



# Alaska Commission on Postsecondary Education

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## MEMORANDUM

**TO:** Members, Alaska Commission on Postsecondary Education  
**THROUGH:** Diane Barrans, Executive Director  
**FROM:** Charlene Morrison, Chief Finance Officer  
**DATE:** June 27, 2014  
**SUBJECT:** Finance Report

### FY15 Approved Budget

Following is a summary of the Commission's FY2015 operating budget request. A few changes have been made to this budget since the Commission last met.

Budget Line	ASLC Receipts	Federal Funds	Designated Funds	AK Higher Education Investment Fund	General Fund	Inter-Agency	Total
Personal Services	\$ 9,476.6	1,044.7	-	-	-	427.0	10,948.3
Travel	117.7	-	-	-	-	-	117.7
Contractual	3,572.0	942.4	100.0	82.8	-	982.5	5,679.7
Supplies	108.2	-	-	-	-	-	108.2
Grants	-	-	-	5,500.0	-	-	5,500.0
APS	-	-	-	11,000.0	-	-	11,000.0
WWAMI	-	-	-	-	2,964.8	-	2,964.8
<b>Total</b>	<b>\$ 13,274.5</b>	<b>1,987.1</b>	<b>100.0</b>	<b>16,582.8</b>	<b>2,964.8</b>	<b>1,409.5</b>	<b>36,318.7</b>
Positions	87	15	-	-	-	4	106

A fiscal note related to SB 195 was approved when the bill was passed by the legislature at the end of the last session. This fiscal note provided a funding source change from ASLC Receipts to AK Higher Education Investment Fund receipts for annual software maintenance costs related to the student aid management system.

In addition, this fiscal note created a capital project for the Commission. The \$460,000 capital project is funded by the AK Higher Education Investment Fund and will be used to replace the current grant and student aid management system. Replacing this system will reduce long-term costs and ensure on-going system stability.

## **Alaska Student Loan Corporation Update**

### *IRS Tax Exempt Bond Compliance Examination Update*

Management continues to cooperate with the IRS and has submitted all information requested to date. Bond counsel has reported that all issues have been resolved except for the one related to the accounting method used for recycled loan payments. Management has declined the opportunity to discuss a settlement with the IRS because nothing has been provided in writing to support the IRS' concern that there are compliance issues. Management maintains that methods used in rebate calculations are in full compliance with IRS regulations. The next step is to wait for the IRS to document their position with regard to non-compliance. Once that is in hand, the Corporation will work with bond counsel to submit a response.

### *Loan funding update*

The Corporation is in the position to fund up to \$20 million in loan demand for the coming 2014-2015 academic year. Management does not anticipate loan demand to exceed the amount of funding available.

If you have any questions or wish to discuss this report further, please do not hesitate to call me at 907-465-6757 or email me at [Charlene.morrison@alaska.gov](mailto:Charlene.morrison@alaska.gov).