need**

# Attachment 8

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## **Current award process**

**Applicants are then sorted, by unmet need amounts, in a descending order**

**ACPE makes awards until the available funds are exhausted**

**In the event of equivalent unmet need amounts, two additional ordering criteria are:**

- 1) lowest adjusted gross income; and,**
- 2) closest to program completion**

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## **Current grant structure**

### **AlaskAdvantage priority awards**

**Program rules provide for priority awards, in the form of higher grant amounts, for students in two categories:**

- 1. Enrolled in severe workforce shortage area programs, or**
- 2. Having secondary school performance demonstrate high likelihood for postsecondary education success**

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# Attachment 8

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## Current grant structure

**For category one, the Commission annually determines qualifying shortage programs and they are:**

1. education,
2. protective and social services,
3. allied health, and
4. process and resource extraction industries

**For category two, by regulation, eligibility is based on having scored in the top quartile of test takers on either the SAT or ACT (1740/24)**

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## Current grant amounts

Award type	Full-time student	Half-time student
<b>Standard Award</b>	<b>\$1,500</b>	<b>\$750</b>
<b>Workforce Shortage Award</b>	<b>\$3,000</b>	<b>\$1,500</b>
<b>Top quartile of SAT/ACT test takers scores</b>	<b>\$3,000</b>	<b>\$1,500</b>

(All amounts shown for full academic years)

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# Attachment 8

## Program funding history

**Grant funding source since current program inception in 2005-06: federal S/LEAP funds, ASLC Ofee account interest, FY09 capital appropriation**

**Until FY09 annually funded at approximately \$650,000**

**Most recent 3-year average total awarded is \$1.161 million**

**Over five years number of AK FAFSA filers is up 70% with greater increases in the number of grant-eligible applicants**

**Because demand has outstripped funding, only applicants with very high need have been funded**

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## Population served in 2009-2010

Population characteristics	Alaska FAFSAs	Eligible population	Awarded	Certified & disbursed
# of students	17,284	4,960	1,543	870
Average Age	27.8	27.7	30.3	32.6
Average AGI	\$53,954	\$34,994	\$18,527	\$16,617
Average unmet need	\$8,333	\$10,966	\$14,965	\$14,538

**Alaska FAFSAs – number of Alaska resident filers for attendance at Alaska schools**

**Eligible population – a total population subset having filed by the April 15 deadline, indicating enrollment at a participating school and w/unmet need of \$500 or greater**

**Awarded – the portion of the population with unmet need in excess of \$14,000**

**Certified & disbursed – enrolled and eligible as certified by school officials**

**AGI – adjusted gross income**

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# Attachment 8

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## Estimating full funding

**Using FY10 program year data, full funding, if the base grant amount is increased to the full \$3,000, is estimated to be \$8.5 million**

**Assuming eligible pool will grow by 20% due to increase in first-time freshman entering UA and that these students will be grant-eligible @ at same rate (69%)**

**Fall 09 Freshman (Alaskans/headcount) – 3,352\***

**Fall 09 Freshman (recent HS grads) – 2,355\***

**EED estimates of students eligible & using APS – 2,244**

**Anticipate slow growth over time in demand on grants as a result of APS's transformational impact**

**\*(Source) UA In Review 2010**

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## Considerations for alternative approaches

**Relative to other needs-based structures, program terms and conditions are determined specific to goals**

**For goal of equity and broad access, the current AlaskAdvantage grant program is the simplest model because it is most inclusive**

**To incent and reward academic achievement, additional requirements could be imposed either for: continued grant eligibility or increased grant amounts/priority grant eligibility in subsequent years**

**Similarly, to incent accelerated progress to certificate/degree, grant eligibility could require full-time enrollment and additional performance or progress-to-degree requirements could apply**

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# Attachment 8

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## Considerations for alternative approaches

**Program designers should be mindful of consequences of terms and conditions that exclude populations which could benefit most from postsecondary education**

**These populations may include:**

- GED recipients
- Non-traditional adults seeking to upgrade or acquire new skills/education

**Another important consideration is the level of complexity and cost certain terms and conditions can impose on students, schools, or program administrators**

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## Considerations for alternative approaches

**Relative to program costs, containment mechanisms may include:**

**Using fixed dollar award amounts**

**Establishing household income cut-off levels (ex: 150/200% of poverty levels)**

**Cap funding level and continue to award from greatest to least needs levels**

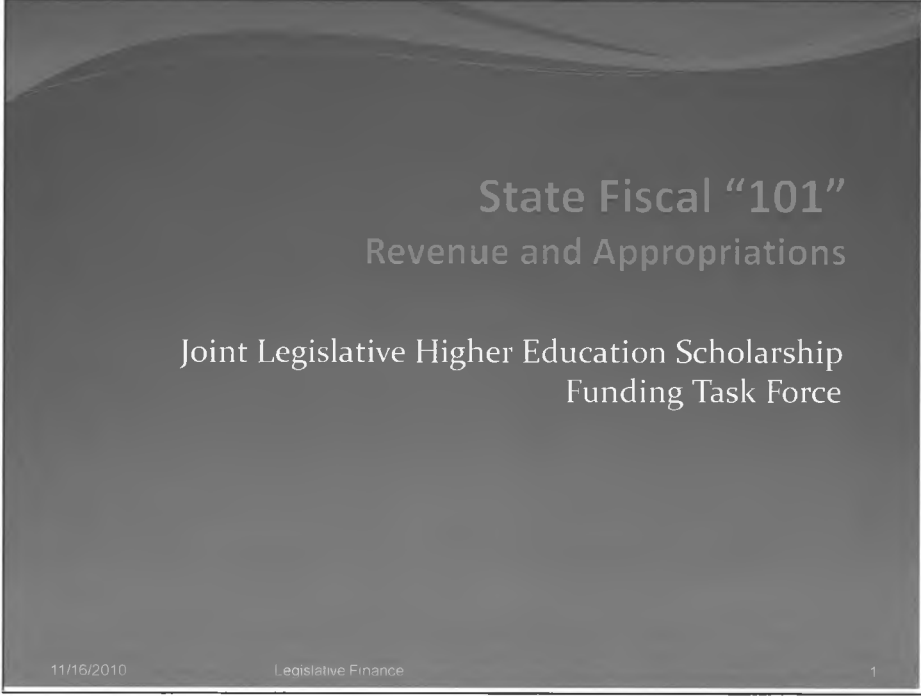
## Questions/Discussion

22

# Attachment 9

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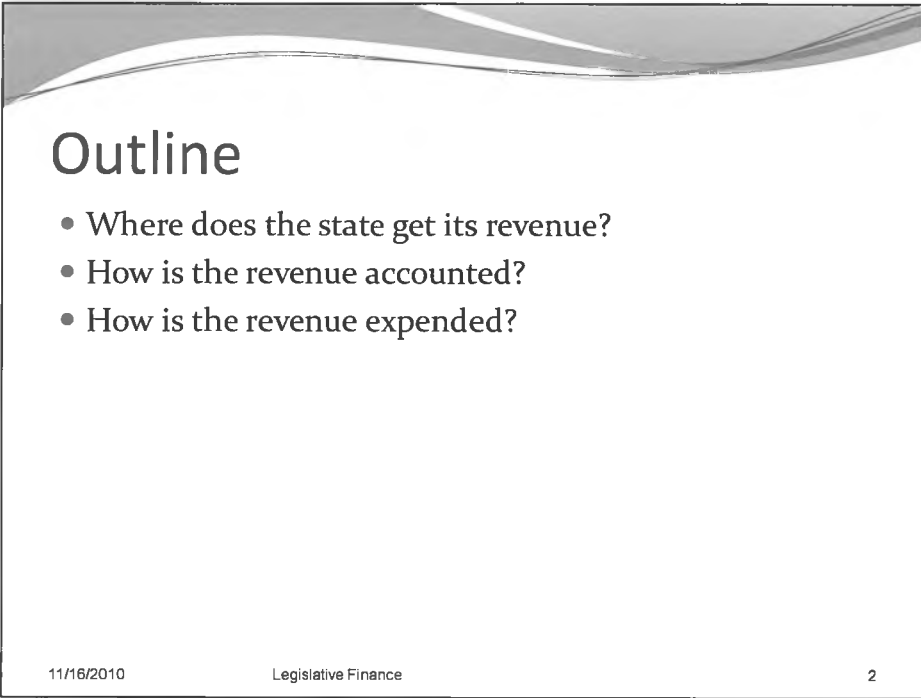
Legislative Finance *State Fiscal "101"* Presentation:



State Fiscal "101"  
Revenue and Appropriations

Joint Legislative Higher Education Scholarship  
Funding Task Force

11/16/2010 Legislative Finance 1



Outline

- Where does the state get its revenue?
- How is the revenue accounted?
- How is the revenue expended?

11/16/2010 Legislative Finance 2

# Attachment 9

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## Revenue Sources

- Oil
- Non-Oil (excluding Investment)
- Investment
- Federal

11/16/2010

Legislative Finance

3

## Oil Revenue

- Royalty
  - Leasing of state land and royalty payment as land owner
- Production Tax
  - Net profits tax on production
- Petroleum Property Tax
  - Property tax on oil and gas property in state
- O&G Corporate Income Tax
  - Income tax on oil and gas corporations

11/16/2010

Legislative Finance

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# Attachment 9

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## Non-Oil (excluding investment)

- Corporate Income Tax (non-oil companies)
- Excise Taxes
  - Tobacco, alcoholic beverages, motor fuel
- Licenses and Permits
  - Fishing Hunting, Motor Vehicle
- Charges for Services
  - Marine Highway, other program receipts

11/16/2010

Legislative Finance

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## Investment Income

- GF Earnings (relatively new)
- CBR
- Permanent Fund

11/16/2010

Legislative Finance

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# Attachment 9

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## How is revenue accounted?

- The primary operating fund of the state is the General Fund
  - The general fund has numerous sub-funds created by law
- Other fund types outside the general fund include (but not limited to):
  - Permanent Funds
  - Fiduciary Funds
  - Component Units

11/16/2010

Legislative Finance

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## Accounting ≠ Budgeting

Both accounting and budgeting are fiscal systems

- Accounting focuses on recording financial transactions
- Budgeting is more the enactment of a fiscal plan
  - Budget processes are dependent upon the accounting of past and current year expenditures and revenue
- Accounting follows generally accepted accounting practices (GASB)
- Budgeting does not follow a stringent set of rules

11/16/2010

Legislative Finance

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# Attachment 9

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## How is revenue expended?

- Legislature has the **Power of Appropriation**
  - No expenditure of state funds w/o an appropriation
- Legislature appropriates funds based on levels of discretion

11/16/2010

Legislative Finance

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## Levels of Discretion (Highest to Lowest)

Fund sources (revenues) grouped according to levels of discretion

- Unrestricted General Funds
- Designated General Funds
- Other State Funds
- Dedicated Funds

11/16/2010

Legislative Finance

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# Attachment 9

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## Dedicated

- Very little discretion how appropriated
- Article IX, Section 7 of the Constitution prohibits the dedication of revenue to any special purpose
  - Exceptions:
    - Article IX, Section 15 – Permanent Fund
    - Dedication prior to Statehood
    - Federal

11/16/2010

Legislative Finance

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## Other State Funds

- Little discretion how appropriated
- Although not dedicated, funding sources in the group typically are restricted in some fashion
  - Contractual obligation
    - Bonds
  - Held in trust
    - PERS, TRS, etc.
  - Court order
    - Mental Health Trust
  - Legal separation
    - Corporate receipts

11/16/2010

Legislative Finance

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# Attachment 9

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## Designated General Funds

- Designated General funds consist of fund sources that have been “designated” for a special purpose in statute
- Constitutional prohibition “trumps” statutory designation
- Therefore, Legislature has complete discretion on use of funding
- However, Legislature typically follows statutory “guidelines”

11/16/2010

Legislative Finance

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## Unrestricted General Funds

- Complete discretion how appropriated
- Typically referenced as a measure of state spending
- Utilized when calculating the Fiscal Surplus or Fiscal Gap
  - General Fund Revenue less General Fund Appropriations = Fiscal Surplus or (Gap)
- Approximately 90% of GF revenue is derived from Oil

11/16/2010

Legislative Finance

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# Attachment 9

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## The Question?

- The levels of discretion play a large role in budgeting and financing programs
- What level is best?
- Example's:
  - PCE – statutory endowment
  - Revenue Sharing – rolling type plan
  - Pay as you go – most state programs

Questions?

# Attachment 10

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## Endowment Structure

Example A: **\$400 Million Constitutional Fund**

Equivalent: Permanent Fund

Operation:

- \$400 deposited to capitalize constitutionally created fund
- Invested for long-term return
- Earnings (\$20 M/yr at assumed 5% ROI) accrue to account
- Excess earnings inflation-proof fund
- Account pays scholarships

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>• Highest potential for long-term programmatic sustainability</li> <li>• Principal is safe</li> <li>• Inflation proof</li> <li>• Earnings provide predictable pay-out funding stream</li> <li>• Earnings: Very safe from “raiding” if const. protected</li> </ul>	<ul style="list-style-type: none"> <li>• Necessity for large Initial investment</li> <li>• Necessity for constitutional amendment</li> <li>• Account is rare</li> <li>• Higher administrative cost?</li> <li>• Subject to market volatility</li> <li>• Questionable base for programmatic evolution</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• High profile focal point for State investment</li> <li>• Highest likelihood of attracting outside donations</li> </ul>	<ul style="list-style-type: none"> <li>• Pandora’s box and the Christmas tree effect</li> <li>• Earnings susceptible to “raiding” if not const. protected</li> <li>• Subject to market volatility</li> </ul>

# Attachment 11

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## Endowment Structure

Example B: **\$400 Million Statutory Fund (General Fund Sub-account)**

Equivalent: Power Cost Equalization Fund

Operation:

- \$400 deposited to capitalize fund
- Invested for long-term return
- Earnings (\$20 M/yr at assumed 5% ROI) accrue to account
- Excess earnings inflation-proof fund
- Account pays scholarships

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>• High potential for long-term programmatic sustainability</li> <li>• Tried mechanism</li> <li>• Principal offers strongest programmatic insurance policy of unprotected fund-types</li> <li>• Earnings provide predictable pay-out funding stream</li> </ul>	<ul style="list-style-type: none"> <li>• Necessity for large initial investment</li> <li>• Higher administrative cost?</li> <li>• Subject to market volatility</li> <li>• Questionable base for programmatic evolution</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• High profile focal point for State investment</li> <li>• Strong base for programmatic evolution</li> <li>• Likelihood of attracting outside donations</li> </ul>	<ul style="list-style-type: none"> <li>• Principal susceptible to “raiding”</li> <li>• Earnings susceptible to “raiding”</li> </ul>

# Attachment 12

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## “Rolling Fund” Structure

Example A: **Progressive Capitalization**

Equivalent: Community Revenue Sharing

Operation:

- Progressive fund capitalized up to \$160 million
- Interest bearing fund
- Principal and interest earnings pay for scholarships
- Yearly appropriations used to maintain value of fund corpus

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>• Low capitalization hurdle</li> <li>• Tried mechanism</li> <li>• Lower administrative cost than endowment</li> <li>• Greater pay-out stream predictability than Default</li> <li>• Principal acts as fixed-term programmatic insurance policy</li> </ul>	<ul style="list-style-type: none"> <li>• Susceptible to budget volatility</li> <li>• Susceptible to budgetary process</li> <li>• Less than predictable pay-out funding stream</li> <li>• Lower likelihood of attracting outside donations than Endowment</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• Responsive to programmatic evolution</li> <li>• Some likelihood of attracting outside donations</li> </ul>	<ul style="list-style-type: none"> <li>• Declining oil production/revenue</li> <li>• Declining federal spending</li> <li>• Increasing demand for services</li> <li>• Principal susceptible to “raiding”</li> <li>• Earnings susceptible to “raiding”</li> </ul>

# Attachment 13

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## “Rolling Fund” Structure

Example B: **Immediate Capitalization**

Equivalent: Community Revenue Sharing

Operation:

- Immediate fund capitalized up to \$200 million
- Interest bearing fund
- Principal and interest earnings pay for scholarships
- Yearly appropriations\* used to maintain value of fund corpus
  - \*Dividends, program receipts and other funds (AIDEA, AK Housing, ACPE) designated to Scholarship Fund

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>• Moderate capitalization hurdle</li> <li>• Tried mechanism</li> <li>• Identified fund replenishment stream</li> <li>• Lower administrative cost than Endowment</li> <li>• Greater pay-out stream predictability than Default</li> <li>• Principal acts as fixed-term programmatic insurance policy</li> </ul>	<ul style="list-style-type: none"> <li>• Necessity for substantial Initial investment</li> <li>• Susceptible to budget volatility</li> <li>• Susceptible to budgetary process</li> <li>• Less than predictable pay-out funding stream</li> <li>• Lower likelihood of attracting outside donations than Endowment</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• Responsive to programmatic evolution</li> <li>• Some likelihood of attracting outside donations</li> </ul>	<ul style="list-style-type: none"> <li>• Declining oil production/revenue</li> <li>• Declining federal spending</li> <li>• Increasing demand for services</li> <li>• Principal susceptible to “raiding”</li> <li>• Earnings susceptible to “raiding”</li> </ul>

# Attachment 14

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## Default Structure

Example: **Pay-As-You-Go**

Equivalent: Senate Bill 221

Operation: Yearly appropriation to support programmatic costs

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"><li>• Most routine funding mechanism</li><li>• No need for account creation</li><li>• Lowest administrative cost</li><li>• Yearly funding most directly matches yearly programmatic cost</li><li>• Leaves greatest level of budgetary flexibility</li></ul>	<ul style="list-style-type: none"><li>• Most susceptible to budget volatility</li><li>• Most susceptible to budgetary process</li><li>• Least predictable pay-out funding stream</li><li>• Lowest likelihood of attracting outside donations</li></ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"><li>• Most responsive to programmatic evolution</li></ul>	<ul style="list-style-type: none"><li>• Declining oil production/revenue</li><li>• Declining Federal spending</li><li>• Increasing demand for services</li></ul>

# Attachment 15

WORK DRAFT

WORK DRAFT

WORK DRAFT

27-LS0078M  
Mischel  
9/7/10

## HOUSE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY

Introduced:  
Referred:

## A BILL

### FOR AN ACT ENTITLED

1 "An Act relating to Alaska scholarship awards; and establishing the Alaska scholarship  
2 award income account and the Alaska scholarship fund."

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

4 \* Section 1. AS 14.43.825(f) is repealed and reenacted to read:

5 (f) Payment of a scholarship is subject to appropriation and the availability of  
6 funds for expenditure under AS 37.14.750. If insufficient funds are appropriated or  
7 available in a fiscal year to pay all eligible scholarships, the commission may not  
8 award a scholarship to a new applicant and the commission shall pay existing awards  
9 on a pro rata basis for that fiscal year.

10 \* Sec. 2. AS 14.43 is amended by adding a new section to read:

11 **Sec. 14.43.835. Alaska scholarship award income account.** The Alaska  
12 scholarship award income account is created as an account in the general fund. Money  
13 may be appropriated into the account from the Alaska scholarship fund under  
14 AS 37.14.750 and from other sources. The commission may use the money in the

-1-

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# Attachment 15

WORK DRAFT

WORK DRAFT

27-LS0078\M

1 account to pay scholarships awarded to students under AS 14.43.810 - 14.43.849. The  
2 amount determined under AS 37.14.750(c) each year and deposited into the account is  
3 the maximum amount that may be used to pay scholarships for the immediately  
4 succeeding fiscal year.

5 \* Sec. 3. AS 37.14 is amended by adding a new section to read:

6 **Article 8A. Alaska Scholarship Fund.**

7 **Sec. 37.14.750. Alaska scholarship fund established.** (a) The Alaska  
8 scholarship fund is established in the general fund for the purpose of making  
9 scholarship payments to qualified postsecondary institutions and students under  
10 AS 14.43.810 - 14.43.849. The fund consists of money appropriated to the fund.  
11 Income earned on money in the fund and donations to the fund may be appropriated to  
12 the Alaska scholarship income account established in AS 14.43.835. Money in the  
13 fund does not lapse.

14 (b) Each fiscal year, the legislature may appropriate to the Alaska scholarship  
15 fund an amount equal to 20 percent of the money received by the state during the  
16 previous calendar year under AS 43.55.011(g). The amount may not exceed the  
17 greater of

18 (1) \$40,000,000; or

19 (2) the amount that, when added to the fund balance on June 30 of the  
20 previous fiscal year, equals \$160,000,000.

21 (c) The balance in the Alaska scholarship fund shall be determined on June 30  
22 of each year. The department shall distribute one-third of that amount or \$40,000,000,  
23 whichever is less, for deposit into the account established in AS 14.43.835. If the fund  
24 balance is less than \$80,000,000 in a fiscal year, payments may be made only to  
25 satisfy obligations from previous fiscal years.

26 (d) Notwithstanding the limitation in (b) of this section, the legislature may  
27 appropriate any amount to the Alaska scholarship fund. Nothing in this section creates  
28 a dedicated fund.

29 (e) In this section, unless the context requires otherwise, "fund" means the  
30 Alaska scholarship fund established in (a) of this section.

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

# Attachment 15

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WORK DRAFT

WORK DRAFT

27-LS0078\M

1 read:

2           TRANSITION: ALASKA SCHOLARSHIP FUND BALANCE. Notwithstanding the  
3 \$40,000,000 limit in AS 37.14.750(b), the following amounts shall be substituted for that  
4 amount as follows for

5                   (1) fiscal year 2012, \$15,000,000;

6                   (2) fiscal year 2013, \$30,000,000.

# Attachment 16

WORK DRAFT

WORK DRAFT

WORK DRAFT

27-LS0078B  
Mischel  
9/8/10

## HOUSE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY

Introduced:  
Referred:

## A BILL

### FOR AN ACT ENTITLED

1 **"An Act relating to Alaska Advantage education grant funding and to Alaska scholarship**  
2 **funding; and establishing an account and fund for those purposes."**

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

4 **\* Section 1.** AS 14.43.410 is amended by adding a new subsection to read:

5 (c) Notwithstanding the provisions of this section, payment of a grant is  
6 subject to appropriation and the availability of funds for expenditure under  
7 AS 37.14.750. If insufficient funds are appropriated or available in a fiscal year to pay  
8 all eligible grants, the commission may not award a grant to a new applicant, and the  
9 commission shall pay existing awards on a pro rata basis for that fiscal year.

10 **\* Sec. 2.** AS 14.43.825(f) is repealed and reenacted to read:

11 (f) Payment of a scholarship is subject to appropriation and the availability of  
12 funds for expenditure under AS 37.14.750. If insufficient funds are appropriated or  
13 available in a fiscal year to pay all eligible scholarships, the commission may not  
14 award a scholarship to a new applicant, and the commission shall pay existing awards

-1-

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# Attachment 16

WORK DRAFT

WORK DRAFT

27-LS0078\B

1 on a pro rata basis for that fiscal year.

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

3 **Sec. 14.43.915. AlaskAdvantage education grant and Alaska scholarship**  
4 **award income account.** The AlaskAdvantage education grant and Alaska scholarship  
5 award income account is created as an account in the general fund. Money may be  
6 appropriated into the account from the AlaskAdvantage education grant and Alaska  
7 scholarship fund under AS 37.14.750 and from other sources. The commission may  
8 use the money in the account to pay grants awarded under AS 14.43.400 - 14.43.420  
9 and scholarships awarded to students under AS 14.43.810 - 14.43.849. The amount  
10 determined under AS 37.14.750(c) each year and deposited into the account is the  
11 maximum amount that may be used to pay scholarships for the immediately  
12 succeeding fiscal year.

13 \* **Sec. 4.** AS 37.14 is amended by adding a new section to read:

14 **Article 8A. AlaskAdvantage Education Grant and Alaska Scholarship Fund.**

15 **Sec. 37.14.750. AlaskAdvantage education grant and Alaska scholarship**  
16 **fund established.** (a) The AlaskAdvantage education grant and Alaska scholarship  
17 fund is established in the general fund for the purpose of making grant payments under  
18 AS 14.43.400 - 14.43.420 and scholarship payments to qualified postsecondary  
19 institutions and students under AS 14.43.810 - 14.43.849. The fund consists of money  
20 appropriated to the fund. Income earned on money in the fund and donations to the  
21 fund may be appropriated to the AlaskAdvantage education grant and Alaska  
22 scholarship award income account established in AS 14.43.915. Money in the fund  
23 does not lapse.

24 (b) Each fiscal year, the legislature may appropriate to the AlaskAdvantage  
25 education grant and Alaska scholarship fund an amount equal to 20 percent of the  
26 money received by the state during the previous calendar year under AS 43.55.011(g).

27 The amount may not exceed the greater of

28 (1) \$40,000,000; or

29 (2) the amount that, when added to the fund balance on June 30 of the  
30 previous fiscal year, equals \$160,000,000.

31 (c) The balance in the AlaskAdvantage education grant and Alaska

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# Attachment 16

WORK DRAFT

WORK DRAFT

27-LS0078VB

1 scholarship fund shall be determined on June 30 of each year. The department shall  
2 distribute one-third of that amount or \$40,000,000, whichever is less, for deposit into  
3 the account established in AS 14.43.915. If the fund balance is less than \$80,000,000  
4 in a fiscal year, payments may be made only to satisfy obligations from previous fiscal  
5 years.

6 (d) Notwithstanding the limitation in (b) of this section, the legislature may  
7 appropriate any amount to the AlaskAdvantage education grant and Alaska  
8 scholarship fund. Nothing in this section creates a dedicated fund.

9 (e) In this section, unless the context requires otherwise, "fund" means the  
10 AlaskAdvantage education grant and Alaska scholarship fund established in (a) of this  
11 section.

12 \* Sec. 5. The uncodified law of the State of Alaska is amended by adding a new section to  
13 read:

14 TRANSITION: ALASKADVANTAGE EDUCATION GRANT AND ALASKA  
15 SCHOLARSHIP FUND BALANCE. Notwithstanding the \$40,000,000 limit in  
16 AS 37.14.750(b), the following amounts shall be substituted for that amount as follows for

17 (1) fiscal year 2012, \$15,000,000;

18 (2) fiscal year 2013, \$30,000,000.

-3-

New Text Underlined [DELETED TEXT BRACKETED]

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# Attachment 17

## SENATE EDUCATION COMMITTEE

### CO-CHAIRMEN:

SENATOR KEVIN MEYER

SENATOR JOE THOMAS



### MEMBERS:

SENATOR BETTYE DAVIS

SENATOR CHARLIE HUGGINS

SENATOR DONALD OLSON

SENATOR GARY STEVENS

### Letter of Intent for Senate Bill 224

*An Act establishing the Alaska Student Achievement Program...*

It is the intent of the legislature to establish a scholarship program with the following goals:

- (1) improving preparedness of Alaska students for postsecondary education;
- (2) improving the postsecondary academic achievement;
- (3) improving the postsecondary graduation rates of students in the state;
- (4) providing a rigorous curriculum in all high schools in the state;
- (5) improving the quality of the educational programs offered by high schools in the state;
- (6) improving academic performance of students in grades kindergarten through 12 in the state;
- (7) increasing high school graduation rates in the state;
- (8) increasing the scores of high school students in the state on college entrance examinations;
- (9) expanding the pool of high school students in the state who pursue postsecondary opportunities;
- (10) increasing participation of Alaska high school graduates in Alaska postsecondary institutions; and
- (11) increasing job training opportunities in the state

Jomo Stewart, Committee Aide  
(907) 465-6674

Senate\_Education@legis.state.ak.us

Murray Richmond, Committee Aide  
(907) 465-6443

# Attachment 18

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February 21, 2010 The Chronicle of Higher Education

## Need That Class, Desperately? The Course Concierge Will See You Now



*Jean Dixon, University of Nevada*

Paul Neill, whom students think of as the "course concierge" at the U. of Nevada at Reno, can cut red tape that might be beyond advisers' reach.

*By Eric Hoover*

Paul Neill's title is director of the core curriculum at the University of Nevada at Reno, but students there know him as the "course concierge." He's the one they contact when they can't get into a class they need.

A few years ago, officials at the university decided that they had to do more to reduce the hassles of registering for courses. They imagined a kind of registration czar, someone who could communicate well with faculty members but who had the authority of an administrator. Mr. Neill, a faculty member who works in the provost's office, fit the bill.

Soon Nevada was promoting Mr. Neill as the course concierge, the man advisers and students could turn to when stuck. Each semester, he helps 50 to 60 students solve their scheduling problems, working one on one with those who need a particular course to graduate, or who have trouble getting into classes they must take in a sequence. Often he creates a spot in a class that's full, or steers students to suitable alternatives.

"In the past, it was often left up to the student and the professor to see who could get in where," Mr. Neill says. "It was very informal."

# Attachment 18

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Even in times of plenty, students often learn a tough lesson when they register for courses: You can't always get what you want. In this era of budget cuts, however, students on some campuses have scrambled to get not only the courses they would like but also those they need for their majors and to satisfy core requirements.

As colleges pack more students into fewer courses, the scheduling puzzle has become more challenging for administrators, instructors, and students alike. Institutions are using a variety of strategies to alleviate the course crunch, and often that begins with improving the registration process.

Nevada's president, Milton D. Glick, proposed the course-concierge program as a way to improve timely progression toward degrees at the university, which has about 13,000 undergraduates. Over the years he has learned that even small scheduling snags can discourage students, delay their progress, and make them more likely to transfer or drop out.

After he arrived, in 2006, Mr. Glick developed a plan to improve Nevada's retention and graduation rates. He pledged publicly that students would get the courses they needed to graduate on time. To that end, his course-concierge program provides a backstop for the university's academic advisers.

Mr. Neill is not a replacement for advisers, who continue to meet with students and help them select courses. But they sometimes encounter dilemmas that they can't handle on their own. "They don't always have the ability to cut through red tape, to get through to the department, to get something done," Mr. Glick says. "Paul can get a phone call through."

## **'A Relief Valve'**

When Natica Rudavsky contacted Mr. Neill this winter, she was frantic. Ms. Rudavsky, a transfer student who has a bachelor's degree from another university, wanted to pursue a second degree, in nutrition, at Nevada, but she was confused about which core requirements would apply to her. Would the university waive that required mathematics course?

By the time she and her adviser had sorted that out, it was late in the registration cycle, and all the courses she needed were full. Mr. Neill evaluated her record, then discussed her options with her. Ultimately, he found Ms. Rudavsky a spot in three of the four courses she sought. "If he hadn't helped," Ms. Rudavsky says, "I probably would have just waited until the next semester to enroll."

# Attachment 18

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The course concierge doesn't cater to whims. A student who just wants to avoid that 8 a.m. class would not get help from Mr. Neill. The same might go for a senior who had never bothered to register for a required course that he had every opportunity to take.

The service does cater to those who truly have a need, or are simply stuck or confused. "We've taken some of the burden off the shoulders of advisers," he says. "It's a relief valve."

The course concierge has also helped the university plan more effectively during a difficult time. For the current fiscal year, the state cut the university's budget by \$33-million, or 15 percent. Last semester, Nevada offered 96 fewer course sections than it did in the fall of 2008, a 6-percent reduction.

Recently, Mr. Neill's work with students helped him identify scheduling conflicts that made it difficult for them to register for the right courses. For instance, freshmen and sophomores taking biology or chemistry courses are supposed to enroll simultaneously in Math 127. Yet Mr. Neill realized that that math lecture overlapped with several of the laboratory sections.

He discussed the issue with the three departments, which adjusted their schedules accordingly. "The departments probably would have become aware of this," he says, "but the concierge service helped them understand it quickly."

## **Better Communication**

Elsewhere, administrators have looked for ways to make small but meaningful changes in the registration process. This fall the University of California at Santa Barbara, which has seen substantial budget cuts and an enrollment surge, created an online waiting list for courses. The system formalized the process of determining who gets a spot, allowing advisers to better evaluate students' needs and communicate with them more effectively.

"It was a huge help," says Mary Nisbet, acting dean of undergraduate education. "Now faculty aren't getting hundreds of e-mails, and students know there is somewhere to go where advisers will get back to them."

This past fall, the university reduced the number of credits students could sign up for during the second round of registration. As a result, juniors and seniors, who have priority, can snag a total of four classes, instead of five, at that time.

# Attachment 18

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In the past, many students eventually dropped their fifth course anyway. The new policy has encouraged older students to focus on getting the courses they really need, and the change recently freed up at least 1,500 class spots for other students, Ms. Nisbet says.

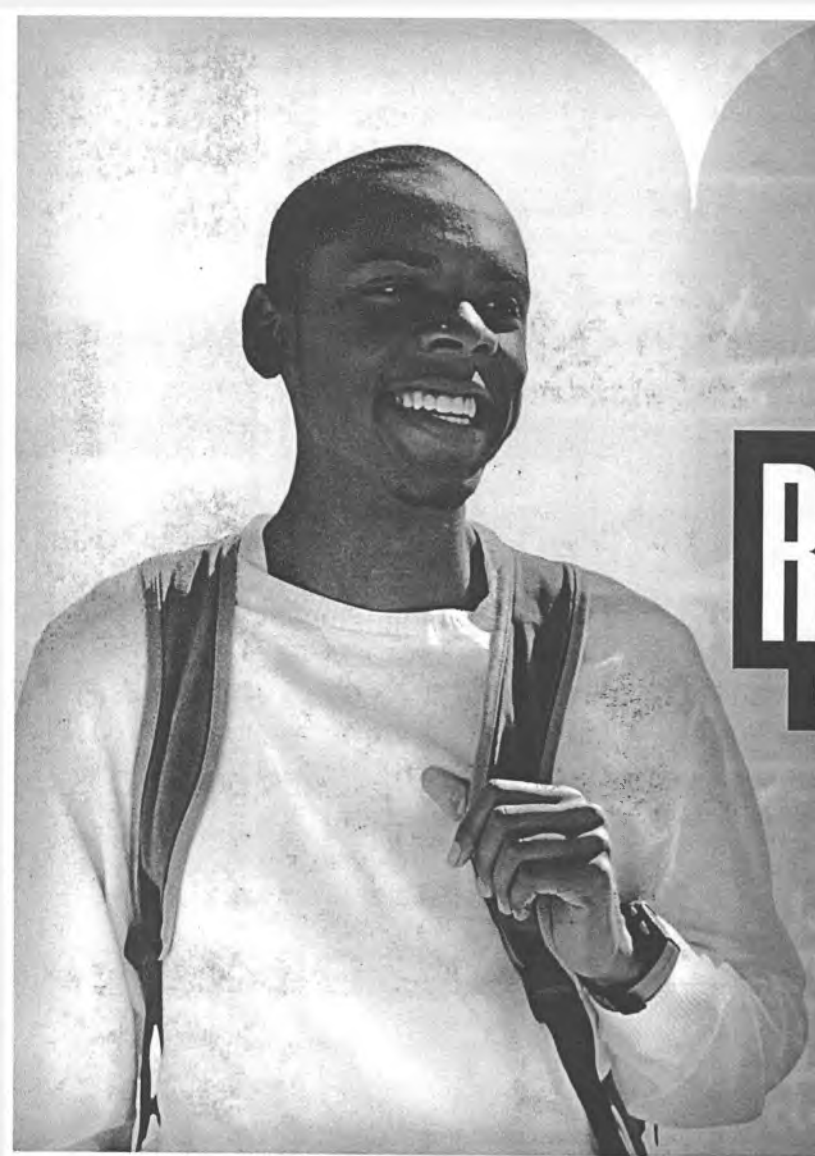
For the first time, the university is offering schedule-planning workshops, in which students learn how to prioritize. "We're trying to help students weather a storm," she says.

Many institutions have turned to sophisticated data analysis to better anticipate course demand. At the University of California at Berkeley, Catherine P. Koshland helps lead a task force that will determine which courses students will need—and how many—in the coming years.

To do that, Ms. Koshland and her colleagues have begun to examine a decade's worth of enrollment data, which help them predict how many freshmen will need to take a specific math sequence, for instance, or how many sections of pre-med physics courses the university will need.

"We can bring some rationality to the offerings, rather than having departments guesstimate," says Ms. Koshland, vice provost for teaching, learning, academic planning, and facilities. "We're bringing more and more discipline to something that could grow organically before, when there was elasticity in the system. There's no elasticity now."

*(Head Count explores the changing enrollment landscape. Please send ideas to [eric.hoover@chronicle.com](mailto:eric.hoover@chronicle.com))*



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\*Administered by the Alaska Commission on Postsecondary Education, the APS is a program of the State of Alaska and subject to annual approval of funding

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