

State of Alaska FY2008 Governor's Operating Budget

Department of Education and Early Development Program Administration & Operations Component Budget Summary

Component: Program Administration & Operations

Contribution to Department's Mission

ACPE's mission is to promote, support, and provide access to postsecondary education in Alaska and for Alaskans.

Core Services

The Alaska Commission on Postsecondary Education (ACPE/Commission) was created and has been charged by the Alaska Legislature to carry out its mission:

ACPE carries out this mission by delivering core services to:

- Provide financial aid for postsecondary education and training
- Promote postsecondary education participation in Alaska
- Protect consumers through institutional authorization and consumer complaint investigation

Under agreement with the Alaska Student Loan Corporation (ASLC or Corporation), the Commission has developed and delivers the AlaskAdvantage® Programs and Services and administers certain other occupational area-specific education loan programs.

AlaskAdvantage® programs and services include outreach and early awareness programs intended to increase Alaskans' awareness of the importance of academic preparation and financial planning to insure both access and success in postsecondary education. ACPE activities aim to make state residents better aware postsecondary education is vitally important and possible for all Alaskans--regardless of their economic or social status. One key agency goal is to provide Alaskans with the tools and information to make sound postsecondary education/training investments and decisions by delivering an electronic resource of education/training/labor information. This resource for all Alaskans expands ACPE's communication to not only students but also to parents, families, policymakers, professional colleagues, communities, and co-workers.

ACPE also monitors postsecondary educational opportunities both in and outside Alaska and provides Alaskan education consumers with information on these opportunities on a regular basis. Except for certain exempt institutions, ACPE is the regulatory agency for postsecondary schools operating in the state. The Commission emphasizes quality in postsecondary education and training to ensure value for Alaskans in their pursuit of lifelong learning. This emphasis is essential to provide education consumer protection in Alaska.

Core Services Detail

This RDU administers and services the following state/federal financial aid programs:

1. AlaskAdvantage® Education Grants;
2. AlaskAdvantage® Federal Education Loans;
3. AlaskAdvantage® Supplemental Education Loans (ASEL);
4. Pre-2002 Alaska Student Loans (ASL);
5. Alternative Consolidation Loans;
6. Teacher Education Loans (TEL);
7. Family Education Loans (FEL);
8. WWAMI Medical Education Loans;
9. WICHE Professional Student Exchange Program Loans;
10. Western Undergraduate Exchange (WUE);
11. Western Regional Graduate Program (WRGP).
12. Alaska's GEAR UP Scholarship; and
13. Miscellaneous state memorial education loan programs created for special purposes or target populations.

Servicing operations/administrative duties encompass:

- Processing education grant applications and disbursing and administering grant funds;
- Producing, disseminating and reviewing initial applications and awarding loans;
- Disbursing loan funds to approved institutions in the U.S. and abroad;
- Monitoring loans during the enrolled and grace periods; entering borrowers into repayment;
- Processing deferments and forgiveness of loan payments, where warranted; processing payment, adjustment and balance correction transactions;
- Performing administrative collections action and;
- Acting as a one-stop resource for postsecondary education planning and financing services for all Alaskans;
- Identifying at risk students in elementary and secondary education and providing them (and their families) with targeted information about the importance of postsecondary education and, subsequently, providing ongoing related information and assistance in accessing postsecondary programs;
- Advertising educational exchange opportunities to Alaskan residents;
- Certifying Alaskan residents as eligible for participation under the various WICHE student exchange programs;
- Representing Alaskan issues and concerns to the western member states; and
- Assisting in the development of new programs which serve to expand postsecondary opportunities for Alaskans.

Core Services Objectives

- Award and disburse grants
- Issue loans
- Insure quality servicing of education loans
- Insure the quality of the loan portfolio through effective collections and enhanced revenues
- Maintain high service standards for loan borrowers through informed use of technology
- Maintain quality internal operations through accountability and quality control
- Administer other financial aid programs that benefit Alaska postsecondary education consumers
- Insure adequate funds are available to meet loan demand

Major Activities to Advance Strategies	
<ul style="list-style-type: none"> • Relocate AlaskAdvantage Success Center to deliver outreach services in a locale frequented by target populations • Staff appropriate public events/venues • College planning materials distributed to all Alaskan students and parents. • College promotion activities for at risk youth • Partner with all stakeholder groups • Promote federally guaranteed loans using borrower incentives • Provide flexible repayment options 	<ul style="list-style-type: none"> • Take proactive debt counseling action • Provide credit counseling resources • Provide convenient payment services (i.e. electronic, web, paper check, etc.) • Upgrade technological-delivered borrower services • Provide training for school staff • Provide site reviews of school compliance processes • Collaborate with other agencies (Occupational Licensing, AWIB) to optimize value of information disseminated to schools and the public

FY2008 Resources Allocated to Achieve Results									
FY2008 Component Budget: \$12,811,900	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">Personnel:</td> </tr> <tr> <td style="padding-left: 20px;">Full time</td> <td style="text-align: right;">104</td> </tr> <tr> <td style="padding-left: 20px;">Part time</td> <td style="text-align: right;">0</td> </tr> <tr> <td style="padding-left: 20px;">Total</td> <td style="text-align: right; border-top: 1px solid black;">104</td> </tr> </table>	Personnel:		Full time	104	Part time	0	Total	104
Personnel:									
Full time	104								
Part time	0								
Total	104								

Key Component Challenges

- Continue to effectively deliver the AlaskAdvantage® Education Grant Program with the program objectives of increasing access for lower-income residents, assist in addressing key worker shortage areas, and incent

secondary students to take rigorous high school curriculum;

- Continue to increase AlaskAdvantage® Federal Family Education Loan Program (FFELP) volume;
- Continue to administer and provide policy direction for the ACPE programs, achieving efficiencies and delivering value-added service to Alaskans through improved management, processes, and technology;
- To review and oversee postsecondary programs and institutions operating in the state, with the exception of the University of Alaska system, emphasizing quality in postsecondary education and training to ensure value for Alaskans in their pursuit of lifelong learning;
- Continue to provide Alaskans with information about: the benefits of higher education, the educational opportunities in Alaska, and financial aid programs available to assist in accessing those opportunities;
- Maintain loan portfolio quality through effective collections and enhanced revenues;
- Continue improving service to loan borrowers through informed use of technology; and
- Continue quality internal operations through increased accountability and quality control.

Significant Changes in Results to be Delivered in FY2008

- Increase anytime, anywhere assistance to student borrowers;
- Increase on-site assistance and student financial aid technology support for participating institutions;
- Continue to expand early awareness and outreach services to Alaska families for distribution of academic preparation and education financing information;
- Enhance technological tools to increase loan collection efficiency and effectiveness with no increase in staffing; and
- Enhance electronic desktop tools for ACPE staff to insure accurate and consistent customer service levels.

Major Component Accomplishments in 2006

- Designed and implemented the AlaskAdvantage® Education Grant Program for low-income residents to attend postsecondary programs in Alaska, awarding \$620,000 in grants to needy Alaskans;
- Provided substantial borrower cost savings through consolidation loans' lower interest rates. Approved over \$33 million in consolidation loans in FY2006;
- Retained position as #1 federal education loan provider in the state of Alaska, providing Alaskan students with the lowest cost loans in the nation, at below-market rates ranging from 1.55% to 5.8%;
- Maintained strong borrower benefit package, providing incentives and rewards to borrowers who attend school or reside in Alaska or who demonstrate certain positive repayment practices;
- Completed Phase II of the Alaska Student Loan Corporation's three-part initiative to return original contributed capital back to the State. For FY2006, that constituted a return of \$85 million for State use in paying for capital projects and other permitted, and \$160 million return to date;
- Ended FY2006 with sufficient net income to approve an FY2008 dividend to the State of \$1.2 million, bringing the total dividends returned to the State since FY2001 to \$28.2 million;
- In FY2006, over 9,050 borrowers received loans totaling approximately \$75.5 million;
- Continued to provide full education loan servicing for over 160,000 loans with a total loan portfolio of approximately \$614 million;
- Enabled participation of 1,613 Alaskan undergraduate students in the WICHE Western Undergraduate Exchange program, saving those students and their families approximately \$9.6 million in tuition costs;
- Enabled enrollment of 432 undergraduate students from other states at the University of Alaska in the Western Undergraduate Exchange program; and

Statutory and Regulatory Authority

AS 14.42.010-055
 AS 14.48.010-210
 AS 14.42.011-055

AS 14.43.910-990
AS 14.43.091-175
AS 14.42.100-990
AS 14.43.250-325
AS 14.43.510
AS 14.43.600-990
AS 14.44.010-060
20 AAC 16.010-090

Contact Information
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**Program Administration & Operations
Component Financial Summary**

All dollars shown in thousands

	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	7,241.4	7,822.9	8,923.0
72000 Travel	128.7	117.7	117.7
73000 Services	3,155.9	3,319.0	3,323.0
74000 Commodities	91.1	86.8	86.8
75000 Capital Outlay	625.2	21.4	21.4
77000 Grants, Benefits	0.0	490.0	340.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	11,242.3	11,857.8	12,811.9
Funding Sources:			
1002 Federal Receipts	127.0	140.0	140.0
1007 Inter-Agency Receipts	498.2	350.0	0.0
1092 Mental Health Trust Authority Authorized Receipts	0.0	0.0	200.0
1106 Alaska Post-Secondary Education Commission Receipts	10,525.5	11,267.8	12,371.9
1108 Statutory Designated Program Receipts	91.6	100.0	100.0
Funding Totals	11,242.3	11,857.8	12,811.9

Estimated Revenue Collections

Description	Master Revenue Account	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	127.0	140.0	140.0
Interagency Receipts	51015	498.2	350.0	0.0
Statutory Designated Program Receipts	51063	91.6	100.0	100.0
Mental Health Trust Authority Auth.Rec.	51410	0.0	0.0	200.0
AK Post-Sec. Education Comm. Receipts	55520	10,525.5	11,267.8	12,371.9
Restricted Total		11,242.3	11,857.8	12,811.9
Total Estimated Revenues		11,242.3	11,857.8	12,811.9

**Summary of Component Budget Changes
From FY2007 Management Plan to FY2008 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2007 Management Plan	0.0	140.0	11,717.8	11,857.8
Adjustments which will continue current level of service:				
-FY 08 Health Insurance Increases for Exempt Employees	0.0	0.0	19.1	19.1
Proposed budget decreases:				
-Reduce Excess I/A Receipt Authorization	0.0	0.0	-350.0	-350.0
Proposed budget increases:				
-WICHE Dues Increment	0.0	0.0	4.0	4.0
-Alaska Mental Health Trust Authority Loan Forgiveness Program	0.0	0.0	200.0	200.0
-FY 08 Retirement Systems Rate Increases	0.0	0.0	1,081.0	1,081.0
FY2008 Governor	0.0	140.0	12,671.9	12,811.9

Program Administration & Operations Personal Services Information				
Authorized Positions			Personal Services Costs	
	FY2007 Management Plan	FY2008 Governor		
Full-time	104	104	Annual Salaries	5,366,842
Part-time	0	0	Premium Pay	3,386
Nonpermanent	0	0	Annual Benefits	4,005,478
			Less 4.83% Vacancy Factor	(452,706)
			Lump Sum Premium Pay	0
Totals	104	104	Total Personal Services	8,923,000

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant	0	0	5	0	5
Accounting Technician	0	0	2	0	2
Accounting Technician (Acpe)	0	0	3	0	3
Admin Support Specialist	0	0	4	0	4
Administrative Assistant	1	0	2	0	3
Administrative Coordinator	0	0	1	0	1
Administrative Manager	0	0	1	0	1
Administrative Officer	0	0	4	0	4
Business Lead/Analyst II	0	0	2	0	2
Business Lead/Analyst III	0	0	2	0	2
Chief Financial Officer	0	0	1	0	1
Collections Trainer/Specialist	0	0	1	0	1
Compliance Auditor	1	0	0	0	1
Customer Service Clerk II	0	0	1	0	1
Customer Service Spec II	0	0	18	0	18
Customer Service Spec III	2	0	6	0	8
Customer Service Supervisor	0	0	1	0	1
Director/Iss	1	0	1	0	2
Documents Processor	0	0	3	0	3
Due Diligence Supervisor	0	0	2	0	2
Executive Director	0	0	1	0	1
Executive Secretary III	0	0	1	0	1
Internal Auditor	0	0	1	0	1
Loan Servicing Technician I	0	0	3	0	3
Loan Specialist	0	0	12	0	12
Micro/Network Tech II	0	0	1	0	1
Network Systems Specialist	0	0	1	0	1
Outreach Administrator	1	0	0	0	1
Policy Analyst	0	0	1	0	1
Procedures & Training Spec	0	0	2	0	2
Program Coordinator	4	0	1	0	5
Program Manager	1	0	0	0	1
Programmer/Analyst	7	0	0	0	7
Project Assistant	0	0	1	0	1
Publications Specialist	1	0	0	0	1
Totals	19	0	85	0	104