

**State of Alaska
FY2004 Governor's Operating Budget**

**Department of Education and Early Development
Program Administration
Component Budget Summary**

Component: Program Administration

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Component Mission

The mission of the Program Administration component of the Alaska Commission on Postsecondary Education (ACPE) is to:

- * administer and provide policy direction for the ACPE programs
- * 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
- * provide Alaskans with information about the educational opportunities available in Alaska and financial aid programs available to assist in accessing those opportunities.

Component Services Provided

The component contains funding for: the Alaska Commission on Postsecondary Education, to set policy; the Office of the Executive Director, to implement policy; and the Institutional Relations and Outreach staff, to enforce the Commission's regulations and policy directives and provide Alaskans with the tools and information to make sound postsecondary education/training investments and decisions. The Commission is a 14-member body composed of representatives of various entities involved in postsecondary education in Alaska, as well as members of the general public. The Commission, by statute, is charged with coordinating the development of comprehensive plans for the systematic growth of postsecondary education in Alaska; advising as to the functions and purposes of colleges and universities operating in the state; and advising the Governor's office, the legislature, and other appropriate state and federal agencies on postsecondary education issues and concerns in Alaska.

Component Goals and Strategies

1. To Administer the Alaska education loan programs in compliance with state statutes, regulations and accepted education loan industry standards:
 - * conduct quarterly meetings of the Commission to set policy and
 - * work with the Department of Law to develop/revise statutes and regulations to implement policies set by the Legislature or Commission.
2. Review/approve/monitor postsecondary institutions operating in the state and perform compliance reviews of institutions outside the state that administer education loan funds:
 - * conduct on-site reviews of 31 existing programs/institutions and recommend renewal/non-renewal of operating authorization
 - * provide technical assistance and program review to approximately 8 new schools/programs seeking to begin operation in the state
 - * handle consumer complaints concerning postsecondary institutions/programs operating in Alaska
 - * develop policies, standards and guidelines for institutional administrative capacity for institutions with Alaska education loan borrowers
 - * recommend certification of institutions meeting the minimum standards
 - * insure institutions demonstrate financial soundness and capability of fulfilling commitments to students
 - * insure institutional compliance with the Program Participation Agreement
3. Administer the contract with the U.S. Department of Veterans Affairs (VA) in compliance with federal laws, regulations, and the specific requirements of the VA contract:
 - * inspect, approve and supervise 1) those programs offered by qualified educational institutions and training establishments; and 2) tests for licensing and certification within the State of Alaska (SOA)
 - * determine which education and training programs may be approved for veterans and other eligible individuals
 - * render services and obtain information necessary for the VA to approve or disapprove programs offered by the federal government with the SOA
 - * review and approve catalogs and term schedules from approved educational institutions

- * conduct on-site supervisory visits to approximately 67 educational institutions and training sites within the SOA approved for VA education and training benefits
- * make VA requested visits to schools and training sites

Key Component Issues for FY2003 – 2004

The Program Administration component key issues have five elements:

- to serve as staff to the Alaska Student Loan Corporation (ASLC) and assist in providing program policy direction for the use of ASLC funds to provide maximum benefit to Alaskan participants while insuring the financial well-being of the fund
- 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
- to provide Alaskans with information about: the educational opportunities available in Alaska; the economic and social benefits of taking advantage of those opportunities; and, the financial aid programs available to assist in accessing those opportunities
- to provide Alaskans with the tools and information to make sound postsecondary education/training investments and decisions.

Major Component Accomplishments in 2002

- Successfully implemented the new AlaskAdvantage Loan Program offering education loans with below market interest rates.
- Implemented interim institutional audits for schools in probationary status to insure improvement and assist in the successful completion of probationary period.
- Continued to streamline desk audits and processes to increase the number of out-of-state audits in the most cost-effective manner.
- Achieved a AAA/Aaa credit rating on the ASLC senior bonds.

Statutory and Regulatory Authority

AS 14.42.010-055
AS 14.48.010-210

Program Administration
Component Financial Summary

All dollars in thousands

	FY2002 Actuals	FY2003 Authorized	FY2004 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,036.6	1,090.1	777.3
72000 Travel	69.9	108.9	90.8
73000 Contractual	219.0	203.3	154.7
74000 Supplies	11.3	16.0	16.0
75000 Equipment	0.0	26.4	1.4
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,336.8	1,444.7	1,040.2
Funding Sources:			
1002 Federal Receipts	62.5	77.7	79.2
1106 Alaska Post-Secondary Education Commission Receipts	1,274.3	1,367.0	961.0
Funding Totals	1,336.8	1,444.7	1,040.2

Program Administration

Proposed Changes in Levels of Service for FY2004

- Increase on-campus assistance to student borrowers
- Increase on-site assistance and student financial aid technology support for participating institutions
- Expand early awareness and outreach services to Alaska families for distribution of education financing information

\$75 per Month Health Insurance for Non-covered Staff (\$18.8)

The employer contribution to health insurance for non-covered staff will increase by \$75.00 from \$630.00 per month to \$705.00 per month.

Transfer PCN 05-0109 to Student Loan Operations/Outreach

Transfer Administrative Support Specialist, range 14, Juneau from Program Administration to Student Loan Operations/Outreach to effectively align resources for efficiency measures.

Summary of Component Budget Changes

From FY2003 Authorized to FY2004 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2003 Authorized	0.0	77.7	1,367.0	1,444.7
Adjustments which will continue current level of service:				
- PCN's 05-0104, 05-0107, 05-0311, 05-0436, 05-0509 ADN0536011	0.0	0.0	-374.2	-374.2
-\$75 per Month Health Insurance for Non-covered Staff	0.0	1.5	17.3	18.8
-Transfer PCN 05-0109 to Student Loan Operations/Outreach	0.0	0.0	-49.1	-49.1
FY2004 Governor	0.0	79.2	961.0	1,040.2

Program Administration
Personal Services Information

	Authorized Positions		Personal Services Costs	
	<u>FY2003</u> <u>Authorized</u>	<u>FY2004</u> <u>Governor</u>		
Full-time	17	11	Annual Salaries	601,036
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	202,579
			<i>Less 3.27% Vacancy Factor</i>	<i>(26,315)</i>
			Lump Sum Premium Pay	0
Totals	17	11	Total Personal Services	777,300

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant	1	0	1	0	2
Compliance Auditor	1	0	0	0	1
Director/lr	1	0	0	0	1
Executive Director	0	0	1	0	1
Executive Secretary III	0	0	1	0	1
Internal Auditor	0	0	1	0	1
Personnel Officer	0	0	1	0	1
Policy Analyst	0	0	1	0	1
Program Coordinator	1	0	1	0	2
Totals	4	0	7	0	11