

State of Alaska FY2005 Governor's Operating Budget

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

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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 with the following mission: To promote, support, and provide access to postsecondary education for Alaskans and in Alaska.

ACPE carries out this mission by delivering core services to:

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

Under agreement with the Alaska Student Loan Corporation (ASLC or Corporation), the Commission had developed and administers the AlaskAdvantage Programs as well as other occupational area-specific education loan programs.

ACPE has also developed and delivers early awareness and outreach products and services intended to increase Alaskans' awareness of the importance of academic and financial planning to insure both access and success in postsecondary education. ACPE is increasing its activities to make state residents aware that postsecondary education is possible for all Alaskans--regardless of their economic or social status. One of the agency goals is to provide Alaskans with the tools and information to make sound postsecondary education/training investments and decisions by developing an electronic resource of education/training/labor information. This developing 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 all postsecondary schools that operate 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™ Federal Education Loans;
- 2) AlaskAdvantage™ Supplemental Education Loans (ASEL);
- 3) Pre-2002 Alaska Student Loans (ASL);
- 4) ASL Consolidation Loans;
- 5) Teacher Education Loans (TEL);
- 6) Family Education Loans (FEL);
- 7) WWAMI Medical Education Loans;
- 8) WICHE Professional Student Exchange Program Loans;
- 9) Western Undergraduate Exchange (WUE);
- 10) Western Regional Graduate Program (WRGP).
- 11) Alaska's GEAR UP Scholarship; and
- 12) Miscellaneous state memorial education loan programs created for special purposes or target populations.

Servicing operations/administrative duties encompass:

- producing, disseminating and reviewing initial applications and awarding loans;

- disbursing loan funds to approved institutions in the US 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, where in-house efforts to collect payments have failed, transferring loans to a private sector collection agency;
- 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.

Core Services Objectives

- the issuing of loans
- to insure quality servicing of education loans
- to insure the quality of the loan portfolio through effective collections and enhanced revenues
- to continue improving service to loan borrowers through informed use of technology
- to continue quality internal operations through increased accountability and quality control
- to administer other financial aid programs that benefit Alaska postsecondary education consumers
- to insure adequate funds are available to meet loan demand

FY2005 Resources Allocated to Achieve Results		
FY2005 Results Delivery Unit Budget: \$10,790,300	Personnel:	
	Full time	104
	Part time	0
	Total	104

Key RDU Challenges

- * Continue to increase AlaskAdvantage™ Federal Family Education Loan Program (FFELP) volume.
- * Continue 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
- * Continue to 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
- * Continue improving service to loan borrowers through informed use of technology
- * Continue quality internal operations through increased accountability and quality control

Significant Changes in Results to be Delivered in FY2005

- Increase on-campus assistance to student borrowers.
- 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 education financing information.
- Develop and offer a low cost consolidation loan for existing Alaska Student Loan borrowers.
- Expand electronic/automated payment options for borrowers to include on-line enrollment in such programs.

Major RDU Accomplishments in 2003

- Developed a low cost consolidation loan for Alaska Student Loan borrowers repaying loans at substantially higher than current interest rates. Approved \$43 million in ASL consolidation loans in FY2003.
- Established position as #1 federal education loan provider in the state of Alaska with 37% of total volume for FY2003, providing Alaskan students with the lowest cost loans in the nation, at below-market rates ranging from 1.46% to 1.96%.
- Established expanded loan repayment options for borrowers struggling to manage their education debt.
- 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.
- Continued to enhance ASLNet, (ACPE's Web-based service-oriented financial aid packaging and delivery system which allows schools to streamline the financial aid process and borrowers to review and manage their loan data on-line 24-hours per day) to provide borrowers with the ability to authorize and schedule on-line bill payment directly from their bank account.
- Ended FY2003 with sufficient net income to approve an FY2005 dividend to the State of \$5.6 million, bringing the total returned to the state since FY2001 to \$22 million.
- In FY2003 over 10,400 Alaskans received loans totaling more than \$60.3 million dollars.
- Continued to provide full education loan servicing for over 162,500 loans with a total loan portfolio of over \$600 million.
- Enabled participation of 1,523 Alaskan undergraduate students in the WICHE Western Undergraduate Exchange program, saving those students and their families approximately \$8.2 million in tuition costs.
- Enabled enrollment of 205 undergraduate students from other states at the University of Alaska in the Western Undergraduate Exchange program.
- Enabled enrollment of 24 Alaskan graduate students in the WICHE Western Regional Graduate Exchange Program.

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

All dollars shown in thousands

	FY2003 Actuals				FY2004 Authorized				FY2005 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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	82.3	9,200.7	9,283.0
Program Administration	0.0	55.6	1,040.5	1,096.1	0.0	79.2	961.0	1,040.2	0.0	0.0	0.0	0.0
Student Loan Operations/Outreach	0.0	0.0	7,533.5	7,533.5	0.0	0.0	7,800.2	7,800.2	0.0	0.0	0.0	0.0
WWAMI Medical Education	1,507.3	0.0	0.0	1,507.3	1,507.3	0.0	0.0	1,507.3	1,507.3	0.0	0.0	1,507.3
WICHE Compact	0.0	0.0	103.0	103.0	0.0	0.0	103.0	103.0	0.0	0.0	0.0	0.0
Totals	1,507.3	55.6	8,677.0	10,239.9	1,507.3	79.2	8,864.2	10,450.7	1,507.3	82.3	9,200.7	10,790.3

**Alaska Postsecondary Education Commission
Summary of RDU Budget Changes by Component
From FY2004 Authorized to FY2005 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2004 Authorized	1,507.3	79.2	8,864.2	10,450.7
Adjustments which will continue current level of service:				
-Program Admin & Operations	0.0	82.3	9,200.7	9,283.0
-Program Administration	0.0	-79.2	-961.0	-1,040.2
-Student Loan Operations/Outreach	0.0	0.0	-7,800.2	-7,800.2
-WICHE Compact	0.0	0.0	-103.0	-103.0
FY2005 Governor	1,507.3	82.3	9,200.7	10,790.3