

Alaska Commission on Postsecondary Education Alaska Student Loan Corporation

2020 Presentation to House Education Finance Subcommittee

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Alaska Student
Loan Corporation

ACPE Mission and Organizational Governance



Alaska Student
Loan Corporation

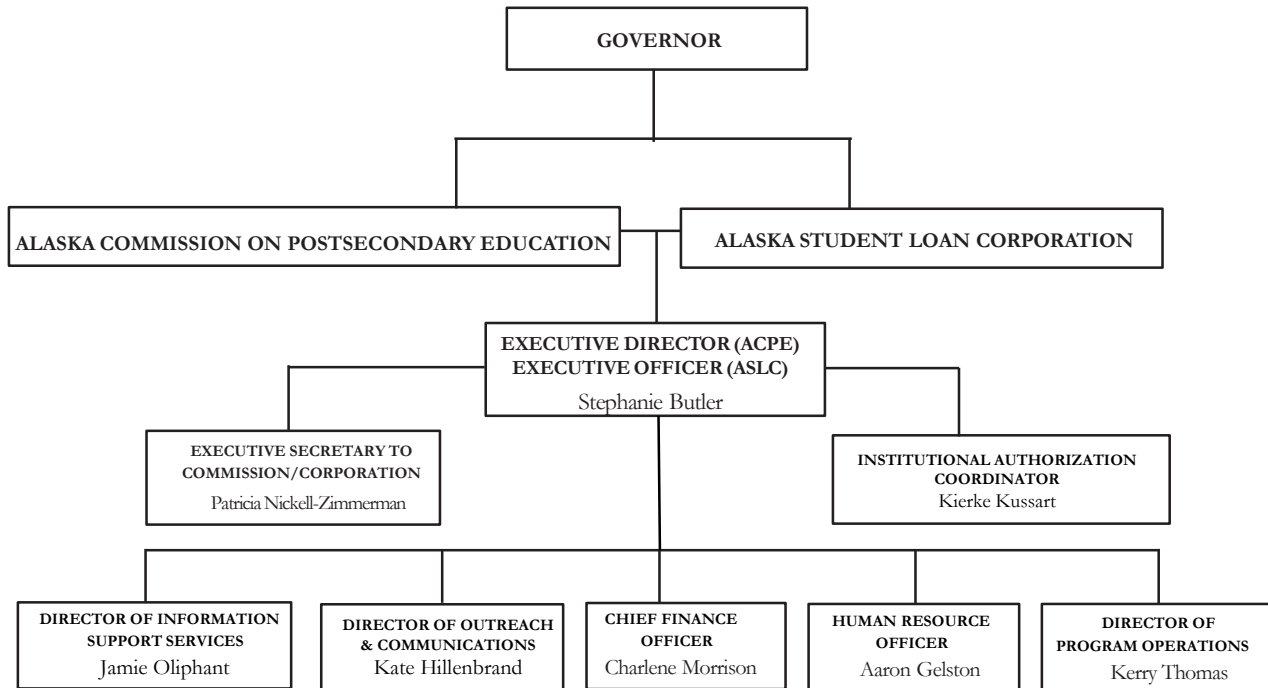
ACPE Mission

Alaska Commission on Postsecondary Education (ACPE), funded by the Alaska Student Loan Corporation (ASLC), supports Alaskans' access to and success in postsecondary education and career training after high school.

We meet this mission by providing Alaska's citizens with:

- Education planning tools and resources
- Financial aid for college and career training
- Education consumer protection
- Research and analysis

Agency Organizational Structure



2020 Agency PCNs

Anchorage	15
Juneau	<u>63</u>
Total	78

ACPE Operational Structure Overview

Executive Office

- Program and policy development, internal audit, institutional authorization, human resource management, legislative liaison, and Commission and Corporation board support

Program Operations

- Scholarship and grant administration, loan origination and servicing, exchange program administration, quality assurance and compliance oversight, outcomes reporting, and records management

Finance

- Procurement, payment processing, budget management, bond trust administration and compliance, financial reporting and compliance

Information Support Services

- Loan servicing system management, internet-based services, database management, business analysis, network support, information security compliance, and website development and maintenance

Postsecondary Planning and Outreach

- Alaska Career Information System (AKCIS), Alaska College and Career Advising Corps (ACAC), early awareness programs, higher education planning resources, and support services for school districts and postsecondary institutions

Commission Structure Overview

14-member Commission:

- University of Alaska Board of Regents (2)
 - Private higher education (1)
 - Proprietary postsecondary education (1)
 - State Senate (1)
 - State House of Representatives (1)
 - General Public (4)
 - Student (1)
 - Alaska Workforce Investment Board (1)
 - Community College (1)
 - Board of Education and Early Development (1)
-
- Composition set in statute
 - Members appointed by the Governor or organizational body

Commission History

1968: Alaska Legislature establishes the State's first scholarship loan program to help educate its citizenry

1974: Legislature creates the Alaska Commission on Postsecondary Education to manage financial aid programs, coordinate the development of educational programs, and regulate postsecondary institutions in the State for the well being of all Alaskans

1987: Declining oil prices and state revenues result in lack of funding for state programs, and the Legislature preserves citizen access to programs through creation of the Alaska Student Loan Corporation to raise alternative financing through debt issuance

Present: ACPE manages state financial aid programs, citizen education access programs, institutional regulation, and education planning programs, without draw on the state's General Fund

Commission Roles, Authorities, and Responsibilities

- Functions, duties and powers set out in AS 14.42.030, including:
 - Advisory body to Governor, Legislature, and institutional governing bodies, relative to planning for higher education in the state,
 - Administer financial aid programs and interstate compacts,
 - Administer state institutional authorization under AS 14.48,
 - Serve as state agency required by federal Higher Education Act.
- Meets quarterly (supplemented as needed).
- Commission guides the Executive Director and staff to develop and implement programs and policies to increase access to higher education in Alaska, including both collegiate and vocational education.
- Has broad authority to adopt regulations, set fees, and take related actions to successfully deliver programs and services.

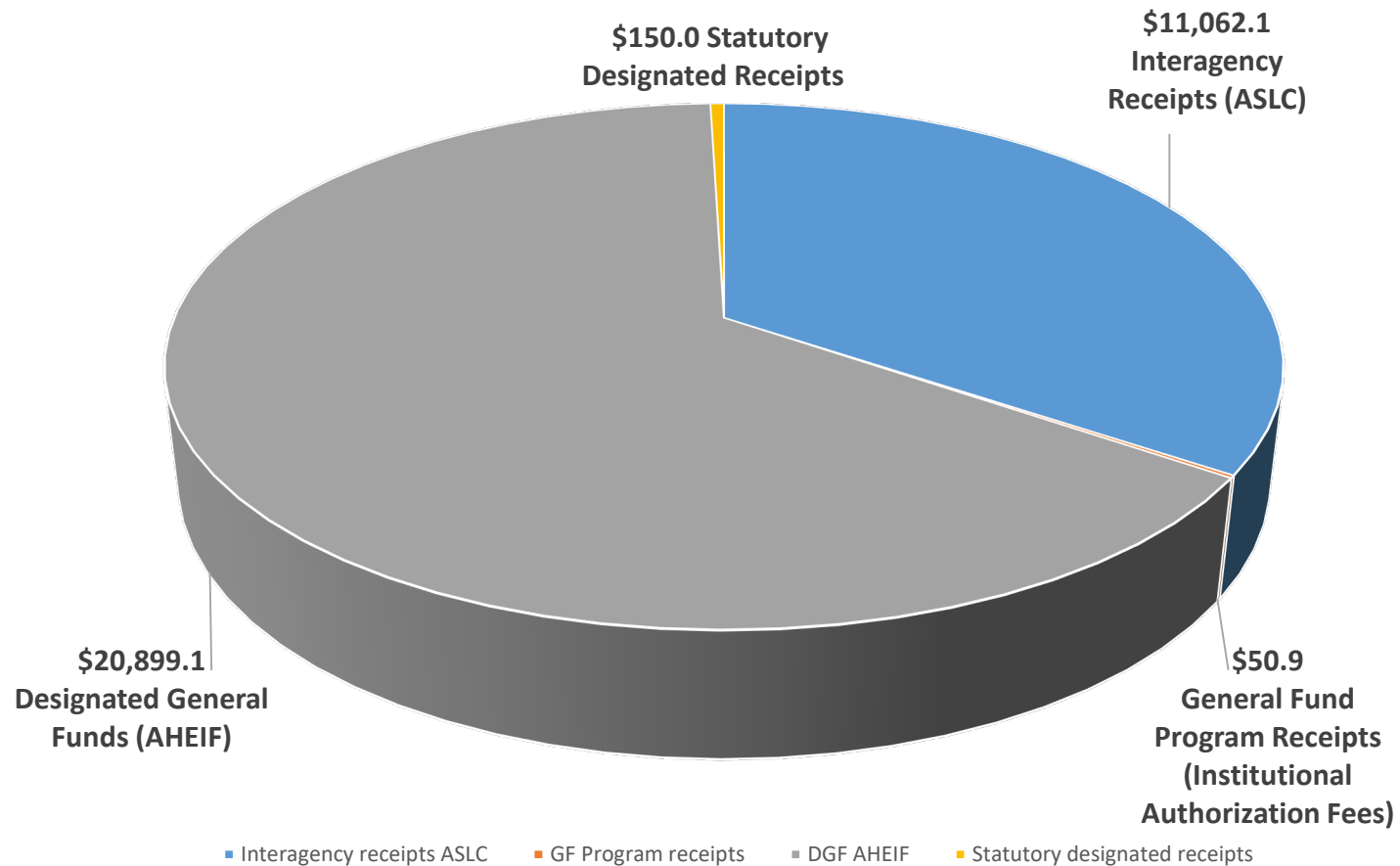
ACPE Historical Staffing

	FT	PT	NP	Total	% Change
FY2016 Management Plan	95	0	11	106	0%
FY2017 Management Plan	88	0	4	92	-13.2% (deleted 14 PCNs)
FY2018 Management Plan	83	0	3	86	-6.5% (deleted 6 PCNs)
FY2019 Management Plan	80	0	1	81	-6.0% (deleted 5 PCNs)
FY2020 Management Plan	77	0	1	78	-3.7% (deleted 3 PCNs)
FY2021 Governor	71	0	1	72	-7.7% (delete 6 PCNs)

ACPE Budget Reductions

	Governor FY21	FY20	FY19	FY18	FY15	Overall Change from FY15
Budget (by source)	\$	\$	\$	\$	\$	\$
Interagency Receipts (ASLC)	11,062.1	11,648.4	11,742.8	12,144.0	13,274.5	(2,212.4)
Federal	0	0	0	100.0	1,987.1	(1,987.1)
Unrestricted GF	0	0	0	0.0	2,964.8	(2,964.8)
GF Program Receipts	50.9	50.9	50.9	50.9	0.0	50.9
AHEIF (DGF)	20,899.1	20,848.3	20,804.2	20,722.6	16,582.8	4,316.3
Statutory Designated Program Receipts	150.0	150.0	150.0	515.7	100.0	50.0
Other Inter-agency	0	0	0	100.0	1,409.5	(1,409.5)
Total	32,162.1	32,697.6	32,747.9	33,633.2	36,318.7	(4,156.6)

FY 21 Budget Request by Fund Source



ASLC Organizational Governance

Alaska Student Loan Corporation (ASLC) Mission

Operates as an enterprise agency of the State of Alaska, funding and facilitating the Alaska Student Loan Program and the related work of the Alaska Commission on Postsecondary Education.

ASLC Structure Overview

Five-member Board

- Commissioner of Administration
 - Designee Dave Donley
- Commissioner of Commerce, Community and Economic Development
 - Designee Amy Demboski
- Commissioner of Revenue
 - Designee Deven Mitchell
- Two ACPE members
 - Randy Weaver and Pat Jacobson

General Corporation responsibilities:

- Generate loan program funding by issuing asset-backed debt
- Oversee investments, trusts, and indentures
- Set loan terms and benefits

Board meetings are scheduled as needed, generally twice a year

Corporation History

- Established by the Alaska State Legislature in 1987 to provide an alternative to using State funds to finance education loans to its residents and students attending Alaska postsecondary institutions.
- The statute creating the Corporation is codified in Alaska Statutes 14.42.100 through 14.42.990, as amended (the “Authorizing Act”), pursuant to which the Corporation is defined as *“a public corporation and government instrumentality within the Department of Education and Early Development, but having a legal existence independent of and separate from the State”*

ASLC Capitalization

- The State of Alaska transferred a \$260 million loan portfolio to the Corporation and provided \$46.7 million in cash for operations during the first five years of existence.
- The Corporation owns all Alaska Student Loans, Alaska Supplemental Education Loans, Family Education Loans, Teacher Education Loans, Federal Family Education Loans, Alternative Consolidated, Refinanced and WICHE/Professional Student Exchange Program loans.
- The State of Alaska retained ownership of WWAMI loans, and fiduciary responsibility for Winn Brindle and Memorial Scholarship loans.

History of Alaska Education Loan Programs

- ACPE began *originating* loans on behalf of the State in 1974, under a program created by the State in 1968. ASLC began *financing* loans directly in 1988, using the proceeds of its first bond issue and entered into an agreement with ACPE for loan servicing.
- ASLC originated federally guaranteed (FFELP) loans from 2002 until the program was terminated in 2010, using proceeds of several debt transactions.
- Since its creation in 1987, ASLC has issued debt of approximately \$1.6 billion to finance its education loan activities.

ASLC Organizational Relationship to ACPE

- The Corporation does not have the authority to hire staff and does not have PCNs assigned to it.
- The administration of the Corporation is delegated in statute to the Executive Officer of the Corporation, who is also the Executive Director of the Commission.
- ACPE is responsible for servicing of the ASLC loan portfolio from application to repayment completion. ASLC pays ACPE for these services. This is the Inter-Agency Receipts funding source for ACPE.

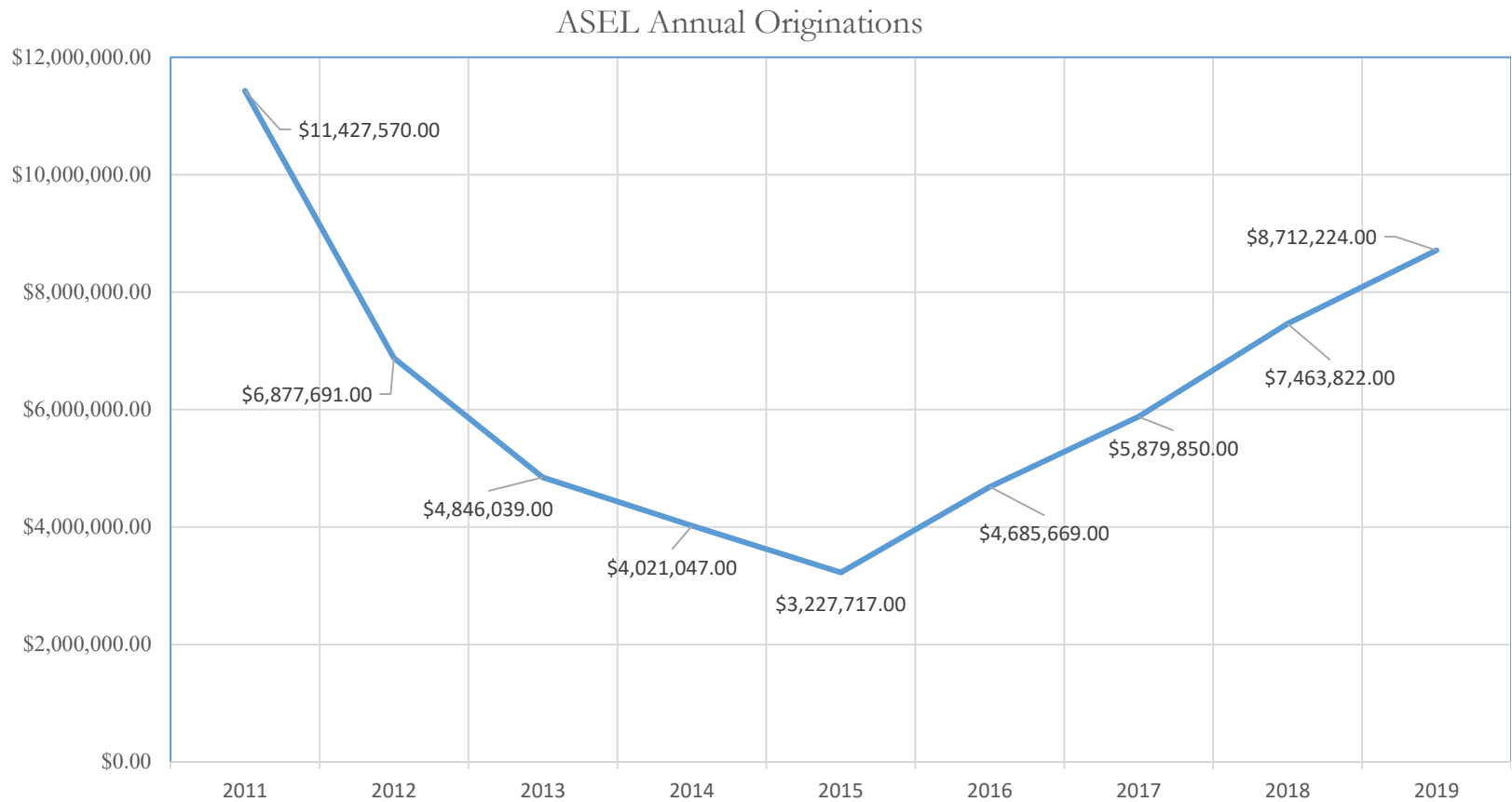
ASLC Relationship to the State of Alaska

- ACPE and ASLC are housed within the Department of Education and Early Development (DEED) for budgetary/administrative purposes only, and ACPE pays DEED for that support. ACPE and ASLC are not operational divisions of DEED, nor subject to the direction of the Commissioner of DEED or the state Board of Education (AS 14.42.040(b)).
- ASLC operating costs are subject to the Executive Budget Act. However, the State has certain covenants to consider relative to ensuring adequate loan servicing capacity. Under AS 14.42.270, the State has agreed not to take action to compromise ASLC's capacity to repay principal and interest on bonds outstanding.
- The State's agreement is incorporated into ASLC-related financing documents. Approval of any legislation causing an impairment of loan servicing may constitute default under existing financing agreements, resulting in a variety of impacts including outstanding bonds becoming immediately due and payable.

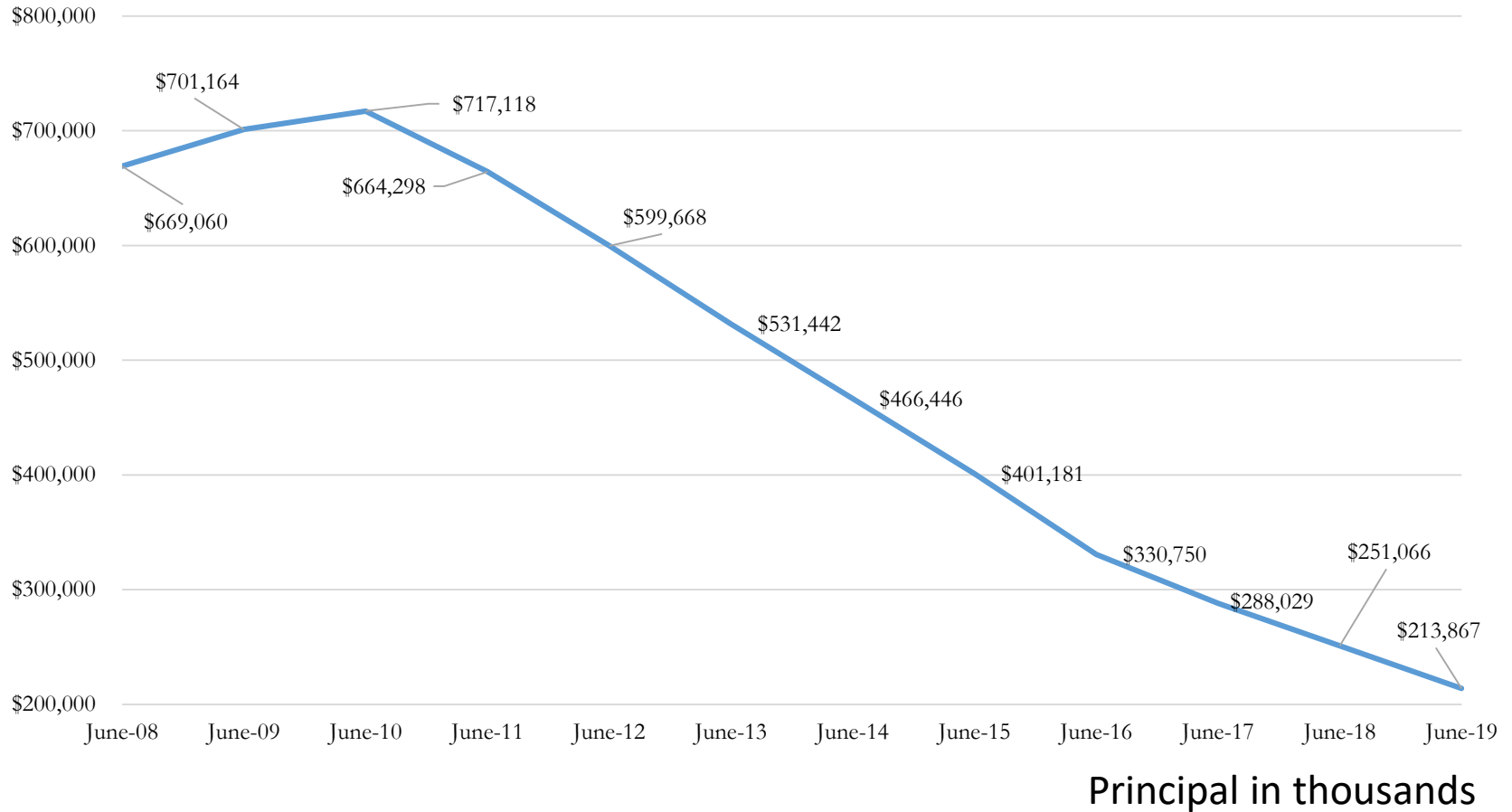
Alaska Education Loan Financing

- ASLC currently has one outstanding bond issue:
 - 2013 Education Loan Revenue Refunding Note, due 2031 (original issue \$144.7 million and ~\$39.6 million outstanding)
- ACPE services ASLC's portfolio of ~\$43.5 million in FFELP and ~\$159.2 million in state loans
- ASLC currently meets loan demand with cash generated from the existing loan portfolio and anticipates being able to continue this practice through 2024
- Barring no changes in the loan program, or changes to assumptions regarding loan demand and operating costs, ASLC anticipates issuing new debt to meet loan demand beginning in 2025

Alaska Supplemental Education Loan Annual Originations



ASLC Loan Portfolio Run Off



Capital Provided to the State

AS 14.42.295 gives ASLC authority to pay the state a dividend, for each base fiscal year that the corporation's net income equals or exceeds \$2,000,000. The payment may not be less than 10 percent nor more than 35 percent of the corporation's net income, and is subject to the provisions of bond indentures of the Corporation.

Annual Dividends paid by Fiscal Year

2001	\$ 2,200,000
2002	4,000,000
2003	5,250,000
2004	5,000,000
2005	5,600,000
2006	3,100,000
2007	1,900,000
2008	1,200,000
2009	4,100,000
2018	1,200,000
Total Dividends paid	<u>33,550,000</u>

ACPE Programs and Services

Student Financial Aid: Alaska Education Loans, Scholarships, and Exchange Programs

Alaska State Education Loan Programs

Alaska Supplemental Education Loans

- Alaska's primary state alternative education loan
- ACPE currently servicing approximately \$87.4 million in loans for ASLC
- Currently offered at fixed rates between 5.39% and 7.93% APR
- Eligibility requires borrower or cosigner with a FICO of at least 650

Alaska Family Education Loans

- Alaska's alternative to the federal PLUS loan for family members
- ACPE currently servicing approximately \$2.1 million in loans for ASLC
- Currently offered at fixed rates of 6.65% to 6.90% APR
- Eligibility requires residency of borrower and student and an absence of adverse credit history

Alaska State Education Loan Programs (continued)

Alaska Education Loan Refinancing Program

- Alaska residents can refinance qualified state, federal, and private loans into one low-cost loan, serviced in Alaska by ACPE
- ACPE currently servicing approximately \$20.0 million in loans for ASLC
- Currently offered at fixed rates between 4.85% and 5.55% APR
- Eligibility requires borrower or cosigner with a FICO of at least 720
 - Student borrowers can refi to remove cosigners from loans
 - Student borrowers can refi parents' loans into their own names
 - Parent borrowers can refi loans for multiple children into one

Medical Education Loans

- **WWAMI**

- The State of Alaska contracts with the University of Washington School of Medicine to accommodate 80 participant's medical education
- Participants receive loans for 50% of the amount the state pays to reserve each seat for Alaska students
- ACPE currently services approximately \$12.6 million in loans for the state (235 borrowers)
- Of the 127 students who entered WWAMI between 2000-2009, 74 have returned to practice (58%)

- **WICHE Professional Student Exchange Program (PSEP)**

- Reserves seats for participating states in health education programs, resulting in preferred admission and potential cost reductions for Alaska students
- Students take loan to repay state for costs of participation (in addition to tuition)
- 14 Alaska students participated in 2019-20, in dentistry, occupational therapy, optometry, pharmacy, physical therapy
- ACPE currently services approximately \$1.8 million in loans for ASLC

Discontinued Loan Programs

- Alaska Student Loans
 - Replaced with Alaska Supplemental Education Loans
 - ACPE currently servicing approximately \$33.6 million in loans for ASLC
- ALT Consolidation Loans
 - Replaced with Alaska Education Loan Refinancing Program
 - ACPE currently servicing approximately \$13.1 million in loans for ASLC
- Teacher Education Loans
 - Forgivable loan for Alaska high school graduates who teach in rural Alaska
 - No new borrowers since academic year 2016 due to lack of funding
 - ACPE currently servicing approximately \$3.0 million in loans for ASLC
- A. W. Winn Brindle Memorial Education Loan Program
 - Fisheries-related program funded with business donations
 - Donor tax credit repealed in 2018; new loans available until funds exhausted
 - ACPE currently servicing approximately \$2.6 million in loans for the State
 - Loans are eligible for up to 50% forgiveness for qualifying borrowers

2019-2020 Rates and Benefits

Alaska Supplemental Education Loan – Fixed Rates

FICO Range	650-679	680-719	720+
Base Rate	8.50%	6.90%	5.90%
AutoPay Rate Reduction	(0.25%)	(0.25%)	(0.25%)
Lowest Rate	8.25%	6.65%	5.65%

Other Loan Programs

Program	Variable Rate ASEL	Fixed Rate PSEP	Fixed Rate REFI		Fixed Rate FEL
Underwriting Criteria	No Adverse Credit	No Adverse Credit	FICO 720-779	FICO 780+	No Adverse Credit
Base Rate	5.10 – 5.20%	6.90%	5.55%	4.85%	6.90%
AutoPay Rate Reduction	(0.25%)	(0.25%)	--	--	(0.25%)
Lowest Rate	4.85 – 4.95%	6.65%	5.55%	4.85%	6.65%

Interest Rate, FICO Score and Approval Rate Comparisons

Federal/State/Private APR* Comparison

Student Loans

Stafford (federal) Loan and Grad PLUS Loan	Alaska Supplemental Loan	Private Loan (Sallie Mae, Wells Fargo, Discover)
4.73 to 7.96%	5.39 to 7.93%	4.53 to 12.74%

Parent Loans

Parent PLUS	Alaska Family Education Loan	Private Loan
8.07%	6.65 to 6.9%	5.49% to 12.99%

*Federal loan APRs estimated by RBC, 2019

Loan Characteristic Comparisons

Loan Characteristic	National Lenders*	ACPE
Approval Rate without Cosigner	9%	33%
Overall Approval Rate (With or without Cosigner)	21%	66%
Average Fixed Interest Rate	9.97%	5.9% to 8.5%
Average FICO Score for Approval	737	650-720

*Data from LendEDU, 2016-2019

- **\$5.2 to \$12.4 million in aggregate life-of-loan savings for Alaskans** who borrowed from ASLC for the 2019/20 year compared to those who borrowed private loans
- **\$8,218 to \$19,488 life-of-loan savings for each ASEL borrower** compared to those who borrowed at the national average fixed rate

In Development: Support for Industry Loan Repayment Programs

Project goal

- Educate employers that employer-sponsored student loan repayment assistance programs benefit both Alaskan employers and Alaskan borrowers
- Working with Alaskan industry groups, identify options to support or increase loan repayment assistance programs in Alaska

Relationship building

- Conducted pilot needs assessment survey of Alaska school districts
- Worked with Alaska Process Industry Careers Consortium (APICC) and presented at their monthly Business Education Compact meeting
- Developed survey jointly with Alaska Society for Human Resource Management (SHRM) and administered to Alaskan employers

Informing Decision Makers

- Presented research findings to Alaskan HR professionals at quarterly AK SHRM webinar
- Shared ACPE/AK SHRM joint-survey results with Alaska's congressional delegation at the SHRM Advocacy Summit in Washington D.C.
- Provided briefings to Alaska education policy-makers

Industry loan repayment assistance infographic

Hire Faster Retain Longer

How student loan repayment attracts top talent

Recruitment



Hire 13% Faster¹

Retention

Retain 36% longer¹



86% of Millennials say they will commit to work 5 years for a company helping to pay their loans²



almost **half** have student loans



57% say student loans are a major problem³

* Estimated savings are based on a \$50,000 student loan balance at 6% APR, under a 10-year repayment plan with a \$150 monthly employer contribution plus regular monthly payments made by the borrower.

Sources:
1 Peanut Butter, Millennial Benefit Preferences Study, 2017.
2 American Student Assistance, 2017.
3 Harvard Institute of Politics, 2018.

Hire the best employees and keep them.

Contributing to your employee's monthly student loan payment gets your company ahead. An investment as little as \$150/month puts you at a competitive advantage in attracting top performers, and keeping them on your team.

Student loan repayment assistance is a win-win.

You save recruitment and training costs – and your employees save money by paying off their loans faster, reducing total borrowing costs: \$150 per month can add up to 2.5 years faster repayment and savings of \$17,900*.



ACPE seeks to support employer efforts to create and maintain employer-sponsored student loan repayment programs to attract and retain skilled workers and strengthen Alaska's workforce.

In Development: Outsourcing of Legacy Federal Loan Portfolio Servicing

- Loss of economies of scale impacts ability to service legacy federal loans cost-efficiently
- Imperative to reduce costs to ensure ability to continue to offer low-cost supplemental loans to Alaska students
- Assuming all else remains the same, anticipate that every \$1 million in savings has potential to prevent ~65 basis points in interest rate increases
- After RFP process, transferring servicing of legacy Federal Family Education Loan Program (FFELP) portfolio to American Education Services (AES)
 - Cost with AES is \$120,000 annually, and costs of servicing internally exceed \$1 million
 - Alaska Student Loan Corporation still owns portfolio
 - AES will offer Alaska business hours and all Alaska benefits
 - ACPE will provide loan ombudsman services
 - AES will provide high-demand services ACPE cannot afford such as phone app for managing loans

In Development: Researching Outsourcing of State Loan Servicing

- After analysis of federal loan outsourcing outcomes, will consider outsourcing servicing of state loan programs
 - Preliminary findings of potential annual savings in millions
 - Would be multi-year transition process
 - Would significantly reduce size of ACPE
- Savings will allow Commission and Corporation to:
 - Continue to offer lowest possible cost loans to Alaska students
 - Continue to support education planning, APS, AEG, and other state higher education programs and services at no cost to General Fund

Alaska Performance Scholarship

2020 APS Outcomes Report



ALASKA PERFORMANCE SCHOLARSHIP

OUTCOMES REPORT 2020

2011 – FALL 2019

Goals of the Alaska Performance Scholarship

1. Students excel in high school
2. Students are prepared for college or training
3. Students succeed in college
4. High-achieving students stay in Alaska



Level 1

up to \$4,755 per year

- High school GPA 3.5
- 25 ACT score/1210 SAT
- Curriculum requirements

Level 2

up to \$3,566 per year

- High school GPA 3.0
- 23 ACT score/1130 SAT
- Curriculum requirements

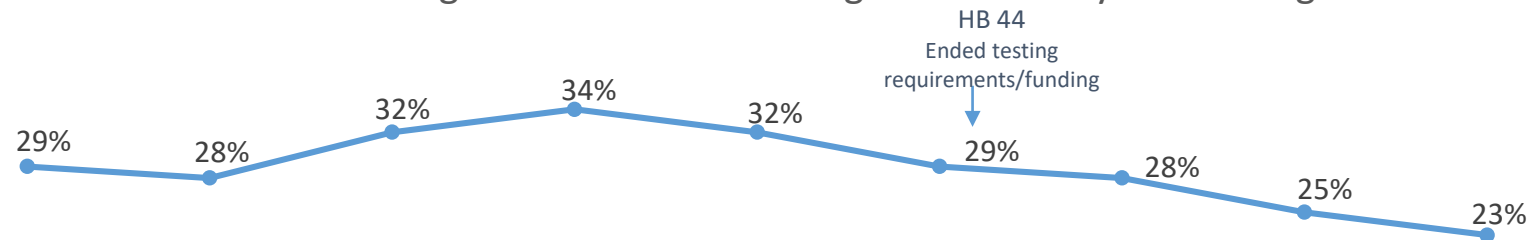
Level 3

up to \$2,378 per year

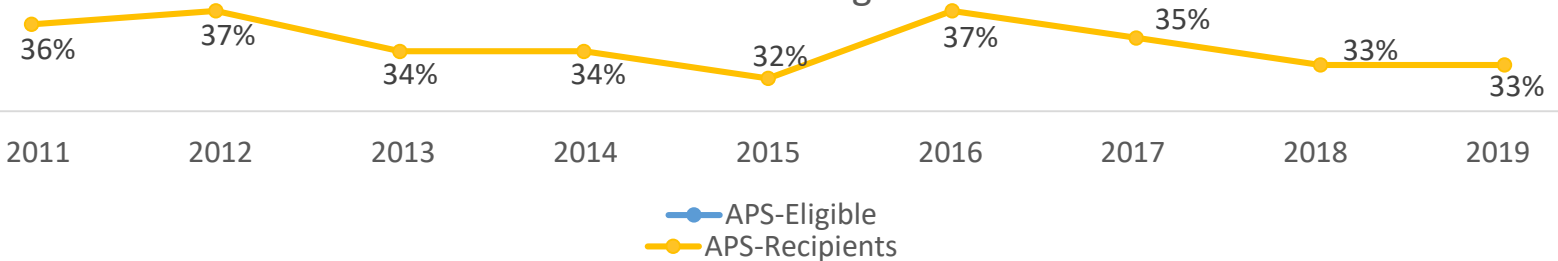
- High school GPA 2.5
- 21 ACT score/1060 SAT
- Curriculum requirements

Alaska Performance Scholarship Eligibility (2011-2020FY)

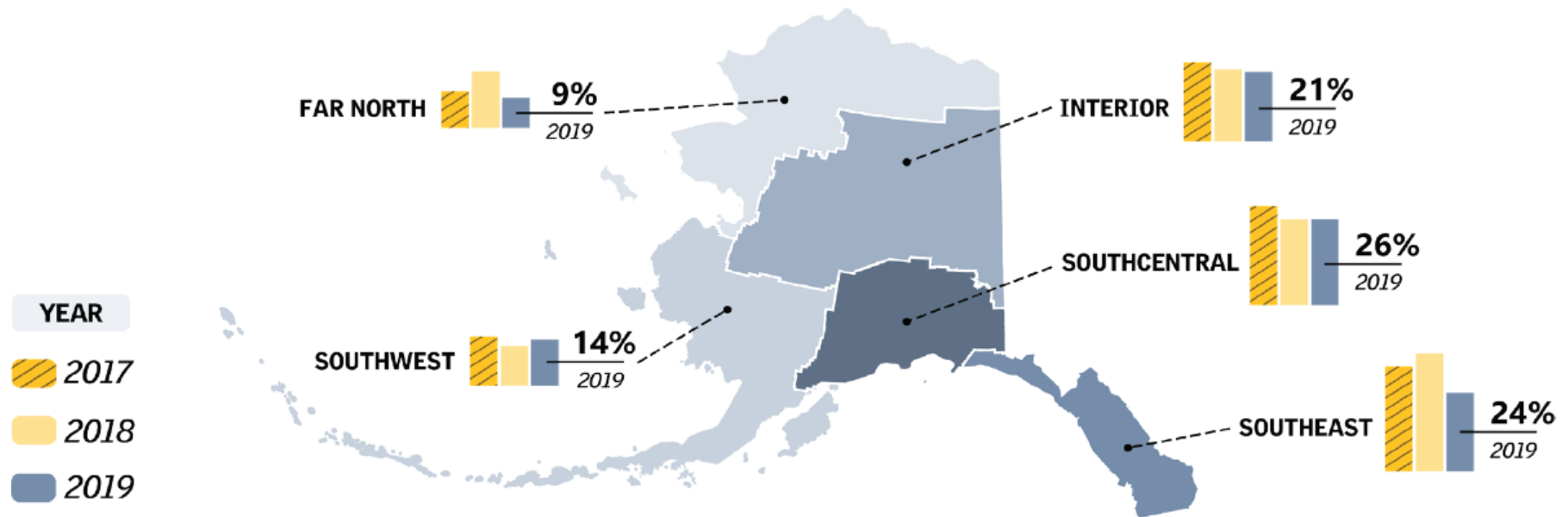
Percent of Public High School Graduates Eligible for APS by Graduating Class



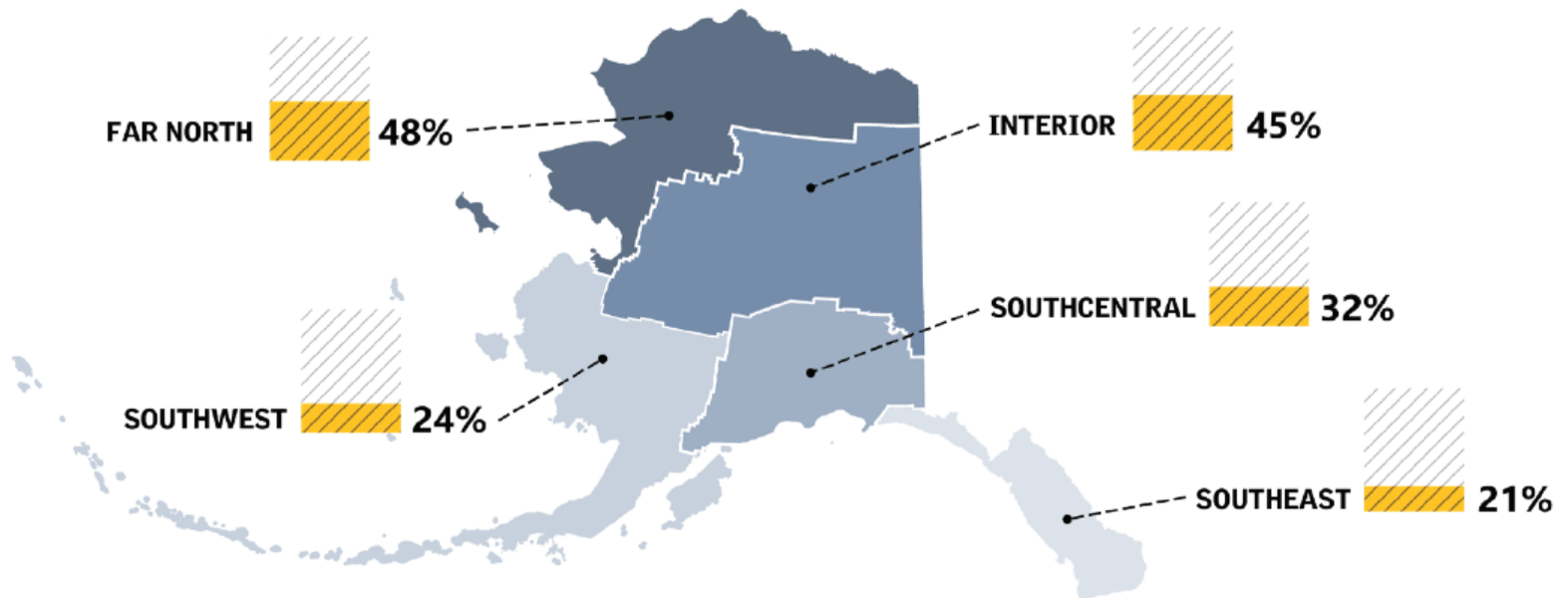
Percent of APS-Eligible Graduates Using APS the Fall Following Graduation by Graduating Class



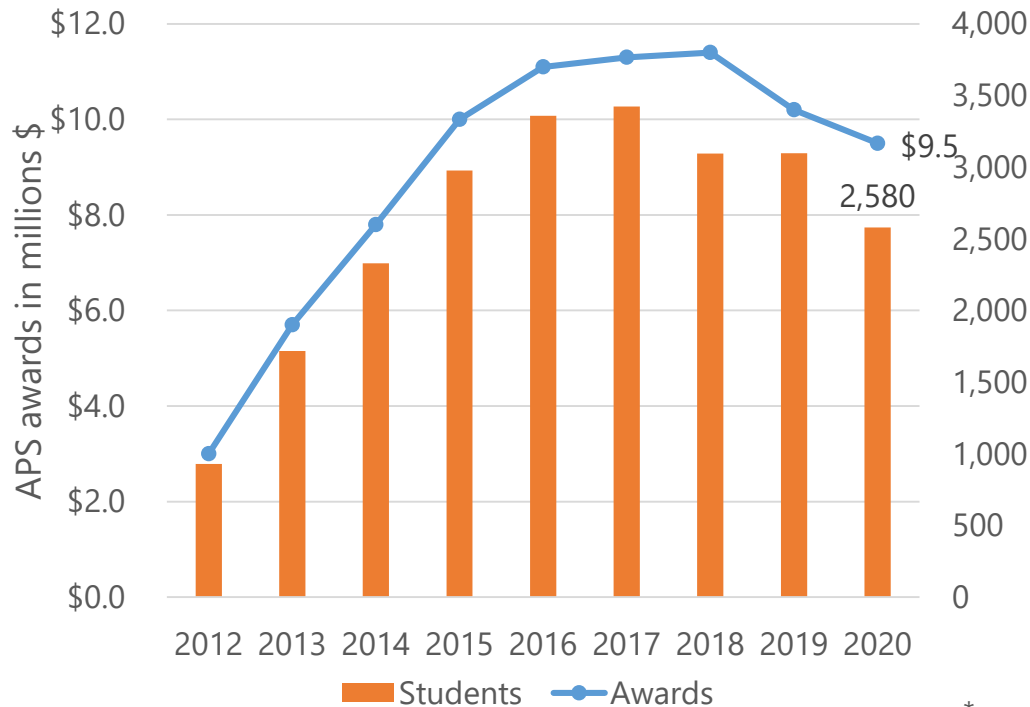
Alaska Performance Scholarship Eligibility



Class of 2019 Proportion of APS-Eligible Students Receiving APS Fall 2019



Alaska Performance Scholarship Awards (2011-2020FY)



\$79,500,000 Awarded Since 2011

- Over 21,500 Alaska high school graduates have been eligible
- 9,540 students have been APS recipients as of the 2020 APS Outcomes Report
 - 220 students have received the scholarship using their vocational eligibility from the WorkKeys test
- 33% of eligible students from the Class of 2019 received an award the fall term following their high school graduation

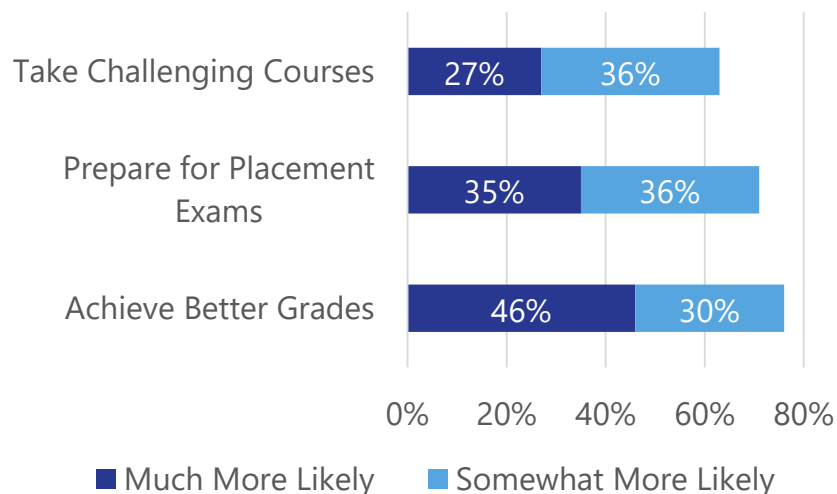
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*2020FY awards are estimated based on twice the partial fall disbursed amount and the number of APS recipients is the partial-year total as of 11/7/2019

Goals of the Alaska Performance Scholarship

1. Students excel in high school
2. Students are prepared for college or training

Did the availability of APS make you more likely to do any of the following in high school?

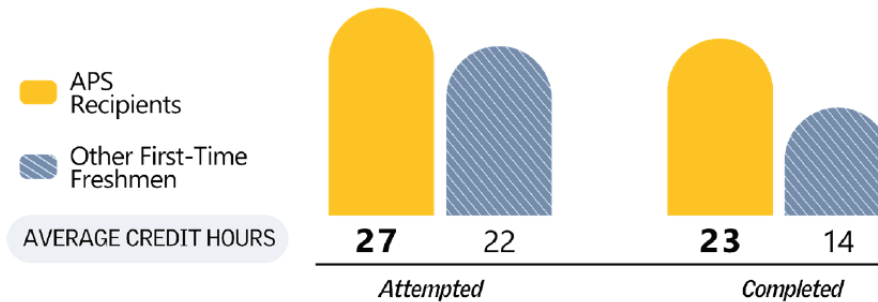


- Only 2% of APS recipients needed developmental coursework as first-time UA freshmen, compared with 29% of non-recipients.
- 82% of APS-eligible first-time freshmen students persisted into a second year compared with 56% of ineligible students.

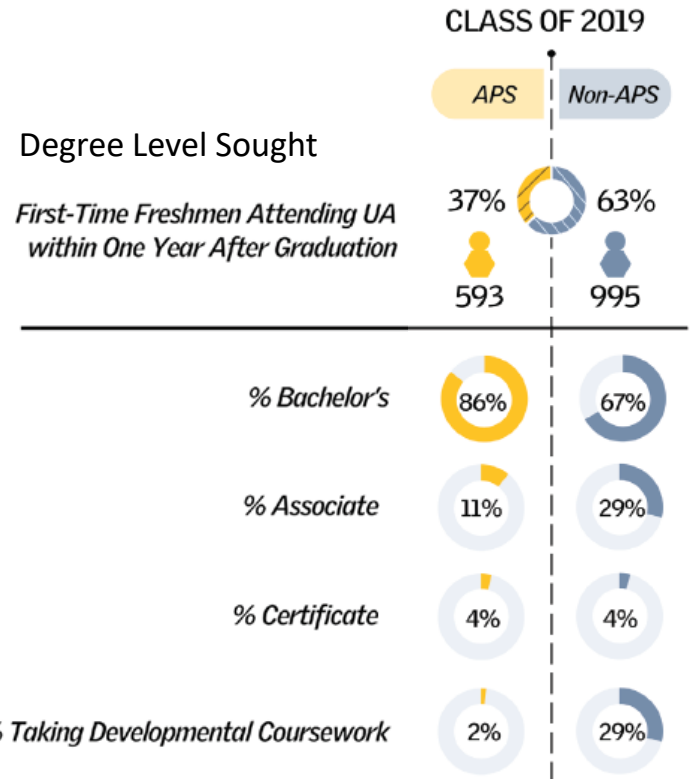
Goals of the Alaska Performance Scholarship

3. Students succeed in college

Average Credit Hours Attempted & Completed 2018FY



Source: University of Alaska

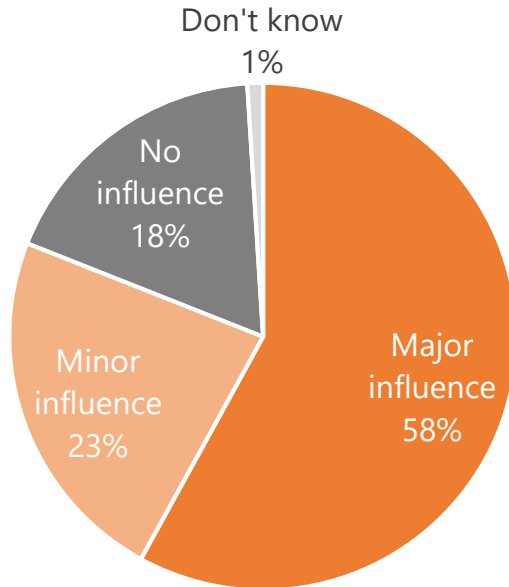


Source: University of Alaska

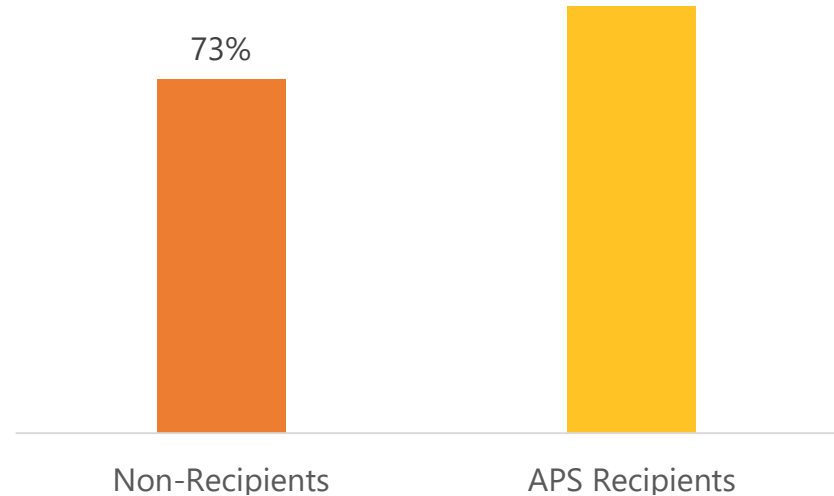
Goals of the Alaska Performance Scholarship

4. High-achieving students stay in Alaska

How much of an influence was the APS on your decision to attend an in-state school?



2017 Alaska Residency Rate* of the Class of 2014



*Residency rate based on 2017 PFD application data

Alaska Performance Scholarship Administration

- Scholarship awards are funded through the Alaska Higher Education Investment Fund (AHEIF)
 - Originally capitalized in 2010 with \$400 million
 - Current balance is ~\$340 million
 - Intended use is to fund APS and AEG in perpetuity but is also being used to fund WWAMI, and other education program costs
 - Previous use to fund non-education programs significantly reduced fund balance
- ACPE absorbs costs of managing the APS (no draw on GF)
- ACPE publishes the annual [APS Outcomes Report](#) per AS 14.43.840 and reports specific data on the program outcomes
- Major summer 2020 project underway to
 - Identify reasons for declines in eligibility and usage
 - Provide earlier notice to students about APS eligibility and staying on track

Alaska Education Grant

- The Alaska Education Grant (AEG) provides needs-based financial aid to eligible Alaskan students who attend qualifying postsecondary schools in-state.
- Statutory formula requires that annual appropriations for APS and AEG awards be allocated to APS and AEG awards on a 2/3 to 1/3 ratio (AS 14.43.915(c))
- As a result of funding formula, any decrease in APS appropriation also decrease the funding for AEG
- AEG awards are funded by the HEIF, and ACPE absorbs costs of managing program

WICHE Exchange Programs

- Alaska has participated in the Western Interstate Commission for Higher Education (WICHE) since 1955. The compact is codified in statute at AS 14.44.010
- As a member of the West's regional compact (one of five nationally),
- Alaska residents can participate in any of three student exchange programs
 - **Western Undergraduate Exchange**
 - **Western Regional Graduate Exchange**
 - **Professional Student Exchange**
- Membership also provides Alaska with research and policy analysis, access to consortia and reciprocity agreements, and behavioral health support
- ACPE absorbs costs of Alaska WICHE participation at no cost to the General Fund
- Alaska's WICHE Commissioners: Susan Anderson, Jim Johnsen, Stephanie Butler

Western Undergraduate Exchange

Western Regional Graduate Exchange

Professional Student Exchange



Alaska Student
Loan Corporation

ALASKA

Alaska students saved **\$13.6 million** through WICHE's Student Access Programs in 2019-20

Student Savings	WUE \$12,865,437	+	WRGP \$461,115	+	PSEP \$320,383	=	2,865% Return on Investment
State Investment	FY20 WICHE dues \$156,000		+	PSEP \$320,383			

WUE

Western Undergraduate Exchange

- 1,304 Alaska undergraduates paid up to 150% of resident tuition to save \$12.9 million.
- Most popular schools: Northern Arizona U. (166 Alaska residents) and Washington State U. (96 Alaska residents)
- Alaska residents have saved \$245.8 million since 1988.

Three Alaska institutions enrolled 373 WUE students from other WICHE states and territories

U. of Alaska, Anchorage (all UAA campuses and Prince William Sound Community College)	138
U. of Alaska, Fairbanks	180
U. of Alaska, Southeast	55

WUE Student Distribution from Alaska



WUE Student Distribution to Alaska



WRGP

Western Regional Graduate Program

- 37 Alaska students paid resident tuition in other Western states and saved \$461,115.
- Alaska universities enrolled 57 WRGP students from other WICHE states.

PSEP

Professional Student Exchange Program

- 14 students paid reduced tuition for health care studies not offered by public institutions in the home state and saved \$320,383.
- 70% of Alaska's PSEP graduates (2007-16) returned home to practice. The state does not contractually require them to do so.

Field	# of Alaska students	Support fees paid
Dentistry	8	\$214,000
Occupational Therapy	1	23,333
Optometry	2	36,850
Physical Therapy	3	46,200
TOTAL	14	\$320,383

Alaska also supports residents studying as physician assistants and in podiatry.



"While my parents have made substantial contributions towards my education, without WUE I would not be able to study out-of-state. For the many students whose parents are unable to contribute to their college education, WUE makes an even greater difference."

– Alice, Alaska resident
Political Science, University of Utah

WICHE Exchange Programs

Western Undergraduate Exchange (WUE)

- Residents of WICHE states eligible to request a reduced tuition rate of 150 percent of resident tuition at participating two- and four-year college programs outside of their home state
- 1,304 Alaska undergrads saved \$13 million in out-of-state tuition in 2019-20
- 373 undergraduates from other states to attend the University of Alaska

Western Regional Graduate Program

- Master's, graduate certificate, and Ph.D. students who are residents of the WICHE member states may enroll in 380 high-quality programs at 60 participating institutions outside of their home state and pay resident tuition
- 37 Alaska students used this program in 2019-20
- Alaska enrolled 57 out-of-state students

Institutional Regulation

Program Integrity and Consumer Protection

- Approve non-public postsecondary education institutions in Alaska
- Investigate student complaints
- Audit institutions administering Alaska financial aid
- Supervise institutional closures
- Retain closed school academic records
- Liaison with accreditors and the US Department of Education
- State portal agency for Alaska participation in the State

Authorization Reciprocity Agreement network (SARA)

- Process for accredited, degree-granting institutions approved in their home state to offer distance education across state lines
- Enhances student access to online courses from out-of-state institutions
- Enables Alaska institutions to offer distance education to students in other states

Higher Education Planning & Success Programs/ Support for Alaska School Districts and Higher Education Institutions

Importance of Planning for Higher Education in Alaska

- Alaska rankings:
 - Lowest college completion rate in nation; low-income student rate 2x lower than next lowest state
 - 1st in the nation of residents with some college and no degree
 - 50th (last) in the nation for statewide postsecondary graduation rate
 - 46th in the nation for public high school graduation rate
- 65% of Alaska's best jobs in 2025 will require postsecondary credential
- Alaska FAFSA-filing rate lowest in nation at 39%
 - Pell Grants bring estimated \$25 million to Alaska annually
- Upcoming generation less educated than retiring workforce
- Alaska high school graduates less prepared for college or career
 - 66% below proficient in English/Language Arts and 72% below proficient in Mathematics
 - APS eligibility declining
- College enrollment declines in Alaska
 - Early indications of increases in out-of-state enrollments
 - Large population enrolled in out-of-state distance education programs
 - Undergraduate public in-state enrollment down 10% in 2019
- ACPE [Almanac of Higher Education in Alaska](#) provides more information

ACPE Postsecondary Planning Programs

- [Alaska Career Information System](#) (AKCIS)
 - Interactive online comprehensive career, education, and financial aid curriculum and assistance
 - Provided free to all Alaskans
 - Used in all 54 school districts, Alaska Job Centers, and 364 stakeholder sites
- Alaska College and Career Advising Corps
- Postsecondary education planning individual assistance and mentoring
 - In person and by distance delivery
- Training programs for teachers, counselors and mentors
- Financial literacy programs and trainings
- Early awareness programs and volunteer coordination

ACPE Higher Education Resources

- Operation of state loan programs
- Institutional Authorization and education consumer protection
- Operation of APS, AEG, and WWAMI programs
- Operation of WICHE student exchange programs
- Alaska Higher Education Almanac annual publication
- State of Higher Education in Alaska annual forum
- Research briefs and policy analyses publication
- Alaska Performance Scholarship (APS) Report and program evaluation
- Success Center financial literacy and mentoring services
- Alaska College and Career Advising Volunteer Corps
- Alaska Career Information System (AKCIS)

Alaska Higher Education Successes

- Second lowest debt in the nation after postsecondary graduation
- Third lowest tuition and fees in the nation for public 4-year university
- Robust state higher education financial aid programs
 - Alaska Performance Scholarship
 - Alaska Education Grant
 - UA Scholars
 - Alaska student loan programs
- Engaged education leadership, employers, and citizenry
- Strong public university system
- Growing statewide development of CTE pathways to success
- Impactful education planning programs and higher education access agency in ACPE

In Summary: Celebrating ACPE Successes

- Almost 50 years of low-cost financial aid and access programs for Alaska students with no cost to the General Fund
- Attract significant federal and private grant dollars to Alaska
- 2016 ACPE/ASLC Legislative Performance Review findings
- Create and enhance programs through grant funding and retain programs post-grant, without new cost to state
 - Transition of Alaska Access & Completion Network to 501(c)(3)
 - Transition of ACAC to vibrant volunteer program
- Actively foster an agency culture of continuous improvement, cost reduction, efficient/effective outsourcing, and high performing work culture
 - \$3.5 million in budget reductions over past years
 - Reduction of 34 PCNs with additional reductions planned
 - Reductions accomplished without program eliminations and entirely through strategic attrition planning

Statutory Citations

Commission statutory authority:

AS 14.42.010-055 (est. 1974)

Corporation statutory authority:

AS 14.42.100-990 (est. 1987)

Financial aid programs and services:

AS 14.43.091-990 and AS 14.44.010-060 (est. 1971)

Regulation of postsecondary education institutions:

AS 14.48.010-210 (est. 1976)

Postsecondary planning programs:

AS 14.42, Article 1 (Sec. 1 ch. 85, Temporary And Special Acts and Resolves) (est. 2001)

Thank you

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