

State of Alaska FY2011 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.

Core Services

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

Results at a Glance

(Additional performance information is available on the web at <http://omb.alaska.gov/results>.)

END RESULT A: Increase Alaskans' successful participation in postsecondary education.

- The latest published data for Alaska are for 2006, which reflect that only 7 of 100 Alaskan 9th graders will complete a college credential on time, compared to 20 of 100 9th graders nationally. The data reflects an increase from the prior year; however, it still does not meet the target of equaling the national average.

Status of Strategies to Achieve End Result

- In FY09, ACPE continued to achieve this target of providing higher education outreach/awareness services by hosting or participating in more than 500 events in over 200 communities statewide, serving 41,000 Alaskans.
- ACPE currently achieves this target by delivering AKCIS services at all Alaska Job Centers and similar community partners supporting adults seeking career growth.
- In its second year as Alaska Career Information System (AKCIS) administrator, ACPE again made AKCIS available to all Alaska districts, however only 50 of the 54 Alaska school districts, or 93%, participated.
- ACPE ensures those students with greatest financial need receive available funds. In F09, grants were awarded to students with average annual family incomes of \$25,652 or less.

END RESULT B: Reduce Alaskans' cost of postsecondary education

- By prudent financial and program management and by putting students first, Alaska Student Loan Corporation (ASLC) and partner agency the Alaska Commission on Postsecondary Education (ACPE) continue to offer Alaska students the most beneficial education loan interest rates in the U.S.

Status of Strategies to Achieve End Result

- ACPE continues to demonstrate strength in default management. The most recent rate of 4.7% was calculated in January 2009 for the 2007 cohort.
- In 2009, two years following establishment of this target, ASLC experienced phenomenal growth in federal education loan volume with a 55% increase.
- In FY09, ACPE's loan program administrative costs as a percent of portfolio was reduced by .12% from the prior year to 2.54%.

END RESULT C: Provide consumer protection to Alaska's higher education students.

- ACPE achieves this target by requiring all entities seeking to and approved for delivery of education services in Alaska meet all applicable state standards.

Status of Strategies to Achieve End Result

- ACPE continues to meet this target. 100% of institutions authorized in FY09 documented that their curricula met standards set by recognized bodies or determined to meet local industry training needs.

Key RDU Challenges

- Deliver programs with the objectives of increasing access for lower-income residents, assist in addressing key worker shortage areas, and motivate secondary students to take rigorous high school curriculum
- Make the benefits of ASLC participation in Federal Family Education Loan Program (FFELP) available to Alaska students, despite federal pressure to replace FFELP with the national Direct Lending program, which does not offer Alaska-specific benefits

- To ensure adequate low-cost funding for loan programs in the face of the ongoing disruption in the national bond markets
- Provide education loan consumer outreach to make Alaskans aware of the importance of credit management and the cost savings achieved by having a credit-worthy cosigner
- Attract and retain the caliber of staff necessary to manage technical and operational complexity of programs, despite uncertainty in the education lending industry and state's ability to compete with private sector for highly qualified employees
- 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
- Maintain quality internal operations through accountability, quality control and informed use of technology
- To continue to provide Alaskans guaranteed access to medical education and to address statewide professional medical workforce needs

Priority Program: Active Partnerships

Significant Changes in Results to be Delivered in FY2011

- Propose and implement programs that improve high school graduation and postsecondary education completion rates in Alaska
- Effect a statewide culture change relative to supplemental education loans, to encourage borrowers to seek a credit-worthy cosigner
- Seek stable long-term funding source for the AlaskAdvantage education grant program
- Control size of staff to meet anticipated reduction in loan origination, while maintaining service levels and required accountability
- Implement significant loan servicing changes introduced by reauthorization of the Higher Education Act, including classification of the state's supplemental education loans as "private" loans, making them subject to increased federal regulatory oversight
- 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 an education financing information
- Enhance online tools and interagency collaboration to deliver robust career planning services for Alaskans
- Enhance technological tools to increase loan collection efficiency and effectiveness with no increase in staffing
- Enhance electronic desktop tools for ACPE staff to insure accurate, efficient, and consistent customer service levels

Priority Program: Active Partnerships

Major RDU Accomplishments in 2009

- Delivered over \$4 million in borrower cost reductions on qualifying education loans, bringing the cumulative benefit total to \$25.6 million and maintaining a robust borrower benefit package to incent and reward borrowers who attend school or reside in Alaska
- Implemented enhanced credit requirements on state supplemental education loans
- Enabled almost 1,600 Alaska students and their families to save approximately \$12.5 million in tuition costs through Alaska's participation in the WICHE Western Undergraduate Exchange program

- For the 7th consecutive year, maintained position as #1 federal education loan provider in the state of Alaska, providing Alaska students with the lowest cost loans in the U.S.
- Retained a federal cohort default rate of 5.5% on ASLC loans, well below the Alaska state average
- Maintained an alternative loan cohort default rate below 5% despite nationwide increases in loan default rates
- Provided substantial borrower cost savings through consolidation at lower interest rates. Approved over \$7.3 million in consolidation loans in FY2009
- In FY2009, originated \$95.6 million in loans to over 19,000 borrowers
- Fully serviced over 130,000 loans with a total loan portfolio of approximately \$700 million
- Attracted 534 undergraduate students from other states to the University of Alaska through the Western Undergraduate Exchange program
- Coordinated second WWAMI cohort of 20 incoming medical students;
- Continued expansion of the Alaska Family Medicine Residency to a total of 24 residents in the 3-year program

Priority Program: Active Partnerships

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

All dollars shown in thousands

	FY2009 Actuals				FY2010 Management Plan				FY2011 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
Formula Expenditures None.												
Non-Formula Expenditures Program Admin & Operations	0.0	182.3	11,919.7	12,102.0	0.0	800.0	12,305.1	13,105.1	0.0	800.0	12,505.8	13,305.8
WWAMI Medical Education	2,111.0	0.0	0.0	2,111.0	2,654.8	0.0	0.0	2,654.8	2,964.8	0.0	0.0	2,964.8
Totals	2,111.0	182.3	11,919.7	14,213.0	2,654.8	800.0	12,305.1	15,759.9	2,964.8	800.0	12,505.8	16,270.6

**Alaska Postsecondary Education Commission
Summary of RDU Budget Changes by Component
From FY2010 Management Plan to FY2011 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2010 Management Plan	2,654.8	800.0	12,305.1	15,759.9
Adjustments which will continue current level of service:				
-Program Admin & Operations	0.0	0.0	200.7	200.7
Proposed budget increases:				
-WWAMI Medical Education	310.0	0.0	0.0	310.0
FY2011 Governor	2,964.8	800.0	12,505.8	16,270.6