

State of Alaska FY2008 Governor's Operating Budget

Department of Education and Early Development Alaska Postsecondary Education Commission Results Delivery Unit Budget Summary

Alaska Postsecondary Education Commission Results Delivery Unit

Contribution to Department's Mission

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

WWAMI's mission is to enhance the quality of health care by providing access to and delivering medical training 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
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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.
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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
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End Results	Strategies to Achieve Results
<p>A: Increase Alaskans' participation in postsecondary education.</p> <p><u>Target #1:</u> Growth to 41% of Alaska 19-year-olds in college by 2010 <u>Measure #1:</u> Change in college participation rate for Alaska 19-year-olds</p>	<p>A1: Increase public awareness of postsecondary education and training value.</p> <p><u>Target #1:</u> Service delivery to 100% of targeted parent/student groups <u>Measure #1:</u> Percent of Alaskans served by outreach efforts</p> <p>A2: Collaborate with Alaska high schools to offer outreach activities</p> <p><u>Target #1:</u> 20% of Alaskan high schools participating in outreach activities <u>Measure #1:</u> Percent of Alaska high schools collaborating with ACPE to offer higher education outreach services.</p>
End Results	Strategies to Achieve Results
<p>B: Reduce Alaskans' cost of postsecondary education</p> <p><u>Target #1:</u> Two percentage points below federal repayment period interest rates <u>Measure #1:</u> Repayment period interest rates on education loans</p>	<p>B1: Reduce program costs due to borrower default, delinquency and death</p> <p><u>Target #1:</u> 35% of gross loans disbursed have federal guarantee <u>Measure #1:</u> Percent of loans issued with federal guarantee</p>

	<p><u>Target #2:</u> Maintain cohort default rate of 5% or lower <u>Measure #2:</u> Cohort default rate</p> <p>B2: Maintain low program administrative costs.</p> <p><u>Target #1:</u> Maintain administrative cost at or below 2.5% of outstanding loans portfolio. <u>Measure #1:</u> Program administrative costs as a percent of portfolio</p>
End Results	Strategies to Achieve Results
<p>C: Ensure authorized Alaska postsecondary institutions deliver value-added training products that equip students with the skills and competencies expected and required by Alaska employers.</p> <p><u>Target #1:</u> Authorized program completers employed following program completion <u>Measure #1:</u> Institutional compliance with state standards</p>	<p>C1: Provide proactive school compliance program to assist owners and operators in understanding and complying with requirements</p> <p><u>Target #1:</u> 100% of authorized schools in compliance with state standards <u>Measure #1:</u> 100% of authorization applications approved</p> <p>C2: Collect and report placement rate for programs delivering authorized job-specific training</p> <p><u>Target #1:</u> 75% of authorized program completers employed within 90 days of program completion <u>Measure #1:</u> % of authorized program completers employed within 90 days of program completion</p>

FY2008 Resources Allocated to Achieve Results							
<p>FY2008 Results Delivery Unit Budget: \$14,509,900</p>	<p>Personnel:</p> <table style="width: 100%; border-collapse: collapse;"> <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>	Full time	104	Part time	0	Total	104
Full time	104						
Part time	0						
Total	104						

Performance Measure Detail

A: Result - Increase Alaskans' participation in postsecondary education.

Target #1: Growth to 41% of Alaska 19-year-olds in college by 2010
Measure #1: Change in college participation rate for Alaska 19-year-olds

Chance for College by Age 19 for Alaska Students as a percent

Year	YTD Total
2000	27.6
2002	28.1
2004	28.0

Analysis of results and challenges: Discussion of need for change and meaning of calculation: ACPE's overarching goal is to increase the number of Alaskans participating in/benefiting from higher education. Completing a higher education program benefits individual Alaskans through creating access to increased income and employment. Furthermore, communities populated with highly educated citizens benefit from increased resident hire and an economic base attractive to new business and investment.

To measure the change in the Alaskan college-going rate, ACPE relies on the Chance for College report, published every other year by the Mortenson Research Seminar on Public Policy Analysis of Opportunity for Postsecondary Education. ACPE chose this national report due to its emphasis on state-by-state differences and its focus on measuring access. Chance for college rates are calculated by multiplying each state's high school graduation rate by its college continuation rate, using state-level data reported to the National Center for Education Statistics. Thus, this statistic measures the movement of high school students through the higher education pipeline.

Change from 2000 to 2004:

Over the past four years, the overall chance for college for Alaskan 19-year-olds has fluctuated only very slightly. Alaska is 49th out of the 50 states in terms of the rate at which 19-year-olds continue through the higher education population, and significantly below the national average of 38.1%.

This relative lack of change is not surprising and is expected to remain stable for the next several years. Implemented in 2001, Alaska's outreach campaigns specifically targets middle-schoolers, based on overwhelming research documenting that children decide whether they are college material by eighth grade. The outreach message is then reinforced throughout Alaskan teens' high school years. Based on AlaskAdvantage Programs' genesis in 2001, we do not expect to see a sustained, significant change in the overall chance for college rate until 2006, when the first targeted population enters college. Beginning in 2006, we would expect to see small changes that emerge over time as a positive trend. While the Commission appropriately uses the overall college-going rate as its measure, it is worth noting the Mortenson data available on Alaskans in the lowest economic quartile. In this low income quartile, between fall 2000 and fall 2003, the college-going rate increased from 5.8% to 9.4% (+62%), a ten-year high for Alaska.

About AlaskAdvantage® Outreach Programs:

AlaskAdvantage Programs are designed to make higher education more accessible for Alaskans. Outreach is a significant component, to ensure that students, parents and mentors are aware of the importance of preparing for higher education early, to maximize options for success. An important and unique aspect of AlaskAdvantage outreach programs is that they are targeted to send age-appropriate, sequenced messages to both children and their parents. Each fall, the Commission direct mails materials to Alaska's 8th grade and 11th grade populations, encouraging them to begin planning for higher education, and to consider the educational opportunities available in Alaska. Materials are mailed to the address provided with the child's PFD application, thus ensuring that all students, whether in public, private, or home school, receive the same message. At the same time as the materials are sent to the child, a postcard is direct mailed to the parent or guardian, letting them know what has been mailed to their child, and asking them to take the time to talk to their child about higher education. The postcard also provides information about where the parent can get answers to parent questions, and assistance in talking to the child about college. Materials are also provided to teachers and counselors throughout Alaska. AlaskAdvantage Programs also partners with other organizations throughout the state with related missions, to leverage cost savings and maximize campaign efficiency and effectiveness.

Through AlaskAdvantage outreach programs, ACPE intends to effect increases in college-going statistics by providing Alaska's students, parents and educational professionals with information and resources necessary for them to plan for higher education.

A1: Strategy - Increase public awareness of postsecondary education and training value.

Target #1: Service delivery to 100% of targeted parent/student groups

Measure #1: Percent of Alaskans served by outreach efforts

Percent of Alaskans Served by Outreach Efforts

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
2004	92	5	3	0	100
2005	42	19	20	19	100
2006	59	12	11	18	100

Analysis of results and challenges: This table summarizes the percent of targeted Alaskans receiving higher education outreach information. Through a combination of outreach campaigns, ACPE successfully reached

100% of the target parent/student audience. In 2006, this audience represents 51,883 Alaskans.

ACPE's AlaskAdvantage Programs promote and support postsecondary education access and success by:

- Supplying higher education-related promotional items and information resources.
- Providing publications and higher education outreach programs for various age groups.
- Training and supporting school counselors, teachers, parents and adult mentors.
- Increasing public awareness of Alaska's own higher education resources and the importance of higher education in ensuring a strong economic future for our state.

Specific AlaskAdvantage outreach products include:

1. Statewide age-based early awareness campaign:

5th/6th Grade: A classroom poster and support activities for teachers are delivered to every school in Alaska, encouraging students to think about careers they might like to pursue. Activities at this age present the benefits of higher education in terms of expanded choices and options, and allow students to visualize themselves going to college.

7th/8th Grade: The Chart Your Course annual newspaper, featuring articles by Alaska students and by Alaskans who have achieved success through higher education, is direct mailed to the homes of every Alaskan in this age range. The campaign uses addresses from PFD applications, to ensure that home-schooled or private-schooled students are included. The newspaper reinforces the link between higher education and career choices. At the same time, a postcard is mailed to parents in each household, encouraging them to talk to their middle-schooler about higher education, and providing them with resources to help them encourage their children to plan for higher education.

11th Grade: The Going to College in Alaska magazine introduces students to local postsecondary education options (academic degrees, career skills training, and vocational education), and promotes postsecondary education opportunities right here in Alaska. It is also direct mailed to students, with an accompanying piece direct mailed to parents. Copies are also distributed to schools and community organizations.

12th Grade: The It's My Life higher education planning calendar for high school seniors is distributed to 12th grade classrooms statewide.

2. Statewide I'm Going to College campaign:

With support from the Northwest Education Loan Association, this program takes elementary school students onto college campuses to experience a day of life as a college student. The program specifically targets students from Title I (low income) schools, many of whom will be the first in their families to attend college. The program provides elementary school teachers with a curriculum to use to reinforce the message that college is for everyone, and to make thinking about college a learning experience for these students.

3. Statewide outreach presentations:

In partnership with schools, colleges, and community organizations, AlaskAdvantage Programs staffs presentations and information booths at events throughout the state, via both on-site visits and distance delivery. For information about currently scheduled events, visit the AlaskAdvantage Web site and click on the Outreach tab.

4. Alaska College Goal Sunday:

Supported by a grant from the Lumina Foundation, the Alaska College Goal Sunday event provides free information and assistance to Alaska families who are applying for college financial aid. It brings financial aid professionals, primarily from state colleges and universities, to help college-bound students and their families complete the Free Application for Federal Student Aid (FAFSA). In 2006, College Goal Sunday events were conducted at 10 locations throughout Alaska:

- Anchorage – East High School
- Anchorage – West High School
- Bethel – UAF Kuskokwim Campus
- Fairbanks – Hutchison Institute of Technology
- Homer – UAA Kachemak East Bay Campus
- Juneau – Juneau-Douglas High School

- Kodiak – UAA Kodiak College
- Nome – UAF Northwest Campus
- Palmer – Colony High School
- Soldotna – Kenai Peninsula College
- Tok – Tok University Center

For locations of the February 11, 2007 event, visit www.alaskacollegegoalsunday.com.

A2: Strategy - Collaborate with Alaska high schools to offer outreach activities

Target #1: 20% of Alaskan high schools participating in outreach activities

Measure #1: Percent of Alaska high schools collaborating with ACPE to offer higher education outreach services.

Percentage of Alaska School Districts Served by Higher Ed. Outreach Services

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
2004	31	35	20	15	100
2005	6	23	37	34	100
2006	30	25	13	32	100

Analysis of results and challenges: This table summarizes the percent of Alaska school districts benefiting from higher education outreach services since implementation of AlaskAdvantage outreach programs. Through collaborative outreach programs (e.g., financial aid nights, career planning nights, etc.) with the high schools in these school districts, ACPE has annually successfully reached 100% of its target populations. In 2006, services were provided in the form of 302 outreach events offered throughout the six Alaska regions (Arctic, Western, Interior, Southwestern, Southcentral, and Southeast Regions). In each region, events included community liaison visits, public awareness events, financial and training and planning activities, higher education planning activities and support for organizations offering higher education mentoring.

B: Result - Reduce Alaskans' cost of postsecondary education**Target #1:** Two percentage points below federal repayment period interest rates**Measure #1:** Repayment period interest rates on education loans

Alaska federal loan rates – in-school period						
Year	Federal Rate	Lowest Available Alaska Advantage Rate After Benefits	Difference			
2004-2005	2.77%	0.00%	2.77 points			
2005-2006	4.70%	2.50%	2.20 points			
2006-2007	6.80%	5.00%	1.80 points			
*Note that due to changes in federal law, new loans made on or after July 1, 2006 are fixed-rate loans. Loans made prior to that date continue to be variable rate until the debt is repaid.						
Alaska federal loan rates – repayment period						
Year	Federal Rate	Alaska Advantage Rate after Benefits	Difference			
2004-2005	3.37%	0.00%	3.37 points			
2005-2006	5.30%	1.55%	3.75 points			
2006-2007	6.80%	3.05%	3.75 points			
Alaska Advantage® 2006/2007 Federal Loan Rates and Benefits						
	Fixed Rate (New Loans in		Variable (Existing		Fixed Rate	Variable
	In-School	Repayment	In-School	Repayment		
06/07 Federal Base Rate						
Alaska Advantage Basic Benefit	-0.80%	-0.50%	-0.80%	-0.50%	-1.00%	-1.00%
Alaska Presence Benefit	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%
Direct Payment Benefit	--	-0.25%	--	-0.25%	-0.25%	-0.25%
Benefit After 48	--	-2.00%	--	-2.00%	-1.00%	-1.00%
Lowest Rate						
	5.00%	3.05%	4.74%	3.39%	5.25%	4.69%
Additional						
1% Dft Fee Pd	Yes		n/a		Yes	n/a
2% Orig Fee Paid	Yes		n/a		n/a	n/a
3% Extra Cost Reduction Paid	n/a		n/a		Yes	n/a

Note: The Alaska Student Loan Corporation (ASLC) is committed to providing qualifying Alaska Advantage federal and Supplemental Education Loan borrowers the benefits package described herein. In this way, the ASLC will meet its mission as a public corporation and instrumentality of the state by providing Alaska students with the lowest cost financial aid possible. These benefits will be provided to reduce borrower-paid costs each year that the ASLC has the financial capacity to do so. The borrower should carefully note the actual interest rate identified in loan disclosure documents. In the event the borrower defaults on the loan, all benefits may be forfeited and interest charged at the full allowable base rate. The ASLC will annually review its financial condition and determine whether an adjustment, either in the form of an increase or decrease, in benefits is warranted. At any time that a change in benefits is made, notice will be provided to all affected borrowers.

Analysis of results and challenges: Base interest rates on federally guaranteed education loans are set by the US Department of Education. For loans originated after July 1, 2006, rates are fixed at 6.8% during both the in-school and repayment periods. For loans existing prior to July 1, 2006, the rate remains variable and changes annually, not to exceed 8.25%.

ACPE's federally guaranteed loans include borrower benefits that reduce rates for Alaska Advantage borrowers, as noted in the graph above. Alaska Advantage loans are available only to Alaska residents or to nonresidents who choose to invest their higher education dollars at Alaska institutions, and the program is designed to pass program savings from economies of scale on to Alaska's students, directly reducing their costs of higher

education.

In 2006, the Greentree Gazette, the magazine of the student loan industry, listed AlaskAdvantage Loans as having the lowest cost loans in the nation.

Also during the 2005/2006 school year, the Commission reduced the costs of financial aid for Alaska's neediest postsecondary students, awarding \$625,250 in grants to 507 Alaska students with an average unmet need of approximately \$10,000, per the federal higher education need calculation formula. Created in legislation introduced by Governor Frank Murkowski and unanimously approved by the 23rd Alaska Legislature, the AlaskAdvantage Education Grant Program leverages ASLC funds as state match dollars required for participation in the federal Leveraging Education Assistance Program (LEAP).

B1: Strategy - Reduce program costs due to borrower default, delinquency and death

Target #1: 35% of gross loans disbursed have federal guarantee

Measure #1: Percent of loans issued with federal guarantee

Percent of Loans Issued with Federal Guarantee

Year	FFELP \$	Alt \$	Total \$	YTD Total
2003	10,765,700	49,005,504	59,771,204	18%
2004	17,389,320	49,230,027	66,619,347	28%
2005	23,367,531	47,541,452	70,908,983	32%
2006	24,237,754	51,255,236	75,492,990	32%

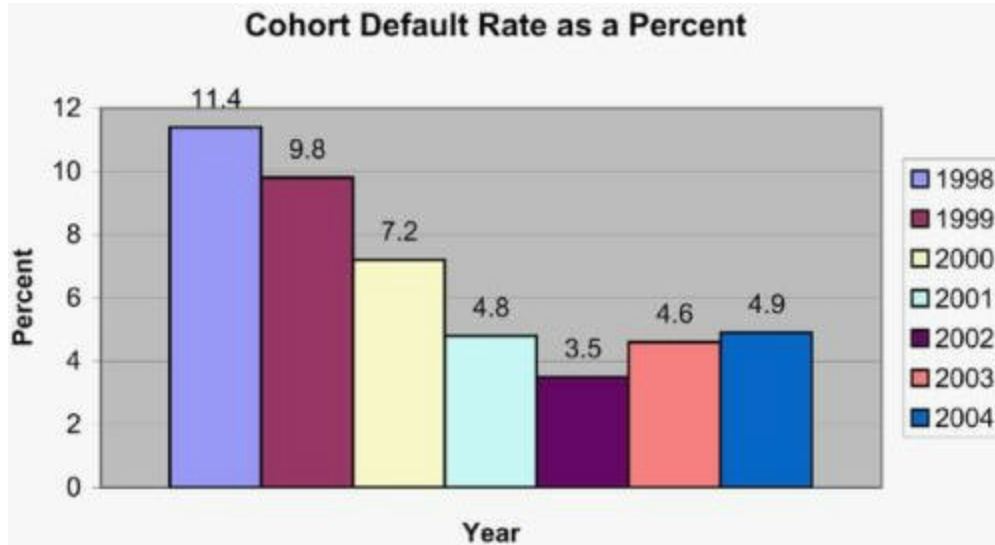
Analysis of results and challenges: ACPE became a lender of federally guaranteed loans in FY03. By year end, ACPE had emerged as the number one lender in Alaska. In FY04, ACPE's federal lending volume continued to grow, from 18% of ACPE's total volume to 28%. In FY05, federal volume has grown again, although not at the astonishing pace of its first years. FY06 saw the percent of volume with a federal guarantee remain stable at 32%; however, the dollar volume of federally guaranteed loans increased by approximately \$1,000,000. The percent of total remained stable as well due to a proportionate increase in alternative loan volume, as noted in the chart above. In the current rising interest rate environment, the federally guaranteed loans are now considerably more attractive than alternative loans, and ACPE expects in 2007 to meet its goal of issuing 35% of its loans with federal guarantees within four years of implementing federal lending.

Increasing ACPE's federally guaranteed loan volume reduces net program costs because the federal guarantee caps loan losses at two percent. Assuming that ACPE exercises due diligence in loan servicing, ACPE is reimbursed at 97% for losses due to borrower default, full disability, or death. These guaranteed loans also bring to ACPE federally-funded interest subsidies for low-income borrowers in qualifying periods, significantly lowering cost for our neediest students, without increasing costs to ACPE or to the State.

Federal loans require completion of the FAFSA (Free Application for Federal Student Aid), which also serves as the student's application for federal or state need-based grant funds for which they may be eligible, again significantly lowering college costs for Alaska's neediest students.

Target #2: Maintain cohort default rate of 5% or lower

Measure #2: Cohort default rate



Analysis of results and challenges: ACPE's alternative loan program default rate is an annual calculation measuring the percentage of dollars borrowed that enter repayment during a specific calendar year and are at least six months in arrears at the end of the first 12 months of repayment. The most recent rate of 4.9, calculated in January 2006 for the 2003 cohort, although an increase from the previous year, remains below the Commission's target of 5%. It is important to note that this cohort default calculation does not apply to federally guaranteed loans.

Over the past decade the Alaska Legislature equipped ACPE with a variety of effective collection tools. Simultaneously, program management implemented improved, aggressive default prevention and management campaigns. ACPE joined with campaign partners such as key colleges, universities, and vocational schools serving Alaska Supplemental Education Loan borrowers. The default prevention campaign is a unique education loan consumer tool, which, if used, helps borrowers avoid default through education, pre-borrowing counseling, and a variety of repayment options. These enhanced borrower services deliver default management through preventive measures, rather than attempting to remedy defaults after they have occurred. For future years, it is expected that default prevention and related management tools will maintain the cohort rate at approximately 5%, although minor fluctuations can be expected from year-to-year.

Cost savings such as those resulting from low incidence of default have enabled ACPE to offer Alaskans education loans at substantially below market rates, and to provide a source for need-based grants to Alaskan students. ACPE's emphasis on default prevention also serves ACPE's customers and their communities by creating a growing population that understands the importance of wise credit and wise debt management.

In 2005, the Commission also received its first cohort default rate, for cohort year 2003, calculated on its federal loans: 6.5%. The federally guaranteed loans from which this rate is calculated are entitlements, so there is no credit assessment required for loan eligibility. The 2004 cohort rate, received in September 2006, is 9.6%. This increase is expected, based on the significant increase in lending, and associated aging into repayment, to borrowers of federal loans. The Commission expects its federal cohort rate to stabilize at about 10%.

B2: Strategy - Maintain low program administrative costs.

Target #1: Maintain administrative cost at or below 2.5% of outstanding loans portfolio.

Measure #1: Program administrative costs as a percent of portfolio

Program Administrative Cost as a Percent of Portfolio

Year	YTD Total
2001	2.0
2002	2.1
2003	2.5
2004	2.3
2005	2.6
2006	2.7

Analysis of results and challenges: The administrative cost trend from FY01 through FY03 was due to an increase in loan volume and the related increase in provisions for loan loss associated with higher origination loan volume. As a means of reducing program losses, in FY03 the Commission began participating in the federal student loan program. Loans made under the federal program carry both interest subsidies and loan guarantees for the lender. The percentage cost increase between FY05 and FY06 can be attributed to an increase related to personnel costs and larger than anticipated increases in alternative loan volume. ACPE continues to focus on achieving an overall loan volume shift to federally guaranteed loans, which should result in program costs declining to at or below management's 2.5% target.

C: Result - Ensure authorized Alaska postsecondary institutions deliver value-added training products that equip students with the skills and competencies expected and required by Alaska employers.

Target #1: Authorized program completers employed following program completion

Measure #1: Institutional compliance with state standards

Analysis of results and challenges: ACPE is charged by state law to ensure Alaskan postsecondary educational institutions meet minimum operating standards, and to ensure that only qualifying institutions are exempted from authorization requirements. Meeting this charge provides consumer protection for students by setting and monitoring school compliance with minimum standards for institutional academic and administrative capacity. Relevant statutes and regulations are AS 14.48 and 20 AAC 17.

In FY06, Alaska has 34 authorized institutions and 140 exempt institutions. The University of Alaska reports to a Board of Regents and is exempt from authorization requirements. Other exempt programs include, specifically, religious training conducted for church membership and short programs less than 80 hours in length. Completion rates are calculated at the end of each authorized program, rather than in aggregate, to ensure that any comparisons are valid. For information relative to rates for a specific program, please contact the Commission's Institutional Authorization office at (907) 269-7970.

C1: Strategy - Provide proactive school compliance program to assist owners and operators in understanding and complying with requirements

Target #1: 100% of authorized schools in compliance with state standards

Measure #1: 100% of authorization applications approved

FY2006	New Applications	Renewal Applications	Amendments
1st Quarter	1	4	2
2nd Quarter	1	4	3
3rd Quarter	0	4	0
4th Quarter	1	1	1
Total	3	13	6

Analysis of results and challenges: In FY06, ACPE processed the following applications for institutional authorization:

Initial Applications for Authorization: 3

Applications for Renewal of Authorization: 13

Applications for Amendments to Authorization: 6

By providing support and assistance to institutions seeking authorization or exemption, to ensure that schools completed the correct application and understood requirements, ACPE was able to meet the target of 100% compliance.

C2: Strategy - Collect and report placement rate for programs delivering authorized job-specific training

Target #1: 75% of authorized program completers employed within 90 days of program completion

Measure #1: % of authorized program completers employed within 90 days of program completion

Analysis of results and challenges: In 2006, ACPE began collecting annual completion and placement rate data for authorized postsecondary vocational training in Alaska.

Authorized Alaska institutions of postsecondary education are required to maintain completion and placement rates for students in vocational programs. A student is considered to have successfully completed a program if, within 150% of the program's normal duration, the student was awarded the program credential. Completion rates exclude those students who withdrew and received 100% refunds; entered active duty military service, Peace Corps, Americorps, or religious mission; transferred to another educational program or institution; or failed to complete due to an involuntary situation such as death, disability, or incarceration.

Of those students who completed their vocational program of study, institutions are required to calculate the number of students who became employed in their fields within 90 days of program completion, excluding those who do not seek employment in their field or who do not respond to institutional requests for information. In 2006, the aggregate program completion rate for reporting institutions was 88%. Of that population, 79% were placed in qualifying positions.

Key RDU Challenges

- 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;
- Increase AlaskAdvantage® Federal Family Education Loan Program (FFELP) volume;
- Administer and provide policy direction for the ACPE programs, achieving efficiencies and delivering value-added service to Alaskans through improved management, processes, and technology;
- 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;

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;
- Maintain high service standards for loan borrowers through informed use of technology; and
- Maintain quality internal operations through accountability and quality control.
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Significant Changes in Results to be Delivered in FY2008

Increase anytime, anywhere assistance to student borrowers and their families;

- 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.
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Major RDU 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

- Enabled enrollment of 33 Alaskan graduate students in the WICHE Western Regional Graduate Exchange Program.
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Contact Information

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**Alaska Postsecondary Education Commission
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2006 Actuals				FY2007 Management Plan				FY2008 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
<u>Formula Expenditures</u>												
None.												
<u>Non-Formula Expenditures</u>												
Program Admin & Operations	0.0	127.0	11,115.3	11,242.3	0.0	140.0	11,717.8	11,857.8	0.0	140.0	12,671.9	12,811.9
WWAMI Medical Education	1,507.3	0.0	0.0	1,507.3	1,546.7	0.0	0.0	1,546.7	1,698.0	0.0	0.0	1,698.0
Totals	1,507.3	127.0	11,115.3	12,749.6	1,546.7	140.0	11,717.8	13,404.5	1,698.0	140.0	12,671.9	14,509.9

**Alaska Postsecondary Education Commission
Summary of RDU Budget Changes by Component
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	1,546.7	140.0	11,717.8	13,404.5
Adjustments which will continue current level of service:				
-Program Admin & Operations	0.0	0.0	19.1	19.1
Proposed budget decreases:				
-Program Admin & Operations	0.0	0.0	-350.0	-350.0
Proposed budget increases:				
-Program Admin & Operations	0.0	0.0	1,285.0	1,285.0
-WWAMI Medical Education	151.3	0.0	0.0	151.3
FY2008 Governor	1,698.0	140.0	12,671.9	14,509.9