

CS FOR SENATE BILL NO. 33(EDC)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE EDUCATION COMMITTEE

Offered: 2/23/09

Referred: Finance

Sponsor(s): SENATORS ELLIS, Paskvan, Thomas, McGuire, Stevens

A BILL

FOR AN ACT ENTITLED

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

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

4 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 LEGISLATIVE INTENT. It is the intent of the legislature to

7 (1) reward eligible students who are admitted to a qualifying postsecondary
8 institution located in the state;

9 (2) recognize that existing scholarship programs in the state do not provide the
10 funding needed to support all students who are in financial need;

11 (3) establish the Alaska achievers' incentive scholarship program to provide an
12 additional source of financial assistance to defray the costs of attending a qualifying
13 postsecondary institution for academically successful students who also demonstrate financial
14 need and who wish to seek further education.

1 * **Sec. 2.** AS 14.43 is amended by adding new sections to read:

2 **Article 6A. Alaska Achievers' Incentive Scholarship Program.**

3 **Sec. 14.43.190. Alaska achievers' incentive scholarship program; creation.**

4 (a) There is created the Alaska achievers' incentive scholarship program to be
5 administered by the commission for the benefit of eligible students who have been
6 admitted to a qualifying postsecondary institution. A scholarship awarded under
7 AS 14.43.190 - 14.43.199 may be used to defray the costs of attending a qualifying
8 postsecondary institution.

9 (b) The amount of a scholarship shall be not less than \$1,000, determined
10 annually by dividing the amount identified under AS 14.43.195(c) by the number of
11 eligible applicants for the year. The commission may not award a scholarship to an
12 eligible applicant for more than five years or for more than a cumulative amount of
13 \$20,000.

14 (c) If the amount of money appropriated by the legislature for scholarships
15 under this section is insufficient to award scholarships of at least \$1,000 to all
16 applicants eligible under (b) of this section, the commission shall give priority to
17 awards for applicants who demonstrate the greatest amount of unmet financial need.

18 (d) The commission shall adopt regulations to administer the program.

19 **Sec. 14.43.193. Eligibility.** A person may apply on a form provided by the
20 commission for a scholarship award under AS 14.43.190. The commission shall
21 approve an applicant under this section if the applicant is a resident of the state who

22 (1) demonstrates financial need on a Free Application for Federal
23 Student Aid (20 U.S.C. 1090);

24 (2) demonstrates academic merit by submitting acceptable proof that
25 the student has achieved a cumulative grade point average of 2.5 or higher on a scale
26 of 4.0, or the equivalent at the school in which the applicant is currently enrolled;

27 (3) has an unmet financial need that is not less than \$4,000;

28 (4) is a

29 (A) student who has been accepted to a degree or certificate
30 program at a qualifying postsecondary institution; or

31 (B) continuing postsecondary student who is attending a

1 qualifying postsecondary institution for not less than half time and who is
2 making satisfactory progress toward completion of a degree or certificate
3 program.

4 **Sec. 14.43.195. Alaska achievers' scholarship fund.** (a) The Alaska
5 achievers' scholarship fund is established as a separate endowment fund of the state.
6 The fund consists of

- 7 (1) appropriations to the fund;
- 8 (2) donations to the fund; and
- 9 (3) income earned on investments of fund assets.

10 (b) The commissioner of revenue shall manage the fund as an endowment,
11 with the goal that the purchasing power of the fund will not diminish over time
12 without regard to additional contributions that may be made to the fund. The
13 commissioner shall invest the assets of the fund in a manner likely to yield at least a
14 five percent annual real rate of return over time. In carrying out the investment duties
15 under this section, the commissioner of revenue has the powers and duties set out in
16 AS 37.10.071. The commissioner shall provide reports to the commission on the
17 condition and investment performance of the fund.

18 (c) As soon as practicable after May 1 of each year, the commissioner of
19 revenue shall determine the average month-end market value of the fund for the
20 immediately preceding three fiscal years. The commissioner shall identify five percent
21 of that amount as available for appropriation by the legislature for scholarships under
22 AS 14.43.190 for the following fiscal year.

23 (d) Money in the fund may be appropriated for scholarships under
24 AS 14.43.190, for the cost of administering the Alaska achievers' scholarship program,
25 or for any other public purpose. Nothing in this section creates a dedicated fund.

26 **Sec. 14.43.199. Definitions.** In AS 14.43.190 - 14.43.197,

- 27 (1) "commission" means the Alaska Commission on Postsecondary
28 Education;
- 29 (2) "qualifying postsecondary institution" means a postsecondary
30 school located in the state that is accredited by a national or regional accrediting body
31 recognized by the Council for Higher Education Accreditation or by the United States

1 Department of Education;

2 (3) "unmet financial need" means the amount of need demonstrated
3 under federal standards for determining financial need under 20 U.S.C. 1070c-2, as
4 amended.

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

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

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

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

17 (3) as soon as practicable after May 1, 2010, the commissioner shall determine
18 the average month-end market value of the fund for the preceding fiscal year and identify five
19 percent of that amount as the amount available for the following fiscal year.