

Fund Source Report

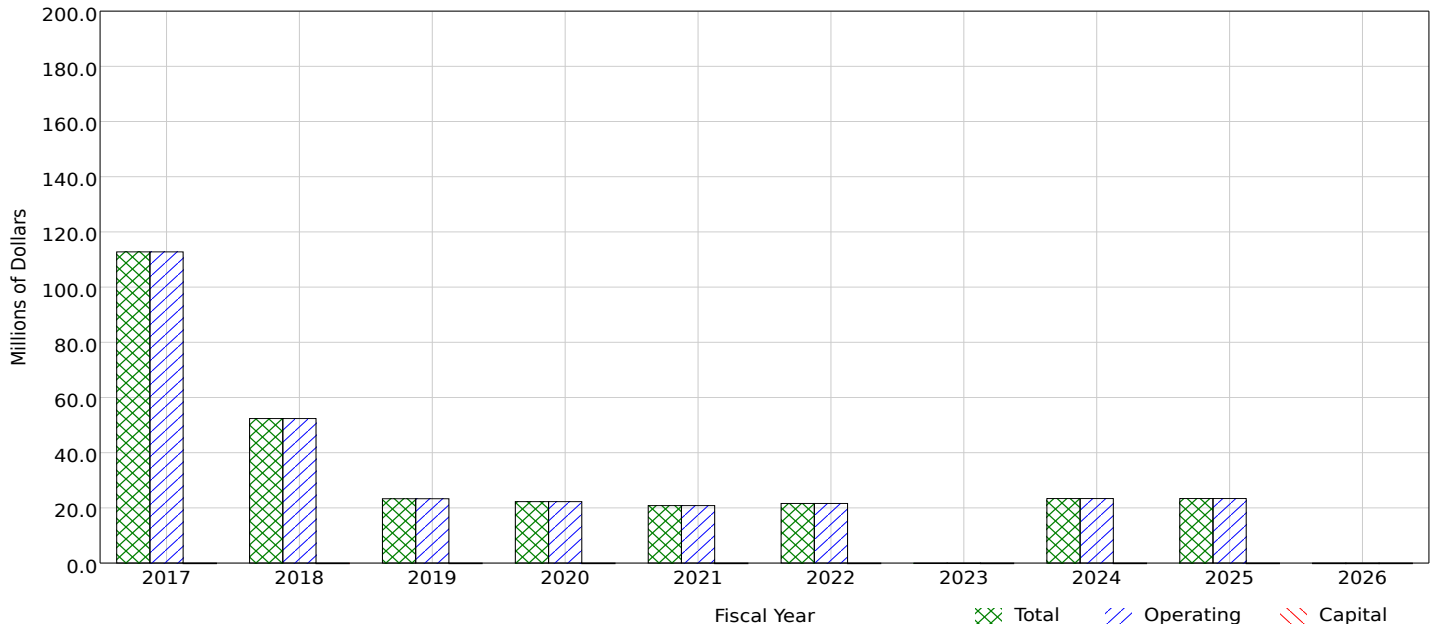
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High Ed

Alaska Higher Education Investment Fund

Year Authorized FY13	Year Repealed	Active? Yes	Mental Health? No	Duplicated? No	Fund Group Designated General
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Operating and Capital Appropriations



Legal Authority

AS 37.14.750 (fund)
AS 14.43 (program)

Source of Revenue

The fund consists of money appropriated to the fund: investment income; donations; and surplus amounts available for awards under AS 14.43.

Restrictions on Use

Seven percent of the prior year-end market value of the fund is available for appropriation to the grant account (one-third of the amount available) and to the scholarship account (two-thirds of the amount available). The Alaska Commission on Postsecondary Education may award grants and scholarships from the respective accounts, and money not awarded is returned to the fund.

Description and History

May 2013

\$400 million was deposited into the Alaska Housing Capital Corporation (AHCC) savings account in FY12, with appropriation from the AHCC to this fund contingent on adoption of a bill establishing a fund for education grants/scholarships. When this fund was not established in FY12, general funds were used for grants (\$2.8 million) and scholarships (\$3.0 million).

Chapter 74, SLA 2012 established a grant/scholarship program and this fund, which triggered the appropriation of \$400 million from the AHCC to this fund. FY13 grants were funded with \$3 million from the general fund and \$1 million from this fund. Scholarships were funded with \$3.1 million from ACHH and \$4.9 million from this fund.

Beginning in FY14, all funding for grants and scholarships is expected to come from this fund.

AS 14.43.820 outlines scholarship eligibility requirements; AS14.43.825 provides a sliding award scale based on GPA and test scores; and .830 limits attendance to Alaska postsecondary institutions. Grants funded from this fund follow the rules established in AS 14.43.400-.420.

July 2023 Update

This fund was deemed non-sweepable from its inception until 2019. The Supreme Court in 2022 ruled that the fund was indeed subject to the sweep. In FY21, the \$394.6 million balance of the fund (after setting aside \$21.8 million to pay for FY22 appropriations from the fund) was swept to the Constitutional Budget Reserve.

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In FY22, the legislature passed Ch. 15 SLA 22 (HB 322), which established the fund outside the General Fund. The 2022 Supreme Court ruling originally had a footnote that confirmed that this change made the fund nonsweepable, but the Department of Law successfully convinced the Court to remove the footnote because that question has not been litigated. The legislature reconstituted the fund in the FY22 supplemental budget and the fund was not swept in the FY22 sweep after passage of the bill.

HB 322 also established the WWAMI Medical Education Program as a statutorily allowable use of the fund. The legislature had been funding WWAMI from the Higher Education Fund since FY16, but until the passage of HB 322 this was a non-designated use of the fund. The legislature also used the fund for other non-designated uses from FY16 through FY21. As of FY24, the fund is no longer being used for any non-designated purposes.

Since FY22, the budget has appropriated the proceeds of repayment of WWAMI loans back to the Higher Education Fund each year.