



MEMORANDUM

TO: Representative Dan Ortiz, Chair

FROM: Stephanie Butler, Executive Director

DATE: March 7, 2019

RE: Response to March 6, 2019 House Finance Education and Early Development Subcommittee Meeting

This memo is provided in response to questions asked by members of the House Finance Education Subcommittee at their March 6, 2019 meeting.

1. WWAMI

History and purpose of WWAMI - **WWAMI** is a collaborative medical school among universities in five northwestern states, Washington, Wyoming, Alaska, Montana and Idaho, and the University of Washington School of Medicine (UWSOM). Alaska WWAMI reserves seats at UWSOM specifically for Alaska students who would not otherwise have access to a high quality regional medical school. The Alaska WWAMI Program began at the University of Alaska Fairbanks (as WAMI) in 1971. The program moved to the University of Alaska Anchorage in 1989 and is currently in its 48th year of educating Alaska physicians.

The purpose of Alaska participation in WWAMI, as set out in the Alaska Administrative Code 20 AAC 19.010-19.900, and authorized in AS 14.42.033, is to provide access to medical education not otherwise available to Alaskans.

Return rates - To date, 500 Alaskans have earned their medical degrees through WWAMI; 60% return to practice in Alaska, with an additional 10% from other WWAMI states coming to Alaska to practice (*How Does WWAMI Benefit Alaska*).

Education pathway - Prospective students apply to UWSOM. Alaska's WWAMI students take classes at the University of Alaska, for the equivalent of the first and second years of medical school. The third and fourth years of the medical school curriculum are comprised of "clerkship" rotations in the various medical specialty areas. These clerkships may be taken in any of the five WWAMI states. Students can take nearly all of these clerkships in Alaska.

Cost to the State and loan repayment - Residents of Alaska compete only with other Alaska residents for 20 positions reserved annually at UWSOM. Alaska pays the educational costs of the program that are not covered by tuition. Alaska WWAMI students pay resident tuition to UWSOM, and the State pays a fee to reserve each Alaska seat. Generally, 80 Alaska students participate in WWAMI each year (20 students admitted per year for four years each). As a condition of participation, Alaska participants agree to a loan in the amount of 50% of the fee the State pays. A participant who does not return to Alaska and practice medicine must repay the State a portion of the costs. In 2018, the State's bill for its 80 WWAMI students was \$3,084,628.

WWAMI Loan History and Current Student Pipeline

WWAMI Loan Summary Program year 2000 to 2018	
Total Loans	912
Total Borrowers	299

WWAMI Loans Currently Serviced by ACPE		
Status	Number of Loans	Number of Borrowers
In-School	336	132
Grace	11	4
Repayment – Current	140	44
Repayment – Delinquent	20	7
Deferment	126	39
Total	663	226

University of Washington contract termination - The state's contract with UWSOM provides that upon contract termination, the State of Alaska will not be obligated for supporting costs beyond those funds appropriated, and UWSOM will not be obligated to admit new students for the 20 Alaska WWAMI positions. Existing WWAMI students will be permitted to continue their study; however, under these conditions, WWAMI students may be charged non-resident tuition fees, significantly increasing their costs of study.

On average, UWSOM accepts ten “out-of-region” (non-WWAMI and non-WA resident) students, for which there are approximately 7,000 applicants. If WWAMI were terminated, Alaska students would be completing for one of these ten seats, joining that pool of 7,000 applicants, rather than one of 20 Alaska WWAMI seats.

WWAMI Tuition and Fees Cost Comparison

Year	WWAMI cost	Non-WWAMI cost
1	UA tuition & fees	\$66,753 UWSOM non-resident tuition & fees for first year students
2	\$36,801 ¹ UWSOM tuition & fees ² plus \$26,767 WWAMI loan ³	\$66,753 UWSOM non-resident tuition & fees for second year students
3	\$36,801 UWSOM tuition & fees plus \$26,253.50 WWAMI loan	\$89,004 ⁴ UWSOM non-resident tuition & fees for third year students
4	\$36,801 UWSOM tuition & fees plus \$12,822.50 WWAMI loan	\$89,004 UWSOM non-resident tuition & fees for fourth year students

2. Alaska Performance Scholarship historic and proficiency data

The Alaska Commission on Postsecondary Education has been reporting on this program since its inception in 2011. The most recent [Alaska Performance Scholarship Outcomes Report](#) was published on January 25, 2019. This 2019 report shows that 19,507 Alaska high school graduates have earned eligibility; of those, 8,575 have received the award.

A few highlights from this report address the proficiency question:

- Alaska Performance Scholarship (APS) recipients’ graduation rate is over three times higher than that of non-recipients;
- 84% of APS recipients in the Class of 2016 persisted into their second year at University of Alaska (UA) compared to 58% of non-recipients;
- 3% of APS recipients at UA require remediation, compared to 29% of non-recipients.

¹ This figure is based off the annual WWAMI invoice

² All tuition & fee amounts are based on 2018-2019 academic year costs; this does not include room & board, transportation, books, or other program costs.

³ WWAMI graduates who return to Alaska qualify for 100% forgiveness of their WWAMI loan.

⁴ The increase tuition & fees are because third and fourth-year students attend four quarters, whereas first and second-year students attend three quarters.

3. States with scholarship and grant programs

- Twenty-eight states have state education-based loan providers, including Alaska.
- Two states do not have grant programs, Georgia and New Hampshire.
- Eight states do not report any scholarships, according to the National Association of State Student Grant and Aid Administrators annual state financial aid survey.

4. Cost to ACPE for scholarship and grant programs

ACPE absorbs approximately \$600,000 annually in administration costs involving the Alaska Education Grant, WICHE, APS and WWAMI.

5. Earnings from the Higher Education Investment Fund

The Legislative Finance Division has provided a detailed review of the Higher Education Investment Fund account appropriations and earnings, which is attached (*Higher Education Fund Balance and Projections*).

We hope that you will find this information useful. Please feel free to contact our office with questions.

Attachments (3):

WWAMI Fact Sheet, 2018

How Does WWAMI Benefit Alaska, 2018

Higher Education Fund Balance and Projections, 2.14.2019

SB/pnz