



Alaska Commission on Postsecondary Education

Alaska Student Loan Corporation

UPDATE

COLLEGE & CAREER PLANNING • FINANCIAL AID • CONSUMER PROTECTION
Promoting Higher Education & Training for Alaska

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DR MILTON BYRD
Over 30 years advancing the opportunities of higher education to all citizens.



Meet the new ANSWERS characters

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BILL INCREASING STUDENT FINANCIAL AID MAXIMUMS PASSES

RESOLUTION AUTHORIZING STATE-BACKED DEBT TO INCREASE ACCESS AND REDUCE LOAN INTEREST RATES LEFT BEHIND IN FINAL SCUFFLE

IT'S VERY DISAPPOINTING THAT THIS LEGISLATION DID NOT PASS; HOWEVER, OUR MISSION REMAINS TO USE ALL AVAILABLE OPTIONS TO KEEP EDUCATION LOAN COSTS AS LOW AS POSSIBLE FOR ALASKA'S STUDENTS.

**DIANE BARRANS,
ASLC EXECUTIVE OFFICER**

After five days of overtime the 28th Legislative Session adjourned sine die on Friday April 25th, 2014. One of two bills central to ACPE's student financial aid roles and responsibilities successfully passed through both chambers. However, the extended, eleventh-hour debate over many other legislative issues may have ultimately prevented one resolution that would have provided an avenue for more beneficial financing of Alaska Education Loans from advancing out of the House after its third reading.

The failed legislation, Senate Joint Resolution 23 (SJ23), sponsored by Senator Anna Fairclough, proposed amending the State Constitution to allow Alaska voters to authorize state General Obligation (GO) debt for the purpose of funding state education loans for Alaskan students. Currently, state GO debt may only be authorized for capital improvements or housing loans for veterans. Financial market conditions once allowed the Alaska Student Loan Corporation (ASLC) to offer competitive, low-cost education loans without additional state support. That market environment, a casualty of the recent national recession, no longer exists and appears unlikely to return. The authority contemplated by SJR 23 was estimated to allow Alaska education loan rates to be set at least one full percentage point lower than ASLC is able to achieve in the market alone, at no cost to the state's general fund. "It's very disappointing that this legislation did not pass," said Diane Barrans, Executive Officer for the Corporation. "However, our mission

remains to use all available options to keep education loan costs as low as possible for Alaska's students."

Having passed with unanimous support in both the House and Senate, Senate Bill 195, a bill relating to student loans and grants, also sponsored by Senator Fairclough, is now awaiting transmittal to the Governor for signature. Along with a number of housekeeping changes, SB195 makes several programmatic updates that will allow the Commission to better meet Alaska students' need for financial assistance. SB 195 increases the annual and aggregate cap on the Alaska Education Grant, similarly increases the annual and aggregate borrowing limits on Alaska's state education loans, and defines an "on-time" status for a student taking 15 credits or more per term— an enrollment level strongly associated with degree completion. "We annually see costs of education going up at postsecondary institutions across the country, while state education loan maximums have not been modified in almost twenty years," said Barrans. "Increased loan limits will allow students improved access to enough financial aid from one loan resource, thereby reducing the complexities around both borrowing and repayment." The Commission is now moving forward with regulations needed to implement SB195's changes, working to better assist Alaskans accessing higher education by creating incentives - and providing the means - for students to enroll in sufficient credits to graduate on time and enter the Alaska workforce sooner in their desired career. ●

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For more info visit:
legis.state.ak.us

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LOAN FORGIVENESS OUTCOMES STUDY

FINDINGS--RELATIVELY MODEST PROGRAM SUCCESS; FAILURE TO COMPLETE DEGREES LIKELY CAUSE

The Alaska Student Loan Forgiveness Program was implemented in 1972 and ended in 1987. The state's goal was three-part; have students: obtain a postsecondary credential; return to or continue to reside in Alaska; and, have the economic capacity to repay their remaining student loan obligation without defaulting.

"IT'S GOOD TO HAVE CONCRETE STATISTICS WITH WHICH TO RESPOND TO THE APOCRYPHAL STORIES ABOUT HOW WELL LOAN FORGIVENESS WORKED FOR ALASKA. IT'S IMPORTANT TO NOTE THAT THERE ARE LOTS OF STORIES FROM PEOPLE WHO BENEFITED FROM LOAN FORGIVENESS, BUT FOR EACH ONE OF THOSE STORIES, THERE ARE MANY MORE FROM PEOPLE WHO NEVER QUALIFIED FOR FORGIVENESS. HOWEVER, THOSE BORROWERS ARE LESS LIKELY TO DISCUSS THEIR SITUATIONS, SO WE HEAR MUCH LESS ABOUT THEM."

STEPHANIE BUTLER, ACPE DIRECTOR OF OPERATIONS

Over 56,000 Alaskan students borrowed at least one student loan under the program that provided up to 50% forgiveness as long as three criteria were met: 1) completion of a degree or certificate; 2) maintaining residency in Alaska after program completion; and, 3) repaying as agreed.

In compiling the report to assess the validity of anecdotal information on the Alaska Student Loan Forgiveness Program, Brian Rae, ACPE Assistant Director for Research & Analysis, thoroughly reviewed available data. The results of the analysis and findings were published in the March 2014 Loan Forgiveness Outcomes Report. The report was in response to the periodic requests for specific information about costs and issues associated with Alaska's history with loan forgiveness.

Though the potential benefits to a borrower were substantial, fewer than one in three received any forgiveness, and only about one in five – 22% - received the full 50% loan forgiveness.

Using Alaska Permanent Fund applications as a proxy for residency, the study found that nearly 27,000 borrowers lived in Alaska for at least five years after entering repayment. An additional 1,466 borrowers met the residency and other requirements to receive the full 50% forgiveness benefit, so also lived at least five years in the state, though they filed fewer than five PFD applications. Combined, these two groups represent just over half of borrowers. However, fewer than 12,300 borrowers – just 43% of these five-year Alaska residents – received the maximum benefit. Overall fewer than 18,000 borrowers, just 32% of total borrowers, received some amount of loan forgiveness by meeting all three eligibility criteria, including Alaska residence, as well as having earned the

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For more information
on current state loan
programs visit:
acpe.alaska.gov

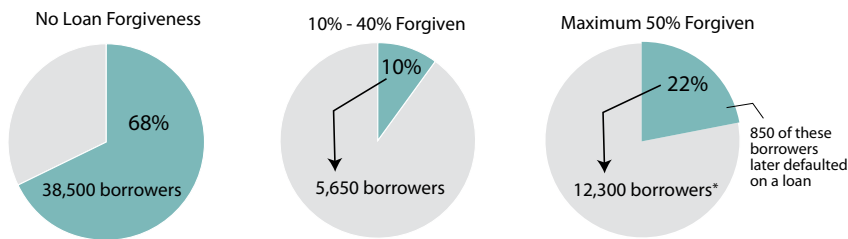
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56,400 borrowers
received a forgivable student loan
(numbers rounded)

Loan Forgiveness



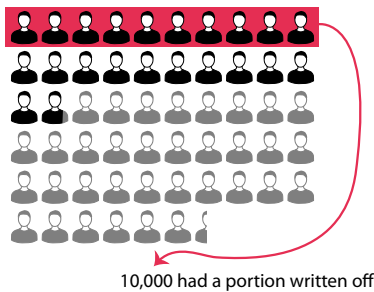
PFD Filing

41,600 borrowers filed at least 1 PFD

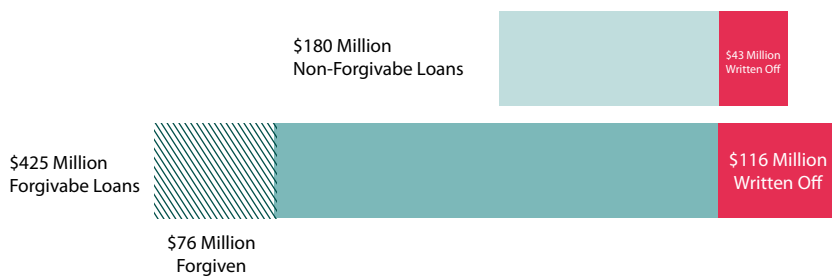


Defaulted

21,900 defaulted on a loan



Write-Off



degree or credential which the loan, at least in part, funded.

This points to a likely conclusion that borrowers' failure to complete their program of study, and not their residency status, was the primary factor in so many failing to receive any loan forgiveness benefit.

"It's good to have concrete statistics with which to respond to the apocryphal stories about how well loan forgiveness worked for Alaska," said Stephanie Butler, ACPE's Director of Operations. "It's important to note that there are lots of stories from people who benefitted from loan forgiveness, but for each one of those stories, there are many more from people who never qualified for forgiveness. However, those borrowers are less likely to discuss their situations, so we hear much less about them."

In terms of recovering the funds loaned to these students, nearly 22,000 borrowers eventually defaulted on their loans, and of that number 20,000 received no loan forgiveness. Defaulting borrowers accounted for 39% of all borrowers of forgivable loans, representing a significant cost to the loan program. Of the borrowers defaulting, nearly 10,000 had some amount of their loan written off as uncollectable. Approximately \$425 million in forgivable loans were made to borrowers who took out an aggregate \$606 million of both forgivable and non-forgivable loans. Of those, \$73 million of forgivable loans were written off as uncollectable debt, and \$116 million was written off on the combined forgivable and non-forgivable loans. As a result, the costs associated with loan write-offs were more than 50% greater than for loan forgiveness. ●

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AKCIS Login Screen shot

AKCIS

LATEST RELEASE ENHANCES INTUITIVE USE AND GIVES A NEW LOOK TO THE ALASKA CAREER INFORMATION SYSTEM (AKCIS)

As doing more with less becomes the standard mode of operation for many teachers, counselors and students, Alaska's one-stop career and learning planning tool continues to be a #1 resource to fill the gap.

With a host of recent changes AKCIS is now easier to access and navigate for all Alaskans. One of those changes is a single sign-on - now all users, including students, job seekers, parents, visitors, administrators, site staff, and district representatives, can log in at the same

URL. Alaskans not affiliated with a specific AKCIS site can still gain access using the zip code process in the login area.

Visitors to AKCIS will also notice a new look that eases navigation throughout the system. This is the first stage of a comprehensive, two-year upgrade to improve AKCIS' user appeal and usability. Personal portfolios – a student or job seeker's resource to develop an online personal learning and career plan – are now clearly central once a user logs in.

For more info visit:
www.akcis.org



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Global navigation through a common menu across all pages allow access to any AKCIS section, while page footers take visitors to important pages of interest, such as: Alaska Performance Scholarship, Alexsys, and AKCIS-specific resources – Tools for Users and Tools for Counselors and Teachers.

The Application Tracker for students is now available in the AKCIS High School and College versions. Students can track their progress in preparing for, applying to, and following up with postsecondary institutions and programs. Specific trackable items include: entrance exams, scholarship postings and applications, meetings with counselors and advisors, FAFSA applications, school visits, school applications, and college/career fairs.

Finally, with a new interface on AKCIS.org, site administrators are able to reset passwords in their classroom or workspace. Password resets will continue to be handled on the AKCIS Helpline, but site administrators ability to independently reset passwords frees up ACPE staff time for preparing web-based trainings, in-person presentations, and partnering with community members.

Updates coming soon include a new Site Administration Tools interface, a uniform look to tutorials and Help features, and a printable Personal Learning and Career Plan (PLCP) aligned with the State’s Career Technical Education (CTE) Plan. ●

Top: Application Tracker screen shot
Bottom: Updated interface and global navigation screen shot

For more information visit:
www.akcis.org



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ANSWERS VIDEO PROJECT

KEEPING IT SHORT AND SIMPLE



Ivan the dentist, one of the new ANSWERS characters.

Whether you're a scientist trying to explain DNA to your grandmother, or just an avid researcher – communicating about complex topics is tough! Understanding what contributes to success (and what doesn't) in Alaska's education and workforce training systems can be just as challenging. The Alaska Navigator: Statewide Workforce and Education-Related Statistics (ANSWERS) securely links de-identified student data across K-12 and postsecondary education, and into the workforce. This linked information has the potential to be transformative to the way we look at student success – however,

explaining the complexities behind the system in a relatable way isn't easy. Leveraging an effective approach taken by the Virginia Longitudinal Data System (VLDS), ACPE is creating an Alaska version of the easy-to-understand, two-minute video explaining ANSWERS. With more than 200 million Americans online, and the rise of social media, the video will be easily accessible in a format that speaks directly to people, explaining to Alaskans how ANSWERS works. The video is expected to be released on ACPE's website, You Tube channel, Facebook page, and on DVD in July. ●



Screen shots from the new ANSWERS Explained video.

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ALASKANS SERVED IN 2014 INCREASES BY 65%



Francine Teve is the lucky winner of the College Goal Alaska scholarship drawing.

Now in its 10th year of helping Alaskan students fill out their FAFSA, CGA held over 50 events in 30 locations across the state. This year a total of 742 Alaskans attended CGA events in Alaska, including 478 current or prospective students filing the FAFSA. That's 191 more filers than last year – in fact, 2014 CGA reached the largest number of filers since 2010. Critical to this year's success were the personal outreach efforts of the extensive and dedicated team of volunteer event coordinators across Alaska, who come from secondary and postsecondary schools, and community organizations, supported by strong marketing and materials. For example, a FAFSA folder provided to attendees contained all of the critical information needed to prepare for filing the FAFSA, and allowed them to walk away with next steps on what to expect after filing. Another new feature this year was a scholarship sponsored by an Alaska business. Bilan Chiropractic donated a \$700 scholarship and presented it to Bartlett High School senior Francine Teve. Teve, a CGA participant who completed an evaluation survey to enter the random drawing, plans to use the award at the University of Alaska Anchorage in the fall. ●

ACPE APPROVED AS ALASKA'S PORTAL AGENCY FOR SARA

SARA—IMPROVING ACCESS TO ONLINE EDUCATION FOR ALASKANS

To participate in SARA, all accredited, degree-granting institutions should contact Joann Rieselbach, School Relations Manager at: (907)465-6678 joann.rieselbach@alaska.gov or Kierke Kussart, IA Program Coordinator at: (907)465-6741 kierke.kussart@alaska.gov

Alaska is one step closer to providing more consistent quality assurance to Alaskan students who take online courses from schools outside the state. During its May 14, 2014 board meeting, national and regional authorizing organizations that make up the National Institutional State Authorization Reciprocity Agreement (SARA), officially approved Alaska's application for WICHE/SARA participation. Alaskans will now have more educational options online that may make the difference for them to graduate on time and become part of the Alaskan workforce sooner. Alaska's participation in SARA is expected, over time, to not only improve access to online education, but to help increase the college-going rate in Alaska, creating a better-educated workforce and new efficiencies in postsecondary education delivery in the process. ●

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ACPE ADDS NEW FACES

IN MEMORIAM

**Joey CRUM***Proprietary Education*

Joey Crum was appointed to the Commission by Governor Parnell in March 2014 as a representative of proprietary education. Mr. Crum currently serves as President and CEO of Northern Industrial Training. He previously acted as a master trainer, instructor and examiner, and developed curriculum in the oil, gas, safety and construction industries. Crum holds his captain's license and operated a charter boat in Homer, Alaska. He graduated from the University of Puget Sound with a baccalaureate in psychology and communications, and earned his Juris Doctorate from the Gonzaga University School of Law.

Term Expires March 2018

**Mike WOODS***Alaska Workforce Investment Board*

Mike Woods was appointed to the Commission by the Alaska Workforce Investment Board in December 2013. He was appointed to the Alaska Workforce Investment Board as a representative of public education in 2008 by Governor Palin and was reappointed by Governor Parnell in 2012. Mr. Woods has been an instructor at King Career Center since 1990. Other employment includes serving as an incident coordinator for the state Division of Forestry, a tour guide training inspector for the Alaska Railroad Corporation, natural resource management consultant, and an emergency services instructor at the University of Alaska Anchorage. He earned his bachelor's degree in education from Boise State University.

Term Expires March 2017

**Dr. Milton Byrd**

The death of Dr. Milton Byrd on March 6, 2014 at the age of 92 marks the passing of a man who devoted his entire life, over 30 years of which were in Alaska, to advancing the opportunities presented through higher education to all citizens.

Dr. Byrd served on the Alaska Commission on Postsecondary Education from April 1994 to October 2013, the longest tenure served in Commission history. He served as Vice Chair of the Commission and chaired the Institutional Standards and Evaluation Committee for an extended period of time.

Milt began his academic career at Indiana University in 1953 as a faculty member in the humanities. In 1981 Dr. Byrd and his wife Susanne moved to Anchorage. In 1985 Dr. Byrd founded Charter College. He opened the college with seven students and a faculty and staff of eight in September 1985. When he retired as its president in 2005, Charter College had become a fully accredited, four-year college with a faculty and staff of over 70 and a student body of over 700. He was President Emeritus until his death.

Dr. Byrd died peacefully in Las Cruces, New Mexico where he accepted his fate with the words "It's time to complete the cycle".



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IMPORTANT DATES:

Commission Meetings

Tuesday, July 22, 2014 - Anchorage
Thursday, October 23, 2014 - Anchorage
Thursday, January 8, 2015 - Anchorage
Monday, April 3, 2015 - Juneau

THE ALASKA COMMISSION ON POSTSECONDARY EDUCATION, FUNDED BY THE ALASKA STUDENT LOAN CORPORATION, PROMOTES ACCESS TO AND SUCCESS IN EDUCATION AND CAREER TRAINING BEYOND HIGH SCHOOL.

THE COMMISSION PROVIDES:

- programs creating early awareness of the importance of preparing for higher education success
- education planning tools and resources
- advocacy and support for postsecondary participation in Alaska
- financial aid for college and career training
- education consumer protection through institutional authorization and complaint investigation

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