

State of Alaska FY2013 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 access to and success in education and career training beyond high school.

Core Services

- Provide student financial aid for postsecondary education and training
- Promote postsecondary education participation and success 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.

Target #1: Leverage the Alaska Performance Scholarship (APS) to increase the numbers of Alaska high school students graduating academically prepared to succeed in postsecondary education or workforce training

Status #1: Data from the two years prior to APS implementation, and from the 2011 initial APS year, will be used to create a baseline from which longitudinal data will be tracked and reported, and which will be used to generate goals for end results and program outcomes

Target #2: By 2020, growth to equal the national average of Alaska 9th graders graduating from high school and completing college on time

Status #2: New 2008 data was published in the fall of 2010 and reflects that only 7 of 100 Alaskan 9th graders will complete a college credential on time, compared to 20 of 100 9th graders nationally. (Data is updated biennially. New data will be available in 2012.)

Strategy A1: Increase public awareness of postsecondary education and training value.

Target #1: Provide higher education outreach/awareness information and services to 100% of Alaska's secondary school students

Status #1: In FY11 ACPE staff participated in 263 events promoting postsecondary participation in more than 45 different communities serving over 26,300 Alaskans; and direct mailed education planning resources to about 36,000 Alaska students.

Target #2: Expand peer mentoring pilot to a rural high school

Status #2: The continuation of the pilot program and expansion of the Alaska College & Career Advising Corps (ACAC) allowed ACPE to provide direct assistance to students and their parents at Anchorage's Service and Bartlett High Schools. ACPE also prepared for expansion to the first rural ACAC site in the Lower Kuskokwim School District's Bethel Regional High School.

Strategy A2: Collaborate with Alaska school districts and workforce development partners to offer informational resources to assist high school students and adult learners to prepare for and leverage postsecondary training to achieve career growth.

Target #1: Offer postsecondary education and training outreach to 100% of Alaska adults seeking career advancement

Status #1: ACPE currently achieves this target by delivering AKCIS services at all Alaska Job Centers and similar community partners supporting adults seeking career growth

Target #2: Offer access to the Alaska Career Information System at 100% of Alaska school districts

Status #2: As Alaska Career Information System (AKCIS) administrator, ACPE made AKCIS available at no cost to all Alaska districts and 93% of districts, 50 of 54, maintained active sites for their students.

Strategy A3: Leverage the AlaskAdvantage Grant Program to provide financial aid to students with greatest financial need

Target #1: Provide higher education grants to students from low-income families with the highest unmet financial

need in terms of their ability to pay for postsecondary education and training

Status #1: ACPE ensures those students with greatest financial need receive available funds. In FY11, grants were awarded to students with average annual family incomes of \$18,129 or less.

Strategy A4: Reinforce and support the efforts of Alaska high schools in preparing their students for APS eligibility

Target #1: Deliver informational tools and resources to ensure 100% of Alaska high schools, public and private, receive information to assist their students in preparing to qualify for an APS award

Status #1: ACPE is coordinating a multi-agency strategic outreach and communications plan for FY12

End Result B: Reduce Alaskans' cost of postsecondary education

Target #1: Maintain ASLC loan eligibility criteria that ensure low-cost funding for Alaskans requiring supplemental education loans

Status #1: The quality of ASLC loans ensures ACPE has the capacity to continue to offer low-cost fixed rate loans to Alaska's students and families without general fund subsidies.

Strategy B1: Reduce student costs by directing them to free or lower-cost federal student aid to avoid non-essential educational debt and costs.

Target #1: Alternative state loan cohort default rate of 5% or lower

Status #1: ACPE continues to demonstrate strength in default management. The most recent rate of 6.08% was calculated in January 2011 for the 2009 cohort.

Target #2: Increase the number of Alaska students completing the FAFSA for increased access to free or low-cost federal student aid

Status #2: By Q2 of 2011, more than 26,700 Alaskans had filed the annual FAFSA, an 11% increase from the prior year-to-date and a 48% increase from the year-to-date total three years prior.

Strategy B2: Maintain low program administrative costs.

Target #1: Maintain administrative cost at or below 2.5% of the outstanding loans portfolio

Status #1: In FY11, ACPE's loan program administrative costs as a percent of the portfolio was 1.67%.

Strategy B3: Leverage the APS to reduce Alaska students' costs of higher education by attracting enrollment in Alaska institutions and speeding time to degree completion.

Target #1: Increase the number of students qualifying for and utilizing APS awards, resulting in increased annual APS utilization.

Status #1: ACPE is working with the Alaska Department of Education and Early Development and the University of Alaska to develop baseline information from which longitudinal metrics will be developed. The resulting data will be used to inform strategies to increase APS eligibility and utilization.

End Result C: Provide consumer protection to Alaska's higher education students.

Target #1: Ensure 100% of authorized institutions in Alaska offer relevant, value-added education and training programs

Status #1: ACPE achieves this target by requiring all entities seeking to and approved for delivery of education services in Alaska meet all applicable state standards.

Strategy C1: Ensure institutions seeking authorization to operate in Alaska document meeting standards for financial soundness and program content.

Target #1: 100% of authorized institutions documented to meet recognized or national standards for program/curriculum content, or be determined by a local qualified expert to meet Alaska training needs

Status #1: ACPE meets this target on an annual basis as 100% of institutions authorized must document that their curricula meet standards set by recognized bodies or determined to meet local industry training needs.

Key RDU Challenges

- Ensure Alaska students and families are fully informed about the Alaska Performance Scholarship through

- efficient and effective marketing and administration of the program;
- Deliver programs with the objectives of increasing access for lower-income residents, assisting in addressing key worker shortage areas, and motivating secondary students to take rigorous high school curriculum;
- 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;
- Provide timely early outreach to assist students in preparing for success in higher education and eligibility for the Alaska Performance Scholarship by promoting a rigorous secondary school curriculum;
- 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 ACPE programs, achieving efficiencies and delivering value-added service to Alaskans through improved management, processes, and technology;
- Review and authorize postsecondary programs and institutions operating in the state, with the exception of the University of Alaska system, providing education consumer protection 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;
- Maintain high service standards for loan borrowers and scholarship and grant recipients through informed use of technology;
- Maintain quality internal operations through accountability, quality control and informed use of technology; and,
- Continue to provide Alaskans guaranteed access to medical education and to address statewide professional medical workforce needs.

Significant Changes in Results to be Delivered in FY2013

- Expand Alaska student awareness and use of the Alaska Supplemental Education Loan as their next lowest cost loan option after exhausting federal aid;
- Facilitate development of capacity for statewide longitudinal data sharing for the purpose of reporting on the return on investment of state investments in education and training systems;
- Effect a statewide culture change relative to supplemental education loans, to encourage borrowers to seek a credit-worthy cosigner as part of securing the lowest cost education loans;
- Advocate for stable long-term funding source for the Alaska Performance Scholarship and AlaskAdvantage education grant programs;
- Increase the self-service functionality on the Alaska Performance Scholarship (APS) website to ensure high school students and their parents and others can navigate their school-specific APS processes;
- Increase operational efficiencies given reduction in loan origination, while maintaining service levels and required accountability;
- Increase anytime, anywhere assistance to students and their families;
- Continue to expand peer mentor activities to increase secondary student engagement in postsecondary education preparation and planning;
- 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; and,
- Enhance electronic desktop tools for ACPE staff to ensure accurate, efficient, and consistent customer service levels.

Major RDU Accomplishments in 2011

- Maintained exceptionally low fixed-rate supplemental loan at 7.5%, with borrower benefits that may reduce the rate to 6.75% for borrowers residing in Alaska and using online autopay during repayment;
- Enhanced options for both borrowers and cosigners to make payments online and via the telephone, 24/7;
- Enabled more than almost 1,500 Alaska students and their families to save ~\$12 million in tuition costs through Alaska's participation in the WICHE Western Undergraduate Exchange program;

- Maintained a federal loan cohort default rate of 7.8%, below the Alaska state average default rate of 7.9%;
- Maintained a low alternative loan cohort default rate of 6.08% despite national increases in default rates;
- In FY2011, originated \$12 million in loans to over 1,700 borrowers;
- Fully serviced over 127,000 loans with a total loan portfolio of approximately \$664 million;
- Attracted 562 undergraduate students from other states to the University of Alaska through the Western Undergraduate Exchange program; and,
- Coordinated third WWAMI cohort of 20 incoming medical students.

| Contact Information |
|--|
| <p>Contact: Diane Barrans, Executive Director Phone: (907) 465-6740 Fax: (907) 465-3293 E-mail: diane.barrans@alaska.gov</p> |

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

All dollars shown in thousands

| | FY2011 Actuals | | | | FY2012 Management Plan | | | | FY2013 Governor | | | |
|--------------------------------------|------------------|-----------------|------------------|-----------------|------------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| | UGF+DGF Funds | Other Funds | Federal Funds | Total Funds | UGF+DGF Funds | Other Funds | Federal Funds | Total Funds | UGF+DGF Funds | Other Funds | Federal Funds | Total Funds |
| Formula Expenditures None. | | | | | | | | | | | | |
| Non-Formula Expenditures | | | | | | | | | | | | |
| Program Admin & Operations | 0.0 | 12,988.3 | 466.9 | 13,455.2 | 3,000.0 | 13,137.8 | 1,917.0 | 18,054.8 | 3,000.0 | 13,139.9 | 1,926.8 | 18,066.7 |
| WWAMI Medical Education | 2,879.2 | 0.0 | 0.0 | 2,879.2 | 2,964.8 | 0.0 | 0.0 | 2,964.8 | 2,964.8 | 0.0 | 0.0 | 2,964.8 |
| Totals | 2,879.2 | 12,988.3 | 466.9 | 16,334.4 | 5,964.8 | 13,137.8 | 1,917.0 | 21,019.6 | 5,964.8 | 13,139.9 | 1,926.8 | 21,031.5 |

**Alaska Postsecondary Education Commission
Summary of RDU Budget Changes by Component
From FY2012 Management Plan to FY2013 Governor**

All dollars shown in thousands

| | <u>Unrestricted Gen (UGF)</u> | <u>Designated Gen (DGF)</u> | <u>Other Funds</u> | <u>Federal Funds</u> | <u>Total Funds</u> |
|--|-----------------------------------|---------------------------------|--------------------|--------------------------|--------------------|
| FY2012 Management Plan | 5,964.8 | 0.0 | 13,137.8 | 1,917.0 | 21,019.6 |
| Adjustments which will continue current level of service: | | | | | |
| -Program Admin & Operations | 0.0 | 0.0 | 245.1 | 9.8 | 254.9 |
| Proposed budget decreases: | | | | | |
| -Program Admin & Operations | 0.0 | 0.0 | -243.0 | 0.0 | -243.0 |
| FY2013 Governor | 5,964.8 | 0.0 | 13,139.9 | 1,926.8 | 21,031.5 |