ALASKA STUDENT LOAN CORPORATION

November 5, 2026

Corporation Meeting

ACPE
Providing Education & Career Funding Solutions

ALASKA STUDENT LOAN CORPORATION
BOARD MEETING

Zoom link
Meeting #: 943 8236 9624
Password: ASLC
Teleconference: (888) 788-0099; Code: 943 8236 9624 #

AGENDA

November 5, 2026		
1.	**1:30 p.m.**	Convene/Roll Call
2.*		Adoption of Agenda and Approval of Meeting Minutes ➢ *Suggested motion: move to adopt the agenda of the November 5, 2026 Corporation meeting and approve meeting minutes from the April 27, 2026 Corporation meeting.*
3.		Ethics Disclosure Relative to Adopted Agenda
4.	**1:40 p.m.**	Public Testimony: • Individuals: 3-minute limit • Group Representatives: 5-minute limit
5.	**1:45 p.m.**	Executive Officer Report – Executive Officer Kerry Thomas
6.*	**2:00 p.m.**	Approval of Regulation Changes for Public Comment – Program Manager Jackie Hall ➢ *Suggested Motion: Motion: move to approve for public comment changes to regulations in Title 20, Chapter 14, dealing with the Alaska Education Loan Refinancing Program.*
7.*	**2:10 p.m.**	Presentation on Financial Statements – Executive Officer Kerry Thomas and Karen Tarver, CPA, Partner, Elgee Rehfeld, LLC ➢ *Suggested Motion: move to accept the Financial Statements of the Alaska Student Loan Corporation for the year ending June 30, 2026.*
8.*	**2:40 p.m.**	Dividend Recommendation – Executive Officer Kerry Thomas ➢ *Suggested Motion: In accordance with AS 14.42.295 and the Corporation's net income for the year ending June 30, 2026, move to accept management's recommendation that no ASLC dividend be declared for FY 2028.* ➢ *Alternate Motion: Move to accept management's recommendation to declare a dividend of 10% of FY 2026 net income, or $763,100.*

ALASKA STUDENT LOAN CORPORATION
BOARD MEETING

9. **2:55 p.m.** Board Member Closing Comments

10.* **3:00 p.m.** Adjournment

- *Suggested Motion: Move the Board to adjourn the November 5, 2026 Corporation Meeting.*

*Action Required

MINUTES OF THE
Alaska Student Loan Corporation
April 27, 2026

A meeting of the Alaska Student Loan Corporation (ASLC) conducted via distance delivery, originated from the office of the Corporation at 3030 Vintage Boulevard, Juneau, Alaska on April 27, 2026. Chair Handeland called the meeting to order at approximately 1:30 PM.

ATTENDEES

Board Members present for all or portions of the meeting: Chair Donald Handeland, Member John Brown, Deputy Commissioner Dave Donley, Deputy Commissioner Anna Latham, and Director Genevieve Wojtusik.

Corporation Staff present for all or portions of the meeting: Executive Officer Kerry Thomas, Chief Financial Officer Julie Pierce, Director of Information Support Services Jamie Matheson, Director of Communications and Outreach Kate Hillenbrand, and Executive Secretary Marie Bates.

Guests in attendance: Alaska Department of Revenue (DOR), Chief Investment Officer Zach Hanna; Alaska Department of Law Assistant Attorney Generals Allison Baldock & Helen Lober; Director Tim Webb & Regional Managing Director Lee Donner with Hilltop Securities.

ADOPTION OF AGENDA

Deputy Commissioner Donley moved to adopt the agenda of the April 27, 2026 Corporation meeting. Vice-Chair Brown seconded the motion. By roll call vote, all members present voted aye. The motion carried.

ELECTION OF OFFICERS

Chair Handeland moved to ratify the election of Member Brown as Vice-Chair of the Board taken on February 5, 2026, notwithstanding the absence of a second at that meeting. Deputy Commissioner Donley seconded the motion. By roll call vote, all members present voted aye. The motion carried.

Vice-Chair Brown moved to appoint Donald Handeland to continue as Chair of the Board. Deputy Commissioner Donley seconded the motion. By roll call vote, all members present voted aye. The motion carried.

Chair Handeland moved to appoint John Brown to continue as Vice Chair of the Board. Deputy Commissioner Donley seconded the motion. By roll call vote, all members present voted aye. The motion carried.

ETHICS DISCLOSURE

No ethics disclosures were made during this meeting.

MINUTES OF THE
Alaska Student Loan Corporation
April 27, 2026

APPROVAL OF MINUTES

Vice-Chair Brown moved to approve the minutes from the February 5, 2026 Corporation meeting. Deputy Commissioner Donley seconded the motion. By roll call vote, all members present voted aye. The motion carried.

PUBLIC TESTIMONY

Chair Handeland opened the public testimony period. There being no public testifiers, Chair Handeland closed the period for public testimony.

ANNUAL INVESTMENT POLICY REVIEW MEMO – JULIE PIERCE, CHIEF FINANCIAL OFFICER

Chief Financial Officer (CFO) Pierce explained that the annual review of the Corporation's investment policy is required under the investment policy and procedures to ensure it remains effective and aligned with current investment strategies and goals. She noted that the proposed FY2027 investment policy revisions are included in Chief Investment Officer (CIO) Zach Hanna's presentation materials.

INVESTMENT PORTFOLIO MANAGEMENT, PERFORMANCE, ASSET ALLOCATION AND POLICY REVIEW PRESENTATION – ZACH HANNA, CHIEF INVESTMENT OFFICER, ALASKA DEPARTMENT OF REVENUE

CIO Hanna, provided an overview of current economic and market conditions, noting that inflation has eased significantly since 2022 but remains elevated due to energy prices and geopolitical tensions. He explained that interest rates remain relatively high, equity markets experienced volatility in early 2026, and international equities delivered particularly strong returns. He emphasized that despite short-term market fluctuations, the ASLC investment portfolio has performed well overall, generating an annualized return of 4.56% since Treasury began managing the portfolio in 2021, outperforming its benchmark and significantly exceeding the returns that would have been achieved under the corporation's previous lower-risk investment structure.

CIO Hanna also reviewed the corporation's current investment strategy and risk profile, explaining that ASLC maintains a long-term investment horizon with relatively low liquidity needs, allowing it to tolerate moderate market volatility in pursuit of stronger long-term returns. Treasury evaluated multiple portfolio options and concluded that the current allocation of approximately 40% equities and 60% fixed income remains appropriate for FY2027. While higher-risk portfolios could potentially generate slightly greater returns, CIO Hanna noted that the additional expected return is relatively small compared to the substantially higher volatility and downside risk.

Treasury ultimately recommended keeping the FY2027 asset allocation unchanged, as the corporation's objectives, liquidity needs, and long-term structure have not materially changed. CIO Hanna advised that asset allocation decisions should generally remain stable over time unless there are significant changes in the corporation's financial needs or investment goals, emphasizing that reacting too aggressively to short-term market conditions can create unnecessary risk.

MINUTES OF THE
Alaska Student Loan Corporation
April 27, 2026

Vice-Chair Brown moved to accept the FY2027 ASLC Investment Policy with no material changes based on discussion and recommendation from Staff, DOR Investment Management team and Financial Advisors. Deputy Commissioner Latham seconded the motion. By roll call vote, all members present voted aye. The motion carried.

CHIEF FINANCIAL OFFICER REPORT (WRITTEN REPORT FOR INFORMATION ONLY) – JULIE PIERCE, CHIEF FINANCIAL OFFICER

CFO Pierce informed the board that her report was included in the packet for informational purposes and introduced the engagement letter for the FY2026 audit with Elgee Rehfeld. She noted that the packet also included the firm's most recent peer review report and attestation letter.

ADOPTION OF LOAN PROGRAM VARIABLE INTEREST RATES FOR ACADEMIC YEAR 2026-2027 – JULIE PIERCE, CHIEF FINANCIAL OFFICER

CFO Pierce explained that, pursuant to statute, the corporation is required to annually set the interest rates for variable-rate Alaska Supplemental Education Loans (ASEL) originally issued between 2002 and 2006, which still have outstanding balances despite no longer being originated. She noted that the rates are tied to the 91-day U.S. Treasury bill benchmark and stated that staff recommended setting the FY2027 variable interest rates at 6.40% for in-school, grace, and deferment periods, and 6.50% for repayment and forbearance periods.

Deputy Commissioner Donley moved to approve the variable rates for variable rate ASEL loans as recommended by staff based on the 91-day U.S. Treasury Bill rate set based on the April 27th auction. Deputy Commissioner Latham seconded the motion. By roll call vote, all members present voted aye. The motion carried.

Discussion: Chair Handeland asked when the corporation expects to stop annually setting variable interest rates for ASEL, given that the loans are no longer being originated. CFO Pierce explained that approximately 5% of the loan portfolio still consists of outstanding variable-rate loans, many of which have experienced delinquency or deferred payment periods. She noted that the corporation will need to continue setting the rates until those remaining loans are either fully collected or written off, though she could not provide an exact timeline for when that process will be complete.

EXECUTIVE OFFICER REPORT- KERRY THOMAS, EXECUTIVE OFFICER

Executive Officer Thomas noted that her written report and supporting attachments were included in the packet for informational purposes and primarily covered Commission activities and organizational priority areas. She then took time sharing her remarks to recognize Julie Pierce, whose final day with ACPE and ASLC will be May 8, thanking her for nearly six years of leadership and service as CFO.

Executive Officer Thomas highlighted several of CFO Pierce's major accomplishments, including leading the transition from in-house loan origination and servicing to an outsourced model, overseeing the early defeasance of outstanding corporation bonds to generate long-term savings, and managing the transition of investment oversight to the DOR along with related investment policy updates. She also commended her leadership of the annual audit and financial preparation process, which consistently resulted in unqualified audit opinions and positive feedback

from auditors regarding the quality and thoroughness of her team's work. She concluded by expressing appreciation for her many contributions and wishing her well in the next chapter of her life.

FUTURE MEETING DATES

Chair Handeland moved to approve May 6, 2027 as the proposed upcoming date of the ALSC as presented in the meeting packet. Deputy Commissioner Latham seconded the motion. By roll call vote, all members present voted aye. The motion carried.

CLOSING COMMENTS

Chair Handeland expressed appreciation for Julie Pierce's years of service, describing her as an absolute pleasure to work with throughout their time on the board. He thanked her for her contributions as CFO and wished her the very best in her future endeavors.

ADJOURN

Deputy Commissioner Latham moved to adjourn the April 27, 2026 Corporation Meeting. Deputy Commissioner Donley seconded the motion. By roll call vote, all members present voted aye. The motion carried.

The meeting adjourned at approximately 2:20 PM.

Approved by:

_____

Donald Handeland, Chair

_____

Date

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MEMORANDUM

TO: Members, Alaska Commission on Postsecondary Education
FROM: Kerry Thomas, Executive Director
DATE: October 8, 2026
SUBJECT: Executive Director Report

This quarter, the Commission focused on implementing the Teacher Education Loan Repayment Pilot Program created by the Legislature in 2026, completing the annual process to award and disburse Alaska Performance Scholarship (APS) and Alaska Education Grant (AEG) funds to students, and continuing efforts to reduce regulations under Administrative Order 360. The Alaska Higher Education Almanac was also published during the quarter.

Legislative Session

ACPE's FY2028 operating budget request was submitted this quarter and will remain confidential until the Governor releases his budget in December.

The FY2027 approved budget includes 100% of the available funding from the Higher Education Investment Fund (HEIF) for APS and AEG, totaling $20.3 million and $10.2 million, respectively. Since the implementation of HB 28 in 2024, which made changes to improve the APS program, there have been year-over-year increases in both eligibility and awards. As a result, program costs have also continued to increase.

I expect HEIF funding, as well as funding for APS and AEG, to be topics of interest during the upcoming legislative session.

Federal Update

Implementation of Workforce Pell in Alaska continues, with ACPE supporting the work as the Alaska Workforce Investment Board (AWIB) and the Governor's Office develop the approval framework for eligible programs.

In September 2026, Governor Dunleavy delegated his authority to approve programs to the Commissioner of the Alaska Department of Labor and Workforce Development. The Workforce Pell implementation team plans to share a draft approval framework with stakeholders over the next month. After stakeholder feedback is reviewed and addressed, AWIB will approve the framework.

Once the framework is in place, postsecondary institutions will be able to submit eligible programs to AWIB for approval. Updates will be provided to the Commission as this work moves forward over the coming months.

Strategic Planning

ACPE's 2024–2026 strategic plan has been in place for nearly three years, and there have been many significant accomplishments during that time. With a change in administration pending and several strategic initiatives still underway or not yet started, I recommend extending the current strategic plan by one year.

Over the next year, we will complete the remaining items in the current plan and develop a new five-year strategic plan. The proposed 2028–2032 strategic plan will be presented to the Commission for approval at the October 2027 meeting.

The quarterly dashboard was also updated to reflect annual data as of June 30, 2026, and to compare results with the targets established one year ago.

Alaska Student Loan Corporation Meeting

The Alaska Student Loan Corporation will meet on November 5, 2026, to review its annual audited financial statements and determine whether a dividend will be returned to the State of Alaska.
Professional Organization Meetings and Presentations

Over the past quarter, I participated in a number of meetings and presentations related to higher education and federal policy changes. These included:

- Weekly meetings with the Department of Education & Early Development Director's team
- Biweekly meetings with University of Alaska Statewide leadership
- Monthly Alaska Statewide Education Leaders meetings, facilitated by the Alaska Council of School Administrators
- Monthly meetings with the Education Finance Council (EFC)
- Federal update meetings hosted by the State Higher Education Executive Officers Association (SHEEO)
- Alaska Workforce Convening, October 7–8, 2026, in Anchorage

Human Resources Update:

Governor Dunleavy rescinded Administrative Order 358 in September 2026, which had placed restrictions on hiring, travel, and regulations. This removes some of the restrictions and external approvals that had been required for ACPE recruiting and travel.

A significant staffing accomplishment this quarter was the successful recruitment of a Director of Program Operations. Lisa Benson joined the Program Operations Division as Director.

Separations this quarter include Stephan Felkl, Business Analyst Officer for the Information Support Services Unit. Stephan retired on September 30, 2026, after 30 years of service to the State of Alaska and the Alaska Commission on Postsecondary Education.

ACPE has a total of 50 Position Control Numbers (PCNs), with 12 located in Anchorage and 38 in Juneau. Currently, 40 positions are filled, with 9 in Anchorage and 31 in Juneau.

The distribution of filled positions by division is as follows:

- Information Systems and Services (ISS): 7 (2 in Anchorage and 5 in Juneau)
- Finance: 10 (8 full-time and 2 part-time) (1 in Anchorage and 9 in Juneau)
- Program Operations: 14
- Outreach: 6
- Executive Office: 3

There are currently 10 vacant positions:

- ISS: 2
- Finance: 4
- Program Operations: 2
- Outreach: 2

ACPE's workforce consists of 25 females (62.5%) and 15 males (37.5%), compared to the statewide workforce distribution of 7,185 females (48.4%) and 7,659 males (51.6%).

The average age of ACPE employees is 45.5 years, slightly higher than the statewide average of 43.5 years.

Racial and ethnic demographics for ACPE are 80% white and 20% minority employees, compared to the statewide composition of 72.1% white and 27.9% minorities. See the *State of Alaska Workforce Profile FY25* for additional details.

Attachments:

ACPE KPI Dashboard – Q4 FY2026
Press Release – 2026 Alaska Higher Education Almanac

2024-2026

Strategic Plan: Alaska Commission on Postsecondary Education

Key Performance Indicator (KPI) DASHBOARD

ACPE
Providing Education & Career Funding Solutions

STRATEGIC PRIORITIES:

- **P1** Become the education lender of choice in Alaska and for Alaskans. — **KPI** *1, 2, 5, 6, 7, 8, 9, 10*
- **P2** Increase access to, and utilization of federal and state education funding sources. — **KPI** *1, 3, 4, 5, 6, 7, 8, 9, 10*
- **P3** Operate a sustainable organization responsive to students, customers, stakeholders, and employees. — **KPI** *1, 9, 10, 11, 12, 13*
- **P4** Position ACPE to help bridge the gap in Alaska's current and future workforce needs. — **KPI** *5, 15*

Dashboard Key

Measurable Target

Current Status

Strategic priorities are achieved by meeting the seven goals. Progress towards meeting each goal is measured by the KPIs.

**Target values based on FY25 totals (data from 7/1/24 to 6/30/25, unless otherwise indicated). Current statuses reflect data from 4/1/26 to 6/30/26.*

GOAL #1: Offer loan program responsive to consumer and organization needs

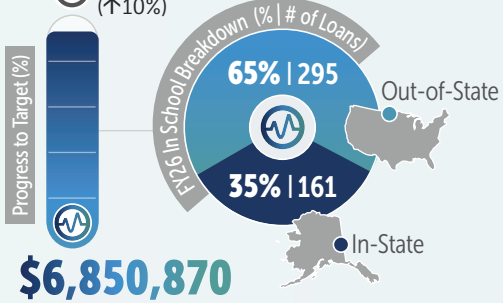
STRATEGIC PRIORITIES MET: P1 P2 P3

KPI-1 Loan volume:

In school (ASEL + FEL)

*Target based on FY25 total: **$6,566,437 (455 loans)***

$7,223,081 (456 Loans) (↑10%)



$6,850,870

Refinance (REFI)

*Target based on FY25 total: **$1,708,554 (27 loans)***

31 Loans: $2,052,800

$1,793,982 (↑5%)

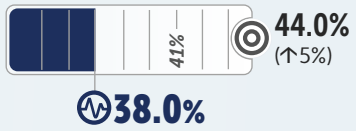
GOAL #2: Increase visibility, understanding and awareness of ACPE and its products, resources, partnerships, and programs

STRATEGIC PRIORITIES MET: P1 P2 P3 P4

KPI-1 SEE GOAL #1

KPI-2 Alaska loan market share: Based on annual in school loan originations

*Target based on FY25 total: **41.5%*** AYTD



44.0% (↑5%)

38.0%

KPI-3 FAFSA completion trends: *Target based on FY25 total: **31,271***



31,429

34,629 (↑5%)

KPI-4 SEE GOAL #7

KPI-5 Trends in APS:

APS eligibility

*Target based on class of 2025: **53%***

Progress updated annually

2024 — 45%

2025 — 53%

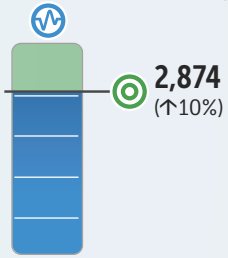
2026 — 60%

58% (↑5%)

APS use

*Target based on FY25 total: **2,613***

3,380 = 506 Students above target



2,874 (↑10%)

GOAL #3: Enhance & refine financial planning resources for appropriate target audiences

STRATEGIC PRIORITIES MET: P1 P2

KPI-6 Utilization of financial planning resources: Constant Contact usage

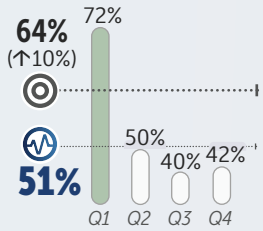
*Target based on FY25 total: **227,581 Emails Sent***

261,718 (↑15%)

286,050

KPI-7 Utilization of financial planning resources: Open rate of content sent

*Target based on FY25 total: **58%**. Current status resets quarterly.*



CHANGE TOWARDS TARGET: ↗ — ↘

2025-26 PROGRESS	DATE 9.30.25	12.31.25	3.31.26	6.30.26
Strategic Priority #1	—	↗	↗	—
Strategic Priority #2	—	↗	↗	—
Strategic Priority #3	—	↗	↗	—
Strategic Priority #4	NA	NA	NA	NA

2024-26

Dashboard Key
- Measurable Target
- Current Status

Strategic Plan: Alaska Commission on Postsecondary Education

Key Performance Indicator (KPI) DASHBOARD

**Target values based on FY25 totals (data from 7/1/24 to 6/30/25, unless otherwise indicated). Current statuses reflect data from 4/1/26 to 6/30/26.*

GOAL #4: Modernize and streamline the customer experience

STRATEGIC PRIORITIES MET: P1 P2 P3

KPI-8 Trends in application funnel:

Incomplete applications — STAY TUNED — new info coming FY2027

Submitted applications — STAY TUNED — new info coming FY2027

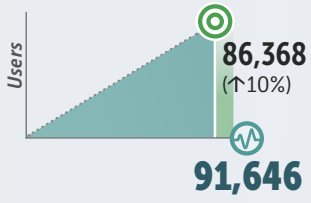
Disbursed loans — STAY TUNED — new info coming FY2027

KPI-9 Trends in customer satisfaction ratings:

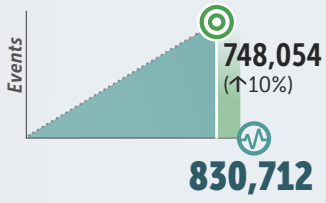
STAY TUNED — new info coming FY2027

KPI-10 Trends in website engagement:

Number of users
*Target values based on FY25 total: **78,516***



Number of web events
*Target values based on FY25 total: **680,049***



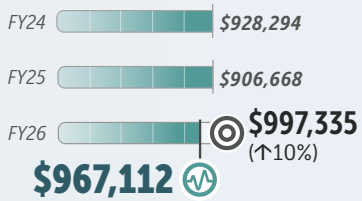
GOAL #5: Improve operational efficiency and financial sustainability of the organization

STRATEGIC PRIORITIES MET: P1 P2 P3

KPI-1 SEE GOAL #1

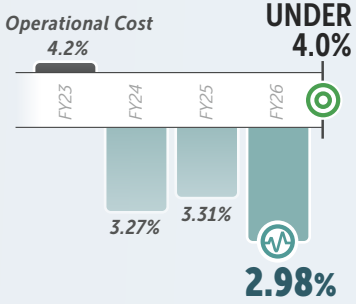
KPI-11 Non ASLC funding sources:

*Target based on FY24 total, **$906,668**. Progress updated annually.*



KPI-12 Operational cost as an established percentage of income generating assets:

*Target value based on FY23 total: **4.2%***
Progress updated annually

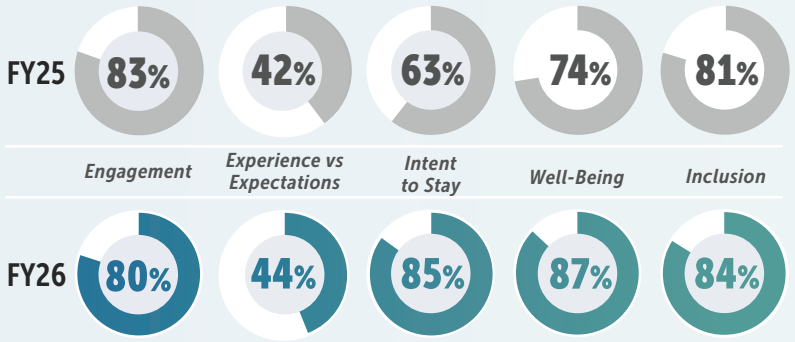


GOAL #6: Foster an environment where employees thrive as the agency evolves

STRATEGIC PRIORITIES MET: P3

KPI-13 Trends in employee satisfaction ratings:

Progress updated annually



GOAL #7: Identify the current state of higher education programs and resources in Alaska

STRATEGIC PRIORITIES MET: P4

KPI-14 Complete inventory:

new info coming FY2027 — STAY TUNED

new info coming FY2027 — STAY TUNED

KPI-15 Tangible commitments:

new info coming FY2027 — STAY TUNED

new info coming FY2027 — STAY TUNED

ACPE PRESS RELEASE

KERRY THOMAS
Executive Director
907-465-6740
acpe.alaska.gov

FOR IMMEDIATE RELEASE:

August 27, 2026

ALASKA COMMISSION ON POSTSECONDARY EDUCATION RELEASES 2026 ALASKA HIGHER EDUCATION ALMANAC

Juneau – The Alaska Commission on Postsecondary Education (ACPE) is pleased to announce the release of the 2026 Alaska Higher Education Almanac. In its ninth year, the Almanac provides Alaska's education stakeholders and policymakers relevant, meaningful data to inform and enhance educational and workforce opportunities.

Highlights from the 2026 Almanac include:

- ACPE's education loan solutions save Alaskans up to $56,500 in interest compared to private, for-profit lenders
- Combined, the Alaska Education Grant and Alaska Performance Scholarship, have awarded eligible students over $230,000,000 since inception in 2006
- Alaska postsecondary enrollments rose by over 400 students a second year in a row, for a total of 32,562 undergraduate enrollments
- Alaska students are 8 times less likely to be impoverished with a bachelor's degree

The 2026 Alaska Higher Education Almanac is available on ACPE's website at acpe.alaska.gov/reports.

ABOUT THE ALASKA COMMISSION ON POSTSECONDARY EDUCATION:

Funded by the Alaska Student Loan Corporation, ACPE champions individuals and families through broad access to federal and state programs, grants, scholarships, and loans together with the tools and resources that allow them to make informed decisions about funding their education. As the Higher Education Agency for the State of Alaska, ACPE advances policy and fosters collaboration to build a skilled workforce that meets the needs of communities and employers, supporting economic development across the state.

ACPE PROVIDES EDUCATION AND CAREER FUNDING SOLUTIONS.

###

THE STATE of ALASKA
GOVERNOR MIKE DUNLEAVY

Alaska Student Loan Corporation

EXECUTIVE OFFICE

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MEMORANDUM

TO: Members, Alaska Student Loan Corporation
THROUGH: Kerry Thomas, Executive Officer
FROM: Jackie Hall, Program Manager
DATE: November 5, 2026
SUBJECT: Regulations for Public Comment

This memorandum outlines proposed regulatory reductions and the repeal of certain provisions in 20 AAC 14, which governs the Alaska Student Loan Corporation.

ASLC's approved regulatory reduction plan under Administrative Order 360 includes repealing a regulation in Title 20, Chapter 14 of the Alaska Administrative Code that governs the Alaska Education Loan Refinancing Program. The following repeal continues the Corporation's efforts to reduce unnecessary regulatory burden, streamline requirements, and improve regulatory clarity and administrative efficiency while maintaining consistency with applicable statutory authority and program requirements.

The proposed regulatory amendment, approved by the Department of Law, includes the following:

20 AAC 14.230(c) is proposed for repeal. The intended effect of this repeal is to remove outdated regulations and clarify that an applicant for a refinancing loan in excess of $50,000 under the Alaska Education Loan Refinancing Program need not have earned the credential for which an underlying loan was awarded.

Statutory authority: AS 14.42.100, AS 14.42.200, and 14.43.122

Statutes being implemented, interpreted, or made specific: AS 14.42.200 and 14.43.122

ASLC is requesting board approval to publish its proposed regulatory amendment for public comment beginning in November.

Motion: move to approve for public comment changes to regulations in Title 20, Chapter 14, dealing with the Alaska Education Loan Refinancing Program.

20 AAC 14.230(c) is repealed:

(c) Repealed ____/____/_____. [AN APPLICANT FOR A REFINANCING LOAN IN EXCESS OF $50,000 MUST HAVE EARNED THE CREDENTIAL FOR WHICH AN UNDERLYING LOAN WAS AWARDED.] (Eff. 7/31/2016, Register 219; am ____/____/_____, Register _____)

Authority: AS 14.42.150 AS 14.45.200 AS 14.43.122

THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

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To: Alaska Student Loan Corporation Members

Thru: Kerry Thomas, Executive Officer

From: Julie Pierce, Contractor

Date: October 27, 2026

Re: Annual Financial Reports

The Alaska Student Loan Corporation's (Corporation) annual financial reports for the year ended June 30, 2026 have been finalized.

Reports included herein:

Management's Discussion and Analysis and Financial Statements (Financial Statements) and Letter to the Board

Management's Discussion and Analysis and Financial Statements

The Statements of Revenues, Expenses and Changes in Net Position are on page 12 of the Financial Statements. These statements reflect the Corporation's net income of $13.7 million and $7.6 million for the years ended June 30, 2026 and 2025, respectively.

Following is a brief summary of the significant items that contributed to net income for fiscal year 2026.

Net income, or change in net position, is the difference between net operating income, operating expense and nonoperating income for the year.

Operating income consists primarily of interest income on education loans, offset with loan-related provision for loan related losses. Total net operating income was $4.5 million for fiscal year 2026, a $1.9 million increase from net operating income of $2.6 million for fiscal year 2025.

Interest income on loans declined approximately $0.6 million to $6.0 million from $6.6 million, primarily due to a decrease in loans receivable.

The provision for loan related loss is an adjustment to income for the annual change in estimated allowances for uncollectible loans and related accrued interest net of charged off balances. The annual provision decreased by $2.6 million to $1.5 million in fiscal year 2026, compared with $4.1 million in fiscal year 2025. This decrease was primarily due to a change in criteria in identifying loans receivable considered to be non-

performing for purposes of estimating allowance for loan loss adopted in fiscal year 2025.

Operating expense for administrative costs decreased approximately $0.4 million in fiscal year 2026 compared to fiscal year 2025 primarily due to a decrease in personal service costs.

Other nonoperating income consists of investment income and increased $3.7 million to $16.9 million in fiscal year 2026, compared with income of $13.2 million in fiscal year 2025. The increase is due to an increase in invested balances and a higher rate of return on investments.

The Alaska Commission on Postsecondary Education (ACPE) originates loans for the Corporation and services the Corporation's loan portfolio, therefore, the majority of administrative costs reported on the Corporation's financial statements represent reimbursements to ACPE.

The Statements of Net Position reflecting asset, liability and net position balances, at June 30 is on page 11.

Current assets are those available and reasonably expected to be used to pay current liabilities or cover the cost of operations in the next fiscal year. The increase in total assets is due to the increase in investment balances offset with a decrease in loans receivable due to the write off of non-performing loan balances and loan principal repayments exceeding loan originations.

Current liabilities are those expected to be satisfied in the next fiscal year.

Unrestricted net position increased in fiscal year 2026 attributable to net income.

Letter to the Board

This letter is a required communication between the external auditor and the board. It is designed to communicate information about the auditor's responsibilities under generally accepted auditing standards, Government Auditing Standards and the Uniform Guidance, as well as information related to the scope and timing of the audit.

Expenditures of Federal Awards Reports

The OMB has not released the 2026 compliance supplements; therefore, the single audit reports and Schedule of Expenditures of Federal Awards reports have not yet been finalized. As soon as the compliance supplement is issued, we will coordinate with Elgee Rehfeld, and complete the drafting and issuance of the single audit report in accordance with Government Auditing Standards (GAS).

If you have any questions or wish to discuss any of these reports, please contact Executive Officer Kerry Thomas at 907-465-6740 or eed.acpe-execdirector@alaska.gov.

THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

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To: Alaska Student Loan Corporation Members

Thru: Kerry Thomas, Executive Officer

From: Julie Pierce, Contractor

Date: November 5, 2026

Re: FY28 Dividend to the State

Alaska Statute 14.42.295 states, "The board may elect to pay the state a return of contributed capital, or a dividend, for each base fiscal year that the corporation's net income equals or exceeds $2,000,000. The payment may not be less than 10% nor more than 35%…of the corporation's net income …"

From 1999 to 2007, management annually recommended and the Corporation declared returns of capital or dividends totaling $32.4 million. Net income in 2012, 2013 and from 2017 - 2022 was below the threshold ($2 million) set in statute relative to declaring a dividend to return capital. From 2008 to 2011, from 2014 to 2016, and again in 2023, the Corporation adopted management's recommendation that no additional dividend be paid to the State but rather conserve that income to support the Corporation's ability to fund its mission-critical programs.

For the year ending June 30, 2026, which is the year relative to a fiscal year 2028 dividend, the Corporation's Change in Net Position was $13,764,000. Therefore, should the Corporation declare a dividend, it may be no less than $1,376,400 and no more than $4,817,400.

In light of the Corporation's efforts to keep loan interest rates as low as possible for student borrowers, offset past net losses to the Alaska Student Loan Corporation Fund, and continue to operate a sustainable student loan program, management recommends that no dividend be declared for the 2028 fiscal year, or be set at the minimum of 10% of the base year net income. For additional consideration, management is working toward a proposal to revise the statute related to dividend election with the intent to retain net income in Corporation net equity in order to enhance existing loan programs and benefits to students.

Suggested Motion: Move to accept management's recommendation that no ASLC dividend be declared for FY 2028.

Alternate Motion: Move to accept management's recommendation to declare a dividend of 10% of FY 2026 net income, or $1,376,400.

Future Meeting Dates



February 4, 2027

1:30PM - 3:00PM

May 6, 2027

1:30PM - 3:00PM

THANK YOU for your time!

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