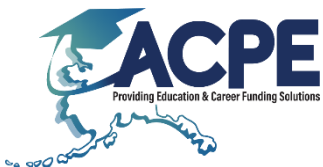


# ALASKA STUDENT LOAN CORPORATION

**May 9, 2024**

*Corporation Meeting*



**ALASKA STUDENT LOAN CORPORATION  
BOARD MEETING**

[Zoom link](#)

Meeting #: 943 8236 9624

Password: ASLC

Teleconference: (888) 788-0099; Code: 943 8236 9624 #

**AGENDA**

**Thursday, May 9, 2024**

1. 1:30 pm Convene/Roll Call
- 2.\* Adoption of Agenda
  - *Suggested motion: move to adopt the agenda of the May 9, 2024, Corporation meeting.*
3. Ethics Disclosure Relative to Adopted Agenda
- 4.\* Election of Officers
  - *ASLC Bylaws Article IV, Section 2. Election of Officers. The Board shall elect a Chair and Vice-Chair from among its membership at the last regularly scheduled meeting of the current fiscal year. The Chair and Vice-Chair shall take office immediately after election at that same meeting. The terms of office of the Chair and Vice-Chair shall be one (1) year, with no restriction on consecutive terms.*
- 5.\* Approval of December 14, 2023 Minutes
  - *Suggested motion: move approval of the meeting minutes from the December 14, 2023 Corporation Meeting*
6. 1:40 pm Public Comment:
  - Individuals 3-minute limit
  - Group Representative 5-minute limit
- 7.\* 1:45 pm Annual Investment Policy Review Memo – Julie Pierce
  - *Suggested Motion: Move to accept the Alaska Student Loan Corporation Investment Policy and Procedures with no material changes based on discussion and recommendation from Staff, DOR Investment Management team, and Financial Advisor.*
- 7a. Investment Portfolio Management, Performance, Asset Allocation and Policy Review Presentation – Zach Hana, Chief Investment Officer, Department of Revenue
8. 2:30 p.m. Chief Finance Officer Report (Written Report for Information Only)– Julie Pierce

**ALASKA STUDENT LOAN CORPORATION  
BOARD MEETING**

9. Miscellaneous (For Information Only)
- FY24 Engagement Letter
  - Non-Attest Information
- 10.\* 2:30 p.m. Adoption of Loan Program Variable Interest Rates FY2024-2025 – Julie Pierce
- *Suggested Motion: Move approval of variable interest rates for variable rate ASEL loans as recommended by staff*
11. 2:45 p.m. Presentation of CampusDoor ASEL Loan Origination Data – Kerry Thomas
12. Executive Officer Report (Written Report for Information Only) – Sana Efirid
- Resolution of Appreciation: Barbara Adams
- 13.\*
- *Suggested motion: move the Board to adopt the Resolution of Appreciation as written for Dr. Barbara Adams*
- 14.\* 2:55 p.m. Discuss Proposed Future Meeting Dates
- Thursday, December 12, 2024 at 1:30pm
  - Thursday, February 6, 2025 at 1:30pm
  - Thursday, May 8, 2025 at 1:30 pm
  - Thursday, November 6, 2025 at 1:30 pm
- Next Meeting Date:
- November 7, 2024
- 15.\* 3:00 p.m. Adjournment

**\*Action Required**

**MEETING MINUTES OF THE  
ALASKA STUDENT LOAN CORPORATION BOARD  
December 14, 2023**

A meeting of the Board of Directors of the Alaska Student Loan Corporation (ASLC), conducted via distance delivery, originated from the offices of the Corporation at 3030 Vintage Boulevard, Juneau, Alaska on Thursday, December 14, 2023. Chair Adams called the meeting to order at approximately 1:32 p.m.

**ROLL CALL**

Members of the board present for all or portions of the meeting: Genevieve Wojtusik, Chair Dr. Barbara Adams, Dave Donley, Donald Handeland, and Vice-Chair Micaela Fowler.

Staff present for all or portions of the meeting: Sana Efird, Executive Officer; Julie Pierce, CPA, Chief Finance Officer; Kate Hillenbrand, Director of Communications and Outreach; Kerry Thomas, Director of Program Operations; Jamie Oliphant, Director of Information Support Services; Andrew Bocanumenth, Assistant Attorney General; and Danni Erickson, Executive Secretary.

Guests in attendance: Lee Donner, Regional Managing Director, and Tim Webb with Hilltop Securities.

**ADOPTION OF AGENDA**

**Vice Chair Fowler moved to adopt the agenda of the December 14, 2023, board meeting. Genevieve Wotjusik seconded. Vice Chair Fowler moved to amend the agenda of the December 14, 2023, board meeting to add an Executive Session after Agenda Item 6. Genevieve Wotjusik seconded the motion. By roll call vote, all members present voted aye. The amended motion carried.**

**ETHICS DISCLOSURE**

Relative to the adopted agenda, no potential violations were disclosed by board members.

**APPROVAL OF MINUTES**

**Vice Chair Fowler moved to approve the minutes of the November 2, 2023, board meeting. Dave Donley seconded the motion. By roll call vote, all members present voted aye. The motion carried.**

**PUBLIC TESTIMONY**

Chair Adams opened the public comment period to accept public testimony. There being no members of the public wishing to speak, Chair Adams closed the public comment period.

**CURRENT YEAR LOAN ORIGINATIONS SUMMARY**

Kerry Thomas, Director of Program Operations, stated her report would be a high-level summary\_\_

**MEETING MINUTES OF THE  
ALASKA STUDENT LOAN CORPORATION BOARD  
December 14, 2023**

that would lead up to the discussion and action on annual loan limit approvals. She noted that the loan volume was summarized in a table in her report. From July through October 2023, while the same number of in-school loans were originated, the amount was about \$750,000 more or 20% higher than previous years, which she noted is directly attributed to the increased loan limits. She added that this wasn't a significant change, and that she had been anticipating an even higher loan volume compared to the prior year. However, overall, she noted that there was an increase compared to last year and less than a million dollars overall, which is attributed to the increased loan limits.

**EXECUTIVE SESSION**

**Chair Adams moved in accordance with the Open Meetings Act the Corporation move into Executive Session to discuss loan limits, and for the purpose of obtaining legal advice from council on the same issue. Vice Chair Fowler seconded. By roll call vote, all members present voted aye.**

**RETURN TO REGULAR SESSION**

**Upon returning to regular session, Chair Adams stated that during the executive session the corporation only discussed the items identified in the motion to move into executive session. The corporation did not take any action while in executive session.**

**ADOPTION OF PROPOSED ANNUAL AND AGGREGATE LOAN LIMITS**

Kerry Thomas, Director of Program Operations, stated that the prior year was the first time the Corporation set loan limits with the statute change giving that authority to the Board. She also noted that it was decided that the process would be to review the loan limits each year. She explained that they were set at \$24,000 for full-time attendance and \$96,000 for lifetime or aggregate maximum. She added that staff were recommending the continuation of those limits based on what they are seeing with loans. She added that only 17% of current year loans are at the full \$24,000 maximum and there hadn't been enough time with the limits to see what students' needs are, but as more data comes out, it may be necessary to adjust limits in the future.

**Dave Donley moved to approve maintaining the existing annual and aggregate loan limits for the Alaska Supplemental Education Loan Program, and Alaska Family Education Loan Program as outlined in the memo. Vice Chair Fowler seconded the motion. By roll call vote, all members present voted aye. The motion carried.**

*Discussion: Chair Adams stated she appreciated staff pulling the data together and that while this change is in its infancy, it is helpful to see the status.*

**ADOPTION OF LOAN PROGRAM FIXED INTEREST RATES FY2023-2024**

Julie Pierce, Chief Financial Officer, stated that her memo outlined statute and the primary factor considered in proposing rates. The Corporation regulations specify that the Corporation's established rates, among other provisions, do not exceed all-inclusive costs expressed as a rate and ensure the financial stability of the Corporation's loan programs. She stated there were five primary factors that were considered in proposing the rates and they were the following:

1. Costs expressed as a % rate of the loan portfolio (where do we set rates that will cover the

**MEETING MINUTES OF THE  
ALASKA STUDENT LOAN CORPORATION BOARD  
December 14, 2023**

- cost of net operations)
- a. Some of the interest rates proposed are not projected to cover current and recent year cost of loan operations and losses, however, the proposed rates are set to be competitive and with further cost or loss reductions are forecast to be financially sustainable.
2. Credit risk, risk of loan loss
    - a. Staff have adopted risk based lending practices by setting rates based on
      - i. FICO Score tiers
      - ii. Requiring no adverse credit for in school loans
      - iii. Offering reduced rate tiers for the immediate loan repayment option
      - iv. Implementing loan limits
      - v. Reduced rates for shorter repayment term tiers
  3. Interest rate environment & cost of financing
    - i. Consider fed funds overnight rate, 10-year treasury rate, yield curve, market cost of financing and market expectations for rates. At its most recent meeting, the Federal Open Market Committee did not raise overnight fed funds rate and the market is forecasting 3-quarter point reductions in the overnight fed funds rate in 2024.
  4. Market competition/competitor's rates
    - a. The corporation considers the Federal PLUS loan program to be its primary competitor for in-school loans. The interest rates being proposed are based on the assumption that the PLUS rate will be equal to, or lower than the current rate of 8.05%. Additionally, PLUS loans include a 4.23% origination fee that increases the APR of those loans.
    - b. The corporation's financial advisors assisted with consideration of all factors and proposed rates and we appreciate their insight of the interest rate environment, cost of financing & competitor's rates. The management team places a lot of weight on considering rates offered by other lenders in order to retain existing loans and offer competitive rates for students.
  5. The mission
    - a. Balancing our mission to assist students with post-secondary education opportunities by setting loan rates affordable to students with proposing rates that are set at a financially sustainable level.

The tables on page 16 and 17 of the packet outlined proposed rates and rate change compared to current rates. Due to the higher risk of loan loss, staff proposed an increase of 75 basis points in loan rates for the lowest FICO score tier for in-school loans with deferred repayment option, and a 50 basis point increase in rates for in-school loans with immediate repayment option. The increase to the immediate repayment loan rate was lower than deferred because staff considered immediate repayment option to be lower risk for this FICO score tier. In general, loans with the immediate repayment option were proposed at rates that are 50 to 100 basis points lower than loans with a deferred repayment option.

The table on page 18 of the packet outlined proposed refinance rates that were 100 basis points higher than rates offered for the lowest FICO score tier due to the higher risk of loss. Staff believed that these were competitive refinance rates for that FICO score tier. Additionally, staff proposed a 10 basis point decrease in the rate for the 10-year term for FICO scores above 720. Refinance rates are historically lower than in-school rates for comparative term/FICO and this minimal reduction

**MEETING MINUTES OF THE  
ALASKA STUDENT LOAN CORPORATION BOARD  
December 14, 2023**

aligns rates consistent with that comparative position.

Staff recommended the fixed interest rates and underwriting criteria be set as proposed in the tables in the memo.

**Dave Donley moved approval of the fixed interest rates and underwriting criteria for the 2024-2025 academic year loans as laid out in the report. Genevieve Wotjusik seconded the motion. By roll call vote, all members present voted aye. The motion carried.**

*Discussion: Lee Donner with Hilltop Securities explained that there had been some very significant shift in interest rates in both municipal and another arenas that was triggered by some of the commentary from Federal Chairman Powell, after they concluded their most recent Federal Open Market Committee (FOMC) meeting. He also noted that the market expects significant interest rate decreases next year. If that expectation is realized, rates could begin to decline. He explained that he suggested the corporation delay publishing new interest rates for next year as long as possible, so that if interest rates begin to move significantly, the Board could reconvene, and take that into consideration, and reset rates before they get published.*

*Chair Adams asked when the rates would normally be published. Director Thomas stated the Commission would typically publish rates in April or May, when the loan application goes live for the next academic year. She noted that it takes up to 6 to 8 weeks from Board adoption to implement different rates so waiting until April to vote would impact application release timeline. Lastly, she noted, that as it stood at the time, staff would release rates toward the end of April.*

*Some additional discussion surrounding the benefits of waiting versus voting rates in at the time ensued. Board Members and staff along with Hilltop Securities discussed the benefits of both options. Ultimately, the best plan of action was to vote on rates at the time of the meeting and if they passed, then Leadership would keep an eye on the market and update the Board when necessary.*

### **STRATEGIC PLANNING PROJECT UPDATE**

Executive Director Efirm started her update by stating that she wanted to give the Board a quick summary of what the Commission completed in terms of the Strategic Planning Project. Management completed three workshops with Erin Sedor, who has been the consultant working with Leadership on developing the strategic plan. Then they hosted an employee workshop and gathered information from employees in person in both Juneau and Anchorage. They hosted three or four stakeholder “listening sessions” during which they posed questions and gathered information from stakeholders. Then they had a commission workshop with Commissioners and gathered input and information from them. They also surveyed employees, commissioners, stakeholders and consumers and all of that information was gathered and brought together again with Senior Managers and Erin.

Next, she explained that the Commission approved its new Vision, Mission, and top goals/priorities. With this information, the Senior Managers worked with staff in each division to outline what the projects will look like and how they will actually move the Commission toward its mission and vision. With the ultimate goal of meeting the financial needs and education and outreach needs of Alaskans to help them achieve their postsecondary degrees or credentials, or increase skills for improving their financial situations. Leadership has a huge project list that they have organized over the next 3 years in priority order of what staff will be working on to actually achieve these goals.

**MEETING MINUTES OF THE  
ALASKA STUDENT LOAN CORPORATION BOARD  
December 14, 2023**

She also noted that Leadership would be meeting with Erin once again in January to solidify how to measure the Key Performance Indicators (KPIs). Lastly, she noted that she plans to report to the Corporation Board the Commission’s KPIs on a quarterly basis, monitoring those and reporting out the status. She then opened for questions.

*Discussion: Chair Adams expressed her appreciation to Executive Director Efird for updating the Board on the status of the project.*

**CLOSING COMMENTS**

Executive Director Efird thanked Lee Donner and Tim Webb from Hilltop Securities and Assistant Attorney General Andrew Bocanamenth for attending the meeting and for providing their insight they provided to the Board.

**FUTURE MEETING DATES**

- **Thursday, May 9, 2024 at 1:30pm**
- **Thursday, November 7, 2024 at 1:30pm**

**ADJOURN**

**Genevieve Wotjusik moved to adjourn. Dave Donley seconded the motion. By roll call vote, all members present voted aye. There being no objection, and no further business to discuss, the motion carried.**

The meeting adjourned at approximately 2:20 p.m.

Approved by:

\_\_\_\_\_  
Dr. Barbara Adams, Chair

\_\_\_\_\_  
Date





THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

**Alaska Student  
Loan Corporation**

FINANCE OFFICE

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Juneau, Alaska 99811-0505

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TTY: Dial 711 or 800.770.8973  
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acpe.alaska.gov

# Memorandum

**To:** Alaska Student Loan Corporation Members  
**Thru:** Sana Efird, Executive Officer  
**From:** Julie Pierce, Chief Finance Officer  
**Date:** May 9, 2024  
**Re:** Annual Investment Policy Review

In accordance with the Corporations Investment Policy and Procedures, the Board is required to review the investment policy annually to determine the policy's effectiveness and to make adjustments to reflect changes in investment strategy and goals.

The current investment policy document is included with this memo and outlined on page 16 of the presentation.

The proposed revised Investment Policy for Board review and approval is included in Zach Hanna, Chief Investment Officer Department of Revenue's presentation on page 18.

**Suggested Motion after presentation, review of proposed policy and discussion:**

- *Suggested Motion: Move to accept the Alaska Student Loan Corporation Investment Policy and Procedures with no material changes based on discussion and recommendation from Staff, DOR Investment Management team, and Financial Advisor.*



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

## Alaska Student Loan Corporation Review:

- Economic and Market Update
- March 2024 Performance
- FY25 Asset Allocation Recommendations



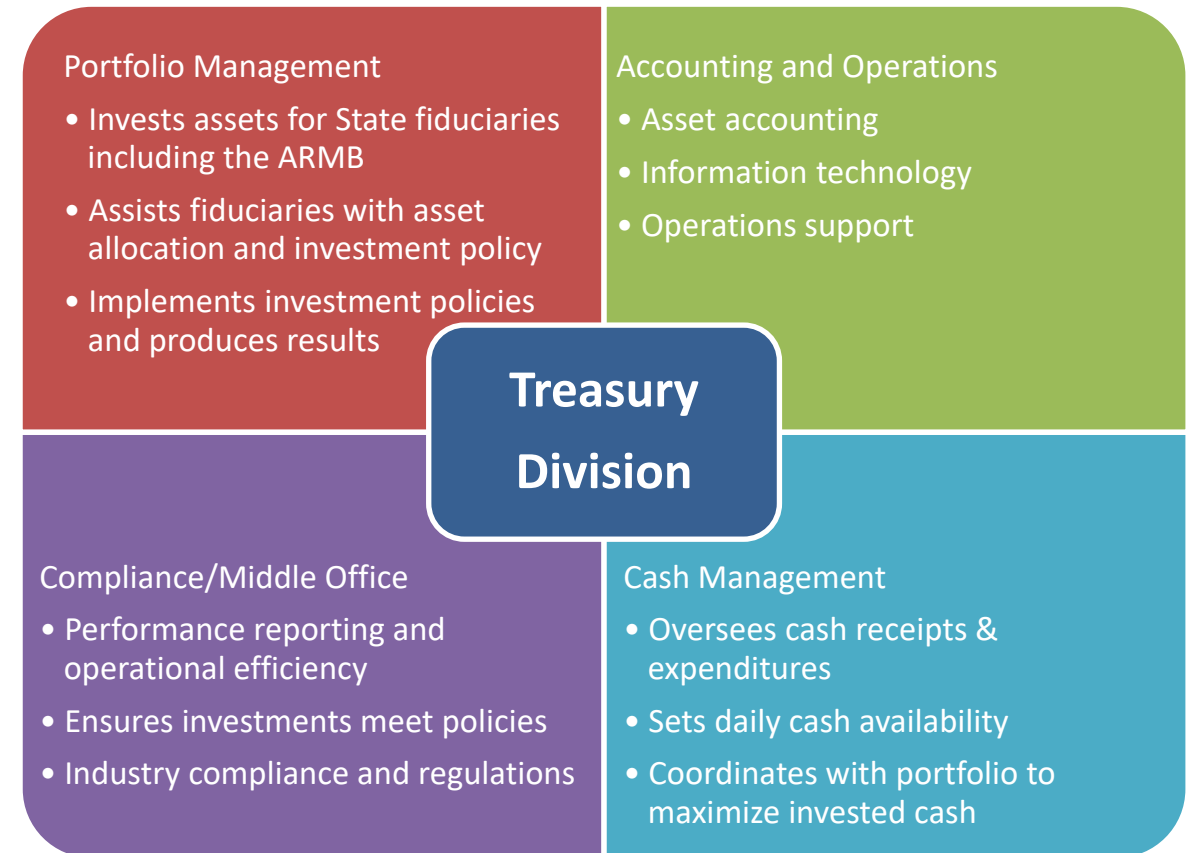
**May 2024**

**Zachary Hanna, CFA**  
Chief Investment Officer, Treasury Division  
Alaska Department of Revenue

# Alaska Student Loan Corporation Investment Discussion

## Department of Revenue, Treasury Division:

- The Treasury Division is run by 40 professionals in portfolio management, accounting, operations, compliance, and cash management.
- The Division helps state fiduciaries achieve investment objectives and manage risks.
- Treasury manages assets for funds across the risk spectrum from lower risk cash-equivalent investments through higher risk endowment and retirement funds.
- \$50 billion in assets managed as of 3/31/24:
  - Alaska Retirement Management Board - \$41.5 Billion
  - Commissioner of Revenue/SOA - \$8.5 Billion
  - Other State assets include Alaska Mental Health Trust, Alaska Student Loan Corporation, and the Exxon Valdez Oil Spill Trust.



# Economic and Market Update

# Inflation and Economic Growth

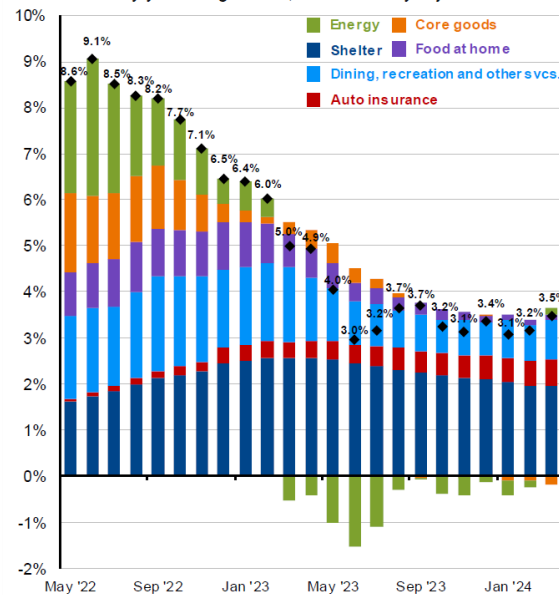
- Inflation has dominated markets since 2022, peaking at 9.1% in June of 2022 and declining to 3.5% in March of 2024.
- The drivers of inflation have rotated considerably in response to higher interest rates. Mainly centered around services, main drivers have switched from medical services and transportation to shelter, insurance, and recreation.
- Economic growth has slowed but remains relatively strong.

## Inflation components

GTM U.S. 27

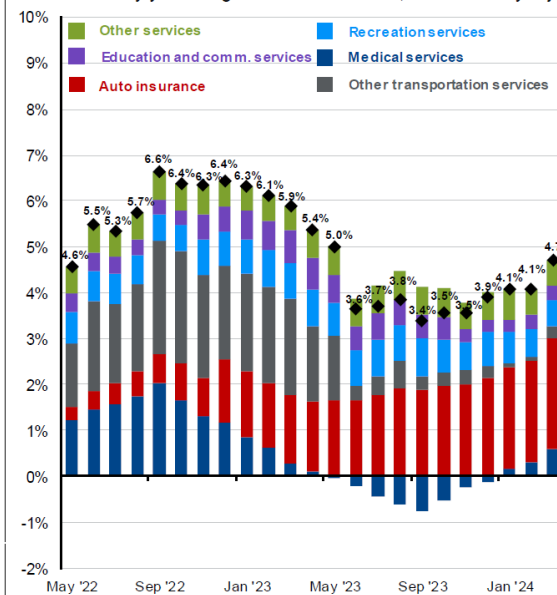
### Contributors to headline CPI inflation

Contribution to y/y % change in CPI, non-seasonally adjusted



### Contributors to core services ex-shelter CPI inflation\*

Contribution to y/y % change in custom CPI index, non-seasonally adj.



Source: BLS, FactSet, J.P. Morgan Asset Management. Contributions mirror the BLS methodology on Table 7 of the CPI report. Values may not sum to headline CPI figures due to rounding and underlying calculations. \*Core services ex-shelter CPI is a custom index using CPI components created by J.P. Morgan Asset Management. (Left) "Shelter" includes owners' equivalent rent, rent of primary residence and home insurance. Guide to the Markets - U.S. Data are as of April 30, 2024.

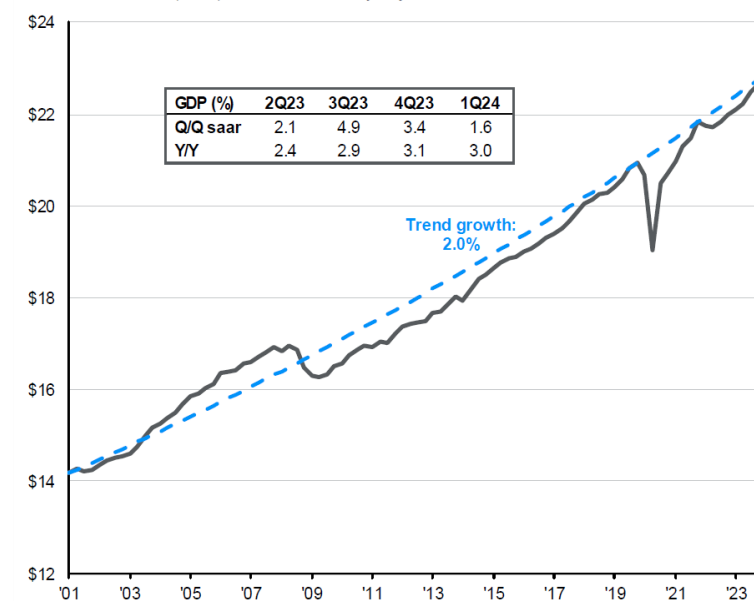


## Economic growth and the composition of GDP

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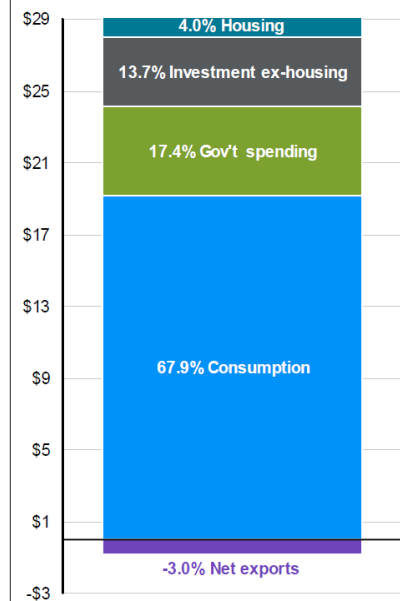
### Real GDP

Trillions of chained (2017) dollars, seasonally adjusted at annual rates



### Components of GDP

1Q24 nominal GDP, USD trillions



Source: BEA, FactSet, J.P. Morgan Asset Management. Values may not sum to 100% due to rounding. Trend growth is measured as the average annual growth rate from business cycle peak 1Q01 to business cycle peak 4Q19. Guide to the Markets - U.S. Data are as of April 30, 2024.



# Interest Rates and the Federal Reserve

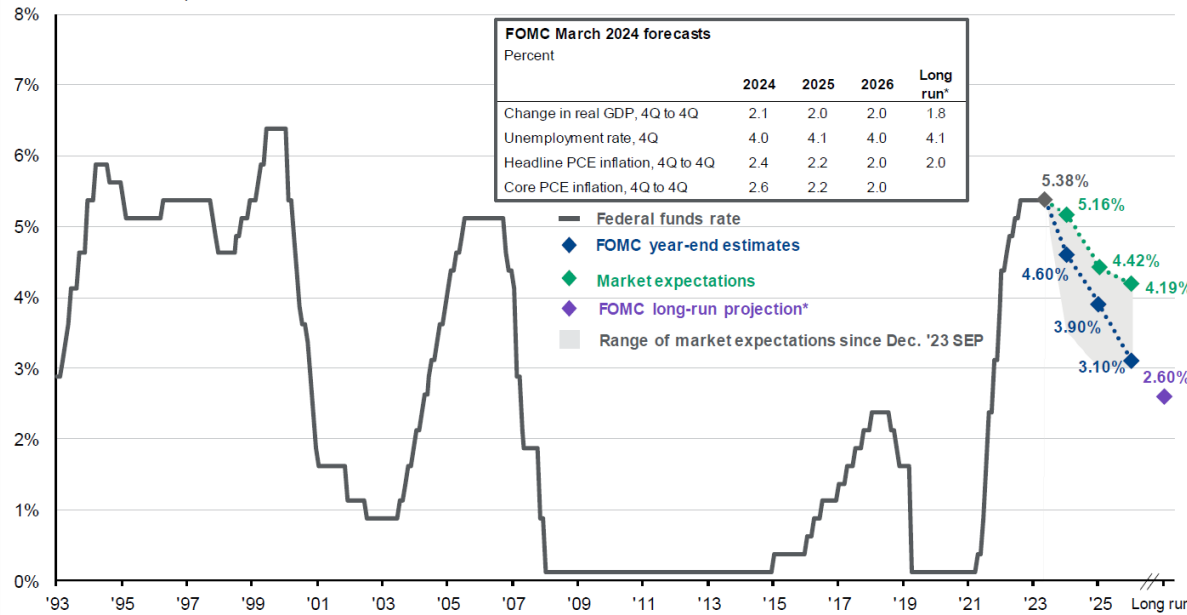
- To combat inflation, the Federal Reserve has raised interest rates from near zero in 2022 to 5.50% in July of 2023.
- Notably the Fed has made no further changes to rates at the last five meetings.
- Inflation has been higher than expected. Recent forecasts have pushed out rate cuts to the end of 2024 or into 2025.

## The Fed and interest rates

GTM U.S. 29

### Federal funds rate expectations

FOMC and market expectations for the federal funds rate



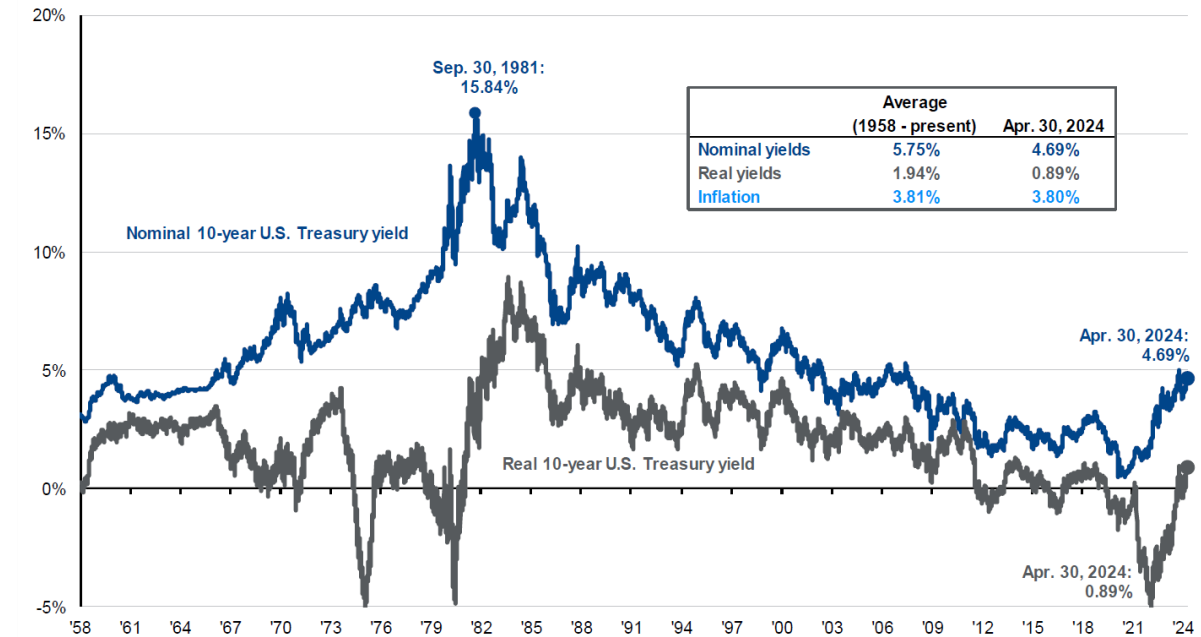
Source: Bloomberg, FactSet, Federal Reserve, J.P. Morgan Asset Management. Market expectations are based off of USD Overnight Index Swaps. \*Long-run projections are the rates of growth, unemployment and inflation to which a policymaker expects the economy to converge over the next five to six years in absence of further shocks and under appropriate monetary policy. Forecasts are not a reliable indicator of future performance. Forecasts, projections and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections or other forward-looking statements, actual events, results or performance may differ materially from those reflected or contemplated. Guide to the Markets - U.S. Data are as of April 30, 2024.

J.P.Morgan  
ASSET MANAGEMENT

## Interest rates and inflation

GTM U.S. 30

### Nominal and real U.S. 10-year Treasury yields



Source: BLS, FactSet, Federal Reserve, J.P. Morgan Asset Management. Real 10-year Treasury yields are calculated as the daily Treasury yield less year-over-year core CPI inflation for that month. For the current month, we use the prior month's core CPI figures until the latest data are available. Guide to the Markets - U.S. Data are as of April 30, 2024.

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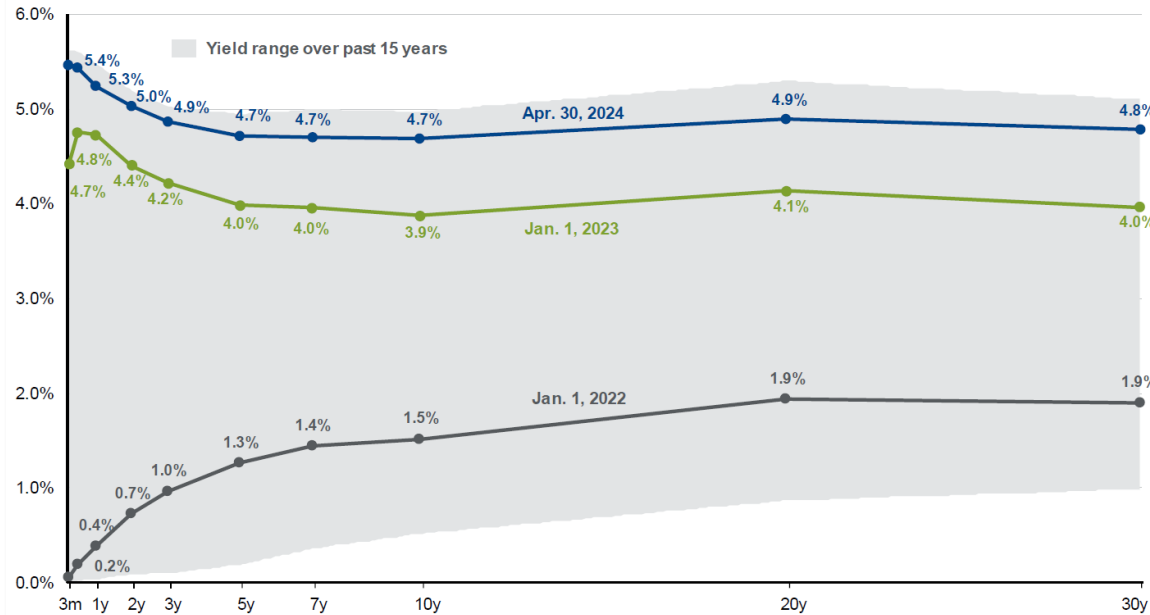
# Fixed Income

- Bond yields increased dramatically in reaction to the Fed’s increase in rates into 2023.
- Most bond sectors performed very poorly in 2022, but bond returns improved in 2023 with higher yields and more tempered rate increases.
- Forward expectations for fixed income investments are strong with high starting yields and an expectation of moderating interest rates.

## Yield curve

GTM U.S. 32

### U.S. Treasury yield curve



Source: FactSet, Federal Reserve, J.P. Morgan Asset Management. Guide to the Markets – U.S. Data are as of April 30, 2024.

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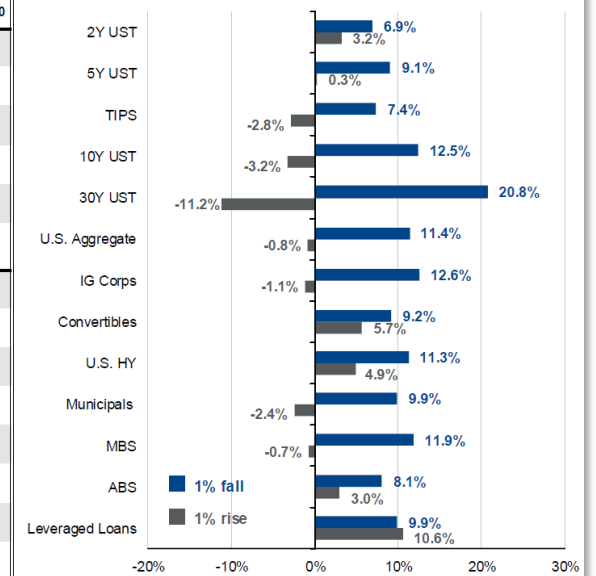
## Fixed income market dynamics

GTM U.S. 31

	Yield		Return			
	4/30/2024	12/31/2023	2024 YTD	Avg. Maturity	Correlation to 10-year	Correlation to S&P 500
<b>U.S. Treasuries</b>						
2-Year	5.04%	4.23%	-0.18%	2 years	0.75	-0.01
5-Year	4.72%	3.84%	-2.68%	5	0.94	-0.04
TIPS	2.29%	1.72%	-1.77%	7.2	0.71	0.33
10-Year	4.69%	3.88%	-5.07%	10	1.00	-0.10
30-Year	4.79%	4.03%	-10.46%	30	0.93	-0.13
<b>Sector</b>						
U.S. Aggregate	5.31%	4.53%	-3.28%	8.4	0.88	0.25
IG Corps	5.73%	5.06%	-2.93%	10.6	0.64	0.47
Convertibles	7.11%	7.26%	-0.31%	-	-0.07	0.87
U.S. HY	8.11%	7.50%	0.52%	4.8	0.04	0.77
Municipals	3.77%	3.22%	-1.62%	13.3	0.70	0.27
MBS	5.57%	4.68%	-4.04%	8.0	0.80	0.25
ABS	6.13%	5.65%	1.55%	3.5	0.26	0.23
Leveraged Loans	10.24%	10.56%	3.31%	4.4	-0.24	0.60

### Impact of a 1% rise or fall in interest rates

Total return, assumes a parallel shift in the yield curve



Source: Bloomberg, FactSet, Standard & Poor's, U.S. Treasury, J.P. Morgan Asset Management. Sectors shown above are provided by Bloomberg unless otherwise noted and are represented by – U.S. Aggregate, MBS: U.S. Aggregate Securitized – MBS; ABS: J.P. Morgan ABS Index; IG Corporates: U.S. Corporates; Municipals: Muni Bond; High Yield: Corporate High Yield; Leveraged Loans: J.P. Morgan Leveraged Loan Index; TIPS: Treasury Inflation-Protected Securities; Convertibles: U.S. Convertibles Composite. Convertibles yield is as of most recent month-end and is based on U.S. portion of Bloomberg Global Convertibles Index. Yield and return information based on bellwethers for Treasury securities. Yields shown for TIPS are real yields. Sector yields reflect yield-to-worst. Leveraged loan yields reflect the yield to 3Y takeout. Correlations are based on 15-years of monthly returns for all sectors. ABS returns prior to June 2012 are sourced from Bloomberg. Past performance is not indicative of future results. Guide to the Markets – U.S. Data are as of April 30, 2024.

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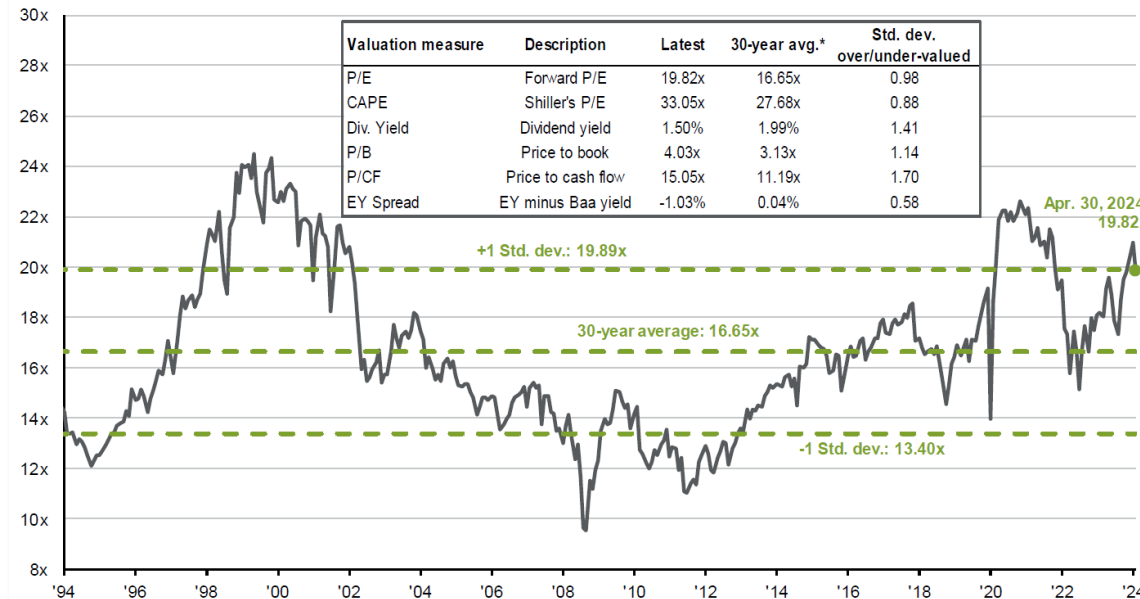
# Equity Markets

- U.S. equities have continued at more elevated valuations driven significantly by just a few constituents.
- Domestic equity returns and valuations remain driven by the largest technology corporations resulting in more concentrated equity indexes.
- International equity valuations remain much lower than in the U.S.

## S&P 500 valuation measures

GTM U.S. 5

### S&P 500 Index: Forward P/E ratio

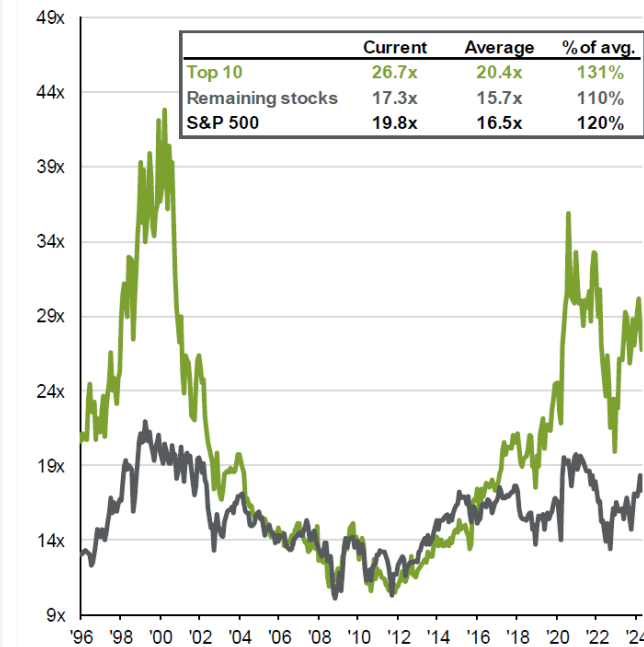


Source: FactSet, FRB, Refinitiv Datastream, Robert Shiller, Standard & Poor's, Thomson Reuters, J.P. Morgan Asset Management. Price-to-earnings is price divided by consensus analyst estimates of earnings per share for the next 12 months as provided by I/B/E/S since March 1994 and by FactSet since January 2022. Current next 12-months consensus earnings estimates are \$245. Average P/E and standard deviations are calculated using 30 years of history. Shiller's P/E uses trailing 10-years of inflation-adjusted earnings as reported by companies. Dividend yield is calculated as the next 12-months consensus dividend divided by most recent price. Price-to-book ratio is the price divided by book value per share. Price-to-cash flow is price divided by NTM cash flow. EY minus Baa yield is the forward earnings yield (consensus analyst estimates of EPS over the next 12 months divided by price) minus the Moody's Baa seasoned corporate bond yield. Std. dev. over-/under-valued is calculated using the average and standard deviation over 30 years for each measure. \*Averages and standard deviations for dividend yield and P/CF are since November 1995 due to data availability. Guide to the Markets - U.S. Data are as of April 30, 2024.

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ASSET MANAGEMENT

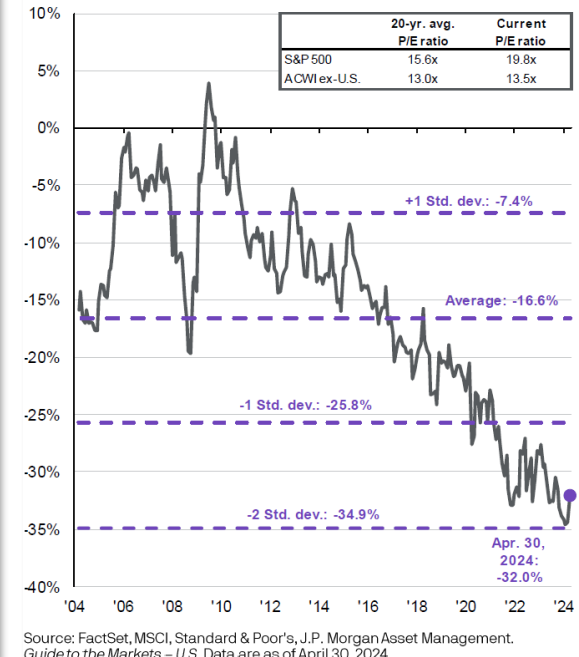
## P/E ratio of the top 10 and remaining stocks in the S&P 500

Next 12 months, 1996 - present



## International: Price-to-earnings discount vs. U.S.

MSCI All Country World ex-U.S. vs. S&P 500, next 12 months



Source: FactSet, MSCI, Standard & Poor's, J.P. Morgan Asset Management. Guide to the Markets - U.S. Data are as of April 30, 2024.



# Capital Market Performance Update

- After a challenging 2022, calendar year 2023 performance was strong, but volatile across most asset classes.
- Capital markets have been focused on the interplay of inflation, interest rates, and economic growth.
- As inflation has moderated, the potential for further interest rate increases and the associated drag on economic growth has decreased.
- As a result, equity markets recovered strongly from the correction of 2022 and both core U.S. fixed income and cash equivalents benefited from high yields.

2018	2019	2020	2021	2022	2023	FY24YTD	2024-Q1
Cash Equivalents 1.9%	Broad U.S. Equity 31.0%	Broad U.S. Equity 20.9%	REITs 41.3%	Cash Equivalents 1.5%	Broad U.S. Equity 26.0%	Broad U.S. Equity 19.3%	Broad U.S. Equity 10.0%
Core U.S. Fixed Income 0.0%	REITs 28.7%	TIPS 11.0%	Broad U.S. Equity 25.7%	High Yield (11.2%)	International Equity 15.6%	International Equity 10.4%	International Equity 4.5%
TIPS (1.3%)	International Equity 21.5%	International Equity 10.7%	International Equity 7.8%	TIPS (11.8%)	High Yield 13.4%	High Yield 9.2%	High Yield 1.5%
High Yield (2.1%)	High Yield 14.3%	Core U.S. Fixed Income 7.5%	TIPS 6.0%	Core U.S. Fixed Income (13.0%)	REITs 11.4%	REITs 6.7%	Cash Equivalents 1.3%
REITs (4.0%)	Core U.S. Fixed Income 8.7%	High Yield 7.1%	High Yield 5.3%	International Equity (16.0%)	Core U.S. Fixed Income 5.5%	Cash Equivalents 4.0%	TIPS (0.1%)
Broad U.S. Equity (5.2%)	TIPS 8.4%	Cash Equivalents 0.7%	Cash Equivalents 0.0%	Broad U.S. Equity (19.2%)	Cash Equivalents 5.0%	Core U.S. Fixed Income 2.6%	Core U.S. Fixed Income (0.8%)
International Equity (14.2%)	Cash Equivalents 2.3%	REITs (5.1%)	Core U.S. Fixed Income (1.5%)	REITs (24.9%)	TIPS 3.9%	TIPS 1.9%	REITs (1.3%)

# Portfolio Performance

# ASLC/DOR Investment History

- DOR started managing the current ASLC investments in July of 2021 with a lower-risk intermediate-bond mandate.
- DOR worked with the ASLC board to explore other risk profiles that could allow the corporation to efficiently use its assets.
- Several risk profiles were explored and the ASLC board ultimately adopted a 40% equity and 60% bond risk profile.
- The ASLC board elected to dollar-cost average into the new risk profile over a 2-year period designed to achieve the full risk profile at the start of FY24.
- The portfolio has now been at this risk profile for close to a year.

	FY22	FY22 Q2	FY 22 Q3	FY22 Q4	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Q4	FY24
Broad U.S. Equity		5%	7%	<b>10%</b>	12%	16%	19%	21%	<b>22%</b>
Global ex-U.S. Equity		3%	5%	<b>6%</b>	8%	10%	12%	12%	<b>14%</b>
U.S. REITS		1%	1%	<b>2%</b>	2%	3%	3%	3%	<b>3%</b>
Core U.S. Fixed	<b>26%</b>	26%	41%	<b>54%</b>	54%	54%	54%	54%	<b>60%</b>
Cash Equivalents	<b>74%</b>	65%	46%	<b>28%</b>	24%	17%	12%	10%	<b>1%</b>
Total	<b>100%</b>	100%	100%	<b>100%</b>	100%	100%	100%	100%	<b>100%</b>
Expected LT Return	<b>1.35%</b>	1.98%	2.34%	<b>2.74%</b>	3.00%	3.45%	3.76%	3.88%	<b>4.10%</b>
Expected Risk	<b>1.26%</b>	<b>1.89%</b>	<b>2.70%</b>	<b>3.63%</b>	<b>4.25%</b>	<b>5.39%</b>	<b>6.24%</b>	<b>6.57%</b>	<b>7.15%</b>
<b>10% Probable Annual Return (10% cVaR)</b>	<b>-0.9%</b>	-1.3%	-2.4%	<b>-3.6%</b>	-4.5%	-6.0%	-7.2%	-7.7%	<b>-8.4%</b>
5% Probable Annual Return (5% cVaR)	<b>-1.3%</b>	-1.9%	-3.2%	<b>-4.8%</b>	-5.8%	-7.7%	-9.1%	-9.7%	<b>-10.6%</b>
Probability of Loss - 1 Year	<b>14.2%</b>	14.8%	19.3%	<b>22.5%</b>	24.0%	26.1%	27.3%	27.7%	<b>28.3%</b>
Prob. Return < -1%	<b>3.1%</b>	5.8%	10.8%	<b>15.2%</b>	17.3%	20.5%	22.3%	22.9%	<b>23.8%</b>
Prob. Return < -2%	<b>0.4%</b>	1.8%	5.4%	<b>9.6%</b>	12.0%	15.6%	17.8%	18.5%	<b>19.7%</b>
Prob. Return < -3%	<b>0.0%</b>	0.4%	2.4%	<b>5.7%</b>	7.9%	11.6%	13.9%	14.8%	<b>16.0%</b>
Prob. Return < -4%	<b>0.0%</b>	0.1%	0.9%	<b>3.2%</b>	5.0%	8.4%	10.7%	11.5%	<b>12.9%</b>
Prob. Return < -5%	<b>0.0%</b>	0.0%	0.3%	<b>1.7%</b>	3.0%	5.9%	8.0%	8.8%	<b>10.2%</b>
Prob. Return < -10%	<b>0.0%</b>	0.0%	0.0%	<b>0.0%</b>	0.1%	0.6%	1.4%	1.7%	<b>2.4%</b>
Prob. Return < -20%	<b>0.0%</b>	0.0%	0.0%	<b>0.0%</b>	0.0%	0.0%	0.0%	0.0%	<b>0.0%</b>
Probability of Loss - 10 Year	<b>0.0%</b>	0.0%	0.3%	<b>0.9%</b>	1.3%	2.2%	2.8%	3.1%	<b>3.5%</b>
Asset Time Horizon Estimate	<b>1.7</b>	2.3	3.4	<b>4.4</b>	4.6	5.0	5.3	5.4	<b>5.9</b>
Return Statistics:									
Short-Term Expected Return	<b>2.4%</b>	2.9%	3.4%	<b>3.9%</b>	4.1%	4.5%	4.8%	4.9%	<b>5.1%</b>
Long-Term Expected Return	<b>1.3%</b>	2.0%	2.3%	<b>2.7%</b>	3.0%	3.5%	3.8%	3.9%	<b>4.1%</b>
Long-Term Real Return	<b>-0.9%</b>	-0.3%	0.1%	<b>0.5%</b>	0.8%	1.2%	1.5%	1.6%	<b>1.9%</b>
Long-Term Yield	<b>1.6%</b>	1.7%	2.0%	<b>2.3%</b>	2.4%	2.4%	2.5%	2.5%	<b>2.6%</b>
Capital Gain	<b>-0.3%</b>	0.2%	0.3%	<b>0.4%</b>	0.6%	1.0%	1.3%	1.4%	<b>1.5%</b>
Arithmetic Return	<b>1.4%</b>	2.0%	2.4%	<b>2.8%</b>	3.1%	3.6%	3.9%	4.1%	<b>4.3%</b>
Dollars: (\$Millions)									
Assets	<b>88.3</b>	88.3	88.3	<b>88.3</b>	88.3	88.3	88.3	88.3	<b>88.3</b>
Expected Annual Earnings	<b>1.2</b>	1.7	2.1	<b>2.4</b>	2.7	3.0	3.3	3.4	<b>3.6</b>
10% Probable Annual Return (10% cVaR)	<b>-0.8</b>	-1.2	-2.1	<b>-3.2</b>	-3.9	-5.3	-6.4	-6.8	<b>-7.5</b>

# ASLC Portfolio Performance

- ASLC one year performance was 10.08% through March 2024, 76 bps in excess of the benchmark.
- Calendar year 2023 performance was strong at 11.66%.
- The inception track record, which is 32 months long, has generated an annualized return of 1.91%.
- ASLC performance has exceeded the benchmark and original benchmark for all periods shown.
- The State's asset class building blocks have all performed within expectations with most providing excess returns.

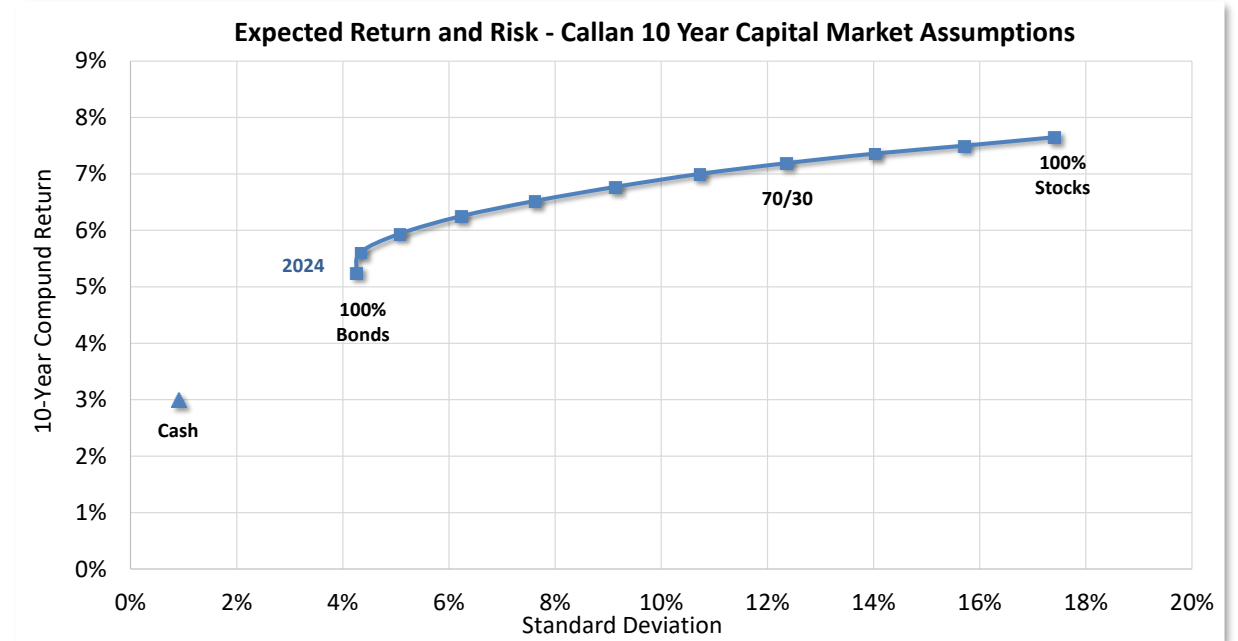
Performance through 3/31/24		3 Months	FYTD	1 Year	CY 2023	CY 2022	Inception (8/21)	3 Years	5 Years
<b>ASLC Portfolio</b>		<b>2.61%</b>	<b>7.90%</b>	<b>10.08%</b>	<b>11.66%</b>	<b>-8.12%</b>	<b>1.91%</b>		
Benchmark		2.37%	7.43%	9.32%	11.02%	-8.51%	1.46%		
<i>Excess Return</i>		0.24%	0.46%	0.76%	0.63%	0.39%	0.45%		
<i>Original Benchmark</i>		0.35%	3.73%	3.24%	4.47%	-3.75%	0.09%		
Component Performance	FY24 AA	3 Months	FYTD	1 Year	CY 2023	CY 2022	Inception (8/21)	3 Years	5 Years
Domestic Equity	22%	10.02%	19.38%	29.39%	26.07%	-19.08%	7.28%	9.89%	14.36%
Benchmark		10.02%	19.29%	29.29%	25.96%	-19.21%	7.14%	9.78%	14.34%
<i>Excess Return</i>		0.00%	0.09%	0.10%	0.11%	0.13%	0.14%	0.11%	0.03%
International Equity	14%	4.52%	10.34%	13.07%	15.62%	-15.92%	0.78%	1.94%	5.99%
Benchmark		4.69%	10.56%	13.26%	15.62%	-16.00%	0.78%	1.94%	5.97%
<i>Excess Return</i>		-0.17%	-0.23%	-0.19%	0.01%	0.09%	-0.01%	0.01%	0.03%
Internally Managed REITs	3%	-1.31%	6.80%	7.52%	10.83%	-24.86%	-3.19%		
Benchmark		-1.30%	6.73%	8.02%	11.36%	-24.95%	-3.07%		
<i>Excess Return</i>		0.00%	0.07%	-0.50%	-0.52%	0.09%	-0.12%		
Tactical Bond	15%	-0.05%	4.14%	4.13%	7.69%				
Benchmark		-0.78%	2.56%	1.70%	5.53%				
<i>Excess Return</i>		0.72%	1.57%	2.43%	2.16%				
Broad Market Fixed Income	45%	-0.42%	3.01%	2.40%	6.03%	-12.24%	-3.27%	-1.94%	0.81%
Benchmark		-0.78%	2.56%	1.70%	5.53%	-13.01%	-3.82%	-2.46%	0.36%
<i>Excess Return</i>		0.36%	0.44%	0.71%	0.50%	0.77%	0.55%	0.52%	0.45%
Short-term Fixed Income	1%	1.38%	4.27%	5.62%	5.39%	1.60%	3.13%	2.79%	2.19%
Benchmark		1.29%	4.03%	5.24%	5.01%	1.46%	2.91%	2.58%	2.02%
<i>Excess Return</i>		0.09%	0.24%	0.38%	0.38%	0.14%	0.22%	0.21%	0.17%

Notes: Plan funded July 28, 2021. ITD performance for all funds listed starts August 1, 2021. ASLC did not invest in equity and REITs until October 22, 2021. ASLC Custom benchmark reflects multiple asset class target changes. ASLC Original Benchmark is 50% Bloomberg 1-3yr US Gov/Credit and 50% Bloomberg 1-3yr Gov. Performance greater than 1 year is annualized.  
\*May include up to 15% in Tactical Fixed Income

# Asset Allocation

# State Investment Policy and Asset Allocation Process

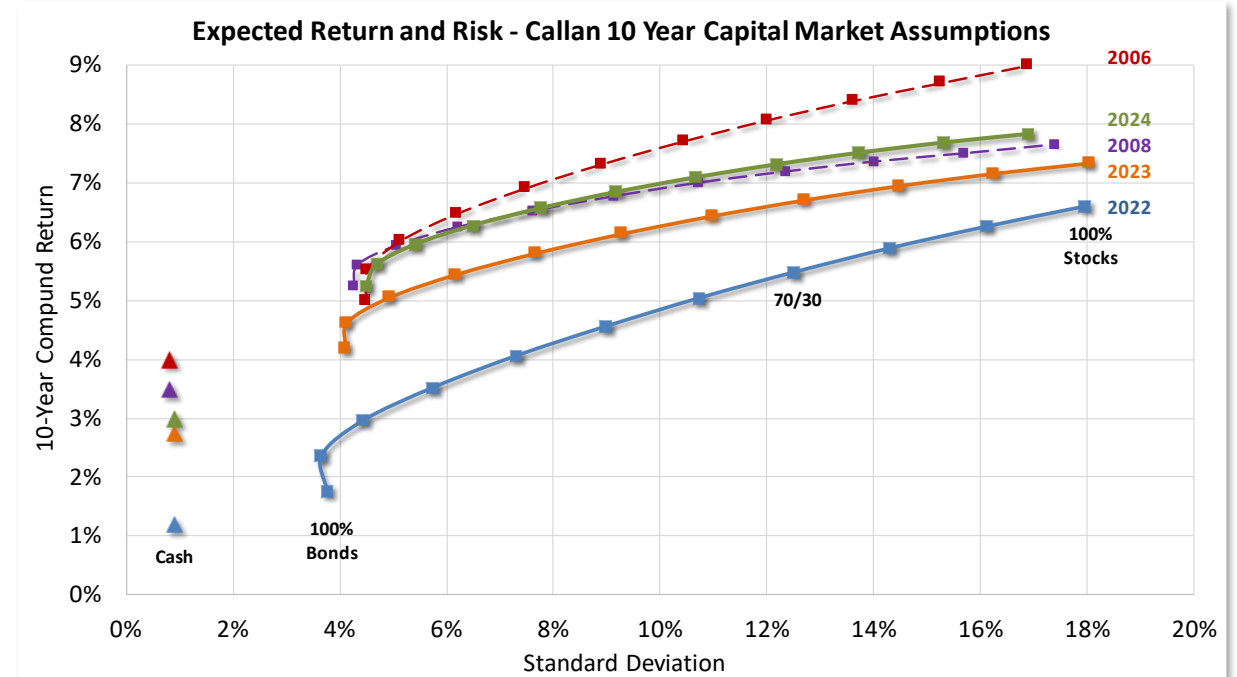
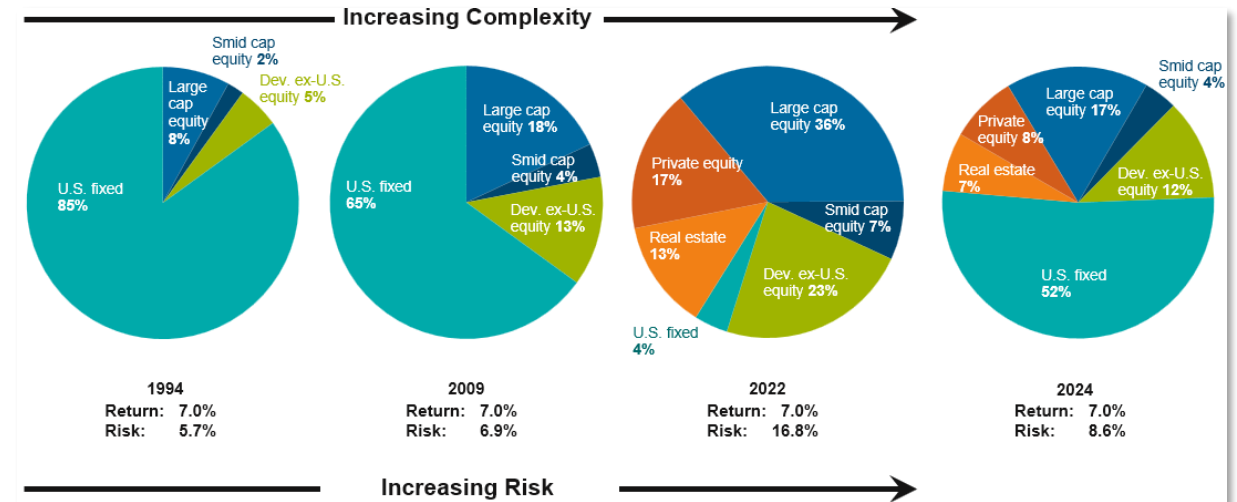
- The Commissioner of Revenue is the fiduciary for over \$8 billion in state assets across 100+ accounts pooled into over 25 funds with similar assets or mandates.
- Setting investment policies and asset allocations are key fiduciary duties for these funds.
- Treasury staff reviews and makes recommendations on the investment policy and asset allocation of each fund at least annually.
- Each investment program is designed to balance fund investment objectives, risk tolerance, and other attributes:
  - Time horizon
  - Nominal or real return objectives
  - Cashflows, liquidity, and income needs
  - Capacity for loss or volatility over short, medium, and longer time horizons
- Performance, investment policy, and asset allocations are discussed quarterly in a transparent process with an independent investment advisory committee.



Fund - Account	Assets (3/31/2024)	Risk Tolerance
Short-Term Funds	\$154,100,000	Lowest ↓ Highest
CBRF	\$2,785,646,000	
GeFONSI	\$1,789,499,000	
International Airport	\$218,869,000	
GeFONSI II	\$1,438,786,000	
EVOS	\$100,825,000	
ASLC Investment Fund	\$116,603,000	
Retiree LTC	\$844,362,000	
Public School Trust Fund	\$819,083,000	
AK Higher Education	\$406,473,000	
Illinois Creek Mine	\$1,533,000	
Education Endowment	\$1,434,000	
Alaska Mental Health Trust	\$52,912,000	
<b>Total</b>	<b>\$8,730,125,000</b>	

# Asset Allocation

- Callan is an investment consultant that annually develops 10-year capital market assumptions for clients including the Alaska Retirement Management Board and the Alaska Permanent Fund Corporation. DOR uses these assumptions for independence and consistency.
- Return expectations have generally fallen over the past 30 years as interest rates, growth, and inflation expectations declined. Forward return expectations have now increased due to inflation, higher starting interest rates and the pullback in equity markets.
- Treasury staff evaluates Callan’s capital market assumptions and current market conditions to develop an asset allocation approach for each state fund.
- The goal is to maximize return or minimize risk consistent with investment objectives and risk tolerance using a combination of modern portfolio theory and account specific constraints and characteristics.



# 2024 Capital Market Assumption Update

- In January, Callan released their 10-year capital market assumptions for 2024. Forward return expectations increased due to higher starting interest rates and the pullback in equity markets.
- Staff selects a subset of these asset classes for use in state funds based on risk, return, diversification, complexity, and cost.
- DOR is currently using Broad U.S. Equities, International Equities, Government 1-3 Fixed Income, Broad U.S. Fixed Income, U.S. REITs, and Cash Equivalents for state funds.
- For some portfolios, staff also invests up to 30% of the fixed income allocation in a tactical bond portfolio that opportunistically invests in high yield, TIPS, and other fixed income asset classes in a risk-managed fashion.
- Only liquid registered investments are used since State funds were not allowed to purchase unregistered investments, including alternative investments, prior to 2021 due to the SEC's definition of accredited investor – a definition that did not apply to the retirement funds and APFC. Even with the SEC change, illiquid investments are still problematic for State funds subject to annual legislative changes.

Asset Classes	2024 10-Year Geometric Return	2023 10-Year Geometric Return	Return Change	Real Return	Standard Deviation	Correlation to Domestic Equity
<b>Broad U.S. Equity</b>	<b>7.65%</b>	<b>7.35%</b>	<b>0.30%</b>	<b>5.2%</b>	<b>17.4%</b>	<b>1.00</b>
Large Cap U.S. Equity	7.50%	7.25%	0.25%	5.0%	17.0%	1.00
Small/Mid Cap U.S. Equity	7.70%	7.45%	0.25%	5.2%	22.0%	0.91
<b>International Equity</b>	<b>7.65%</b>	<b>7.45%</b>	<b>0.20%</b>	<b>5.2%</b>	<b>21.4%</b>	<b>0.79</b>
Developed ex-U.S. Equity	7.50%	7.25%	0.25%	5.0%	20.2%	0.73
Emerging Market Equity	7.70%	7.45%	0.25%	5.2%	25.6%	0.85
<b>Cash Equivalents</b>	<b>3.00%</b>	<b>2.75%</b>	<b>0.25%</b>	<b>0.5%</b>	<b>0.9%</b>	<b>-0.03</b>
Government 1-3 year Bonds	4.25%	3.80%	0.45%	1.8%	2.4%	0.04
<b>Core U.S. Fixed Income</b>	<b>5.25%</b>	<b>4.25%</b>	<b>1.00%</b>	<b>2.8%</b>	<b>4.3%</b>	<b>0.08</b>
TIPS	5.05%	4.00%	1.05%	2.6%	5.4%	-0.03
Emerging Market Sovereign Debt	6.35%	6.25%	0.10%	3.9%	10.7%	0.61
High Yield	6.80%	6.25%	0.55%	4.3%	11.8%	0.75
Core Real Estate	6.00%	5.75%	0.25%	3.5%	14.0%	0.34
<b>REITs</b>	<b>7.15%</b>	<b>6.90%</b>	<b>0.25%</b>	<b>4.7%</b>	<b>25.6%</b>	<b>0.77</b>
Private Equity	8.75%	8.50%	0.25%	6.3%	27.6%	0.80
Private Credit	7.40%	7.00%	0.40%	4.9%	15.7%	0.68
Hedge Funds	6.05%	5.55%	0.50%	3.6%	8.2%	0.59
Inflation	2.50%	2.50%	0.00%		1.6%	
<b>70/30 Portfolio</b>	<b>7.11%</b>	<b>6.71%</b>	<b>0.40%</b>	<b>4.6%</b>		



# ASLC Investment Policy Review

## Investment objectives and risk assessment:

- Time horizon and cashflow needs:
  - ASLC expects net cash inflows through FY28. Net cash outflows are expected to be reasonable for the planning horizon.
  - As a result, the system has a long time-horizon.
- Investment Objectives:
  - ASLC seeks a minimum return to cover operational expenses and provide downside loan protection. A target minimum return of 4% is required to cover operations and potential loan losses.
  - Future ASLC programs would also benefit from inflation protection and assets growth over time.
- Capacity for loss:
  - ASLC should be able to tolerate short-to-mid-term losses and volatility to target higher long-term returns.
  - ASLC may be sensitive to abrupt increases in risk profile.

## Conclusion and recommendation:

- ASLC has the time horizon, investment objectives, and other attributes consistent with adopting a high risk-tolerance.
- The ASLC asset allocation should cover downside loan losses and potentially increase assets.
- No substantive change is recommended to the existing Investment Policy.

### AY3S: FY24 DOR-Alaska Student Loan Corporation Investment Policy

Investment Topic	FY 2024	FY 2023																		
Investment Objectives	Can tolerate high exposure of principal to loss in return for higher expected long-term returns. Limited current income requirement. Inflation protection desirable, but not required. Moderate liquidity requirement.	No change																		
Policy Risk/Loss Range	10% Probable Annual Loss (10% cVaR) >5%	No Change																		
Time Horizon	Long	No Change																		
Asset Allocation	<table> <tr> <td>Broad U.S. Equity</td> <td>22% ± 5%</td> <td>22% ± 5%</td> </tr> <tr> <td>International Equity</td> <td>14% ± 5%</td> <td>14% ± 5%</td> </tr> <tr> <td>U.S. REITs</td> <td>3% ± 5%</td> <td>3% ± 5%</td> </tr> <tr> <td>Core U.S. Fixed Income</td> <td>60% ± 5%</td> <td>60% ± 5%</td> </tr> <tr> <td colspan="3"><i>*may include up to 15% in tactical fixed income</i></td> </tr> <tr> <td>Cash Equivalents</td> <td>1% - 1%/+2%</td> <td>1% - 1%/+2%</td> </tr> </table>	Broad U.S. Equity	22% ± 5%	22% ± 5%	International Equity	14% ± 5%	14% ± 5%	U.S. REITs	3% ± 5%	3% ± 5%	Core U.S. Fixed Income	60% ± 5%	60% ± 5%	<i>*may include up to 15% in tactical fixed income</i>			Cash Equivalents	1% - 1%/+2%	1% - 1%/+2%	
Broad U.S. Equity	22% ± 5%	22% ± 5%																		
International Equity	14% ± 5%	14% ± 5%																		
U.S. REITs	3% ± 5%	3% ± 5%																		
Core U.S. Fixed Income	60% ± 5%	60% ± 5%																		
<i>*may include up to 15% in tactical fixed income</i>																				
Cash Equivalents	1% - 1%/+2%	1% - 1%/+2%																		
Expected Return - Long-Term	5.85%	4.10%																		
Risk - Standard Deviation	7.54%	7.15%																		
Probability of Loss - 1 Year 10% Probability of Annual Loss (10% cVaR)	21.9% -7.4%	28.3% -8.4%																		
Implementation	Reassess the investment policy and asset allocation annually.																			

The proposed policy is effective July 1, 2023

*Julie Pierce*

Approved

5/31/2023

Date

# Risk Spectrum with ASLC and other SOA Funds

Asset Classes	Low	Low Moderate	Low High	20/80	30/70	ASLC	50/50	60/40	Endowment
Broad U.S. Equity			4.0%	20.0%	30.0%	22.0%	50.0%	60.0%	39.0%
Global ex-U.S. Equity			2.0%			14.0%			25.0%
U.S. REITs						3.0%			5.0%
Core U.S. Fixed Income				80.0%	70.0%	60.0%	50.0%	40.0%	30.0%
Short Duration Gov't/Credit		15.0%	33.0%						
Cash Equivalents	100%	85.0%	61.0%			1.0%			1.0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Expected Return</b>	<b>3.00%</b>	<b>3.33%</b>	<b>3.77%</b>	<b>5.86%</b>	<b>6.17%</b>	<b>6.51%</b>	<b>6.69%</b>	<b>6.92%</b>	<b>7.25%</b>
<b>Expected Return - Real/After Inflation</b>	<b>0.50%</b>	<b>0.83%</b>	<b>1.27%</b>	<b>3.36%</b>	<b>3.67%</b>	<b>4.01%</b>	<b>4.19%</b>	<b>4.42%</b>	<b>4.75%</b>
Risk - Standard Deviation	0.90%	1.07%	1.52%	5.07%	6.22%	7.57%	9.13%	10.72%	12.48%
Sharpe Ratio	(0.00)	0.31	0.51	0.56	0.51	0.46	0.40	0.37	0.34
Risk Statistics:									
10% Probable Downside Return - 1 Year	1.4%	1.5%	1.1%	-3.0%	-4.8%	-6.8%	-9.3%	-11.9%	-14.6%
5% Probable Downside Return - 1 Year	1.1%	1.1%	0.6%	-4.6%	-6.7%	-9.1%	-12.1%	-15.2%	-18.5%
5% Probable Downside Return - 3 Year	1.9%	2.1%	2.0%	-0.2%	-1.2%	-2.5%	-4.2%	-5.8%	-7.6%
5% Probable Downside Return - 5 Year	2.2%	2.3%	2.4%	1.2%	0.4%	-0.5%	-1.7%	-3.0%	-4.3%
Probability of Loss - 1 Year	0.0%	0.1%	0.6%	12.4%	16.1%	19.5%	23.2%	25.9%	28.1%
Prob. Return < -1%	0.0%	0.0%	0.1%	8.8%	12.5%	16.1%	20.0%	23.0%	25.4%
Prob. Return < -5%	0.0%	0.0%	0.0%	1.6%	3.6%	6.4%	10.0%	13.3%	16.3%
Prob. Return < -20%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.6%	1.4%
Probability of Loss - 10 Year	0.0%	0.0%	0.0%	0.0%	0.1%	0.3%	1.0%	2.1%	3.3%
Asset Time Horizon Estimate	0.3	1.1	1.2	6.0	6.0	5.9	6.0	6.0	5.9
Dollars: (\$Millions)									
Assets	116.6	116.6	116.6	116.6	116.6	116.6	116.6	116.6	116.6
Expected Annual Earnings	3.5	3.9	4.4	6.8	7.2	7.6	7.8	8.1	8.5
1-Year 10% Probable Return (10% cVaR)	1.7	1.7	1.3	(3.5)	(5.5)	(7.9)	(10.9)	(13.9)	(17.1)
1-Year 5% Probable Return (5% cVaR)	1.3	1.3	0.8	(5.3)	(7.8)	(10.6)	(14.1)	(17.7)	(21.6)
3-Year 5% Probable Return (5% cVaR)	2.2	2.4	2.3	(0.2)	(1.5)	(2.9)	(4.9)	(6.8)	(8.9)

Table uses Callan's long-term CMA's for all risk profiles

# Proposed FY25 Investment Policy

## State of Alaska Asset Allocation

Asset Classes	FY24	FY25*	40/60
Broad U.S. Equity	22%	22%	40%
Global ex-U.S. Equity	14%	14%	
US REITS	3%	3%	
Short Duration Gov't/Credit			
Core U.S. Fixed Income	60%	60%	60%
Cash Equivalents	1%	1%	
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Optimization Results:			
<b>Expected Return - Long-Term</b>	<b>5.85%</b>	<b>6.51%</b>	<b>6.44%</b>
<b>Expected Return - Real/After Inflation</b>	<b>3.35%</b>	<b>4.01%</b>	<b>3.94%</b>
Risk - Standard Deviation	7.54%	7.57%	7.61%
Sharpe Ratio	0.41	0.46	0.45
Risk Statistics:			
<b>10% Probable Downside Return - 1 Year</b>	<b>-7.4%</b>	<b>-6.8%</b>	<b>-6.9%</b>
5% Probable Downside Return - 1 Year	-9.7%	-9.1%	-9.3%
5% Probable Downside Return - 3 Year	-3.1%	-2.5%	-2.6%
5% Probable Downside Return - 5 Year	-1.1%	-0.5%	-0.6%
Probability of Loss - 1 Year	21.9%	19.5%	19.9%
Prob. Return < -5%	7.5%	6.4%	6.6%
Prob. Return < -10%	1.8%	1.5%	1.5%
Prob. Return < -20%	0.0%	0.0%	0.0%
Probability of Loss - 10 Year	0.7%	0.3%	0.4%
Asset Time Horizon Estimate	5.9	5.9	6.0
Dollars: (\$Millions)			
Assets	104.5	116.6	116.6
Expected Annual Earnings	6.1	7.6	7.5
1-Year 10% Probable Return (10% cVaR)	(7.7)	(7.9)	(8.1)
1-Year 5% Probable Return (5% cVaR)	(10.1)	(10.6)	(10.8)
5-Year 5% Probable Return (5% cVaR)	(1.2)	(0.6)	(0.7)

\*current asset allocation with updated capital market assumptions

## AY35: DOR-Alaska Student Loan Corporation Investment Policy

Investment Topic	FY 2025	FY 2024
Investment Objectives	Can tolerate high exposure of principal to loss in return for higher expected long-term returns. Limited current income requirement. Inflation protection desirable, but not required. Moderate liquidity requirement.	No change
Policy Risk/Loss Range	10% Probable Annual Loss (10% cVaR) >5%	No Change
Time Horizon	Long	No Change
Asset Allocation	Broad U.S. Equity 22% ± 5% International Equity 14% ± 5% U.S. REITs 3% ± 5% Core U.S. Fixed Income 60% ± 5% <i>*may include up to 15% in tactical fixed income</i> Cash Equivalents 1% - 1%/+2%	22% ± 5% 14% ± 5% 3% ± 5% 60% ± 5% 1% - 1%/+2%
Expected Return - Long-Term	6.51%	5.85%
Expected Real Return - Long Term	4.01%	3.35%
Risk - Standard Deviation	7.57%	7.54%
Probability of Loss - 1 Year	19.5%	21.9%
10% Probability of Annual Loss (10% cVaR)	-6.8%	-7.4%
Implementation	Reassess the investment policy and asset allocation annually.	

The proposed policy is effective July 1, 2024

Approved

Date

# Questions?



**May 2024**

**Zachary Hanna, CFA**  
Chief Investment Officer, Treasury Division  
Alaska Department of Revenue

## Alaska Student Loan Corporation




THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

FINANCE OFFICE

P.O. Box 110505  
Juneau, Alaska 99811-0505  
Phone: 907.465.6740  
Toll Free: 800.441.2962  
TTY: Dial 711 or 800.770.8973  
Fax: 907.465.3293  
acpe.alaska.gov

# Memorandum

To: Alaska Student Loan Corporation Board Members  
 Thru: Sana Efird, Executive Officer  
 From: Julie Pierce, Chief Finance Officer   
 Date: May 9, 2024  
 Re: Chief Finance Officer Report – Information Only

## **FY2024 Audit**

Included with your packet is a copy of the engagement letter for the annual financial statement and federal single audit for the fiscal year ended June 30, 2024. The most recent peer review report with a rating of pass is also included for information. In addition, an informational summary related to non-attest services is provided.

Audit fieldwork is scheduled for the week of August 26<sup>th</sup> and the audited Financial Statements are expected to be finalized by the beginning of October. The audited Financial Statements will be presented by our auditors, Elgee Rehfeld LLC., at the next ASLC Board meeting following statement finalization.

If you have any questions or wish to discuss this information further, please do not hesitate to contact me at 907-465-6757 or [julie.pierce@alaska.gov](mailto:julie.pierce@alaska.gov).



# Elgee Rehfeld

Certified Public Accountants

elgeerehfeld.com  
(907) 789-3178

9309 Glacier Highway, Suite B-200  
Juneau, Alaska 99801

May 2, 2024

Julie Pierce, Chief Financial Officer  
Alaska Student Loan Corporation  
3030 Vintage Blvd.  
Juneau, AK 99801

Dear Julie:

You have requested that we audit the financial statements of the net position, statement of revenues, expenses and changes in net position and cash flows of Alaska Student Loan Corporation (the Corporation), as of June 30, 2024, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In addition, we will audit the entity's compliance over major federal award programs for the period ended June 30, 2024, but as permitted by U.S. Office of Management and Budget's Compliance Supplement for the Federal Family Education Loans – Lender, Assistance Listing Number 84-032L program, Other Information - Use of Third Party Servicers section, we may not audit the Corporation's compliance with the compliance requirements applicable to the Federal Family Education Loans – Lender, Assistance Listing Number 84-032L that the third party servicer's attestation examination includes in their report for the period of July 1, 2022 through June 30, 2023.

We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity's major federal award programs. The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the entity complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and *Government Auditing Standards*, if any, and perform procedures to address those requirements.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis

### **Schedule of Expenditures of Federal Awards**

We will subject the schedule of expenditures of federal awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedules to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements as a whole.

### **Audit of the Financial Statements**

We will conduct our audits in accordance with GAAS, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). As part of an audit of financial statements in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS, *Government Auditing Standards* of the Comptroller General of the United States of America, and the Uniform Guidance. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the Corporation's basic financial statements. Our report will be addressed to the governing body of the Corporation. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

### **Audit of Major Program Compliance**

Our audit of the Corporation's major federal award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; and the Uniform Guidance, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance and other procedures we consider necessary to enable us to express such an opinion on major federal award program compliance and to render the required reports. As permitted by U.S. Office of Management and Budget's Compliance Supplement for the Federal Family Education Loans – Lender, Assistance Listing Number 84-032L program, Other Information - , Use of Third Party Servicers section, we may not audit the Corporation's compliance with the compliance requirements applicable to the Federal Family Education Loans – Lender, Assistance Listing Number 84-032L that the third party servicer's attestation examination includes in their report for the period of July 1, 2022 through June 30, 2023. We cannot provide assurance that an



unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the entity's compliance based on the audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the entity's compliance with the requirements of the federal programs as a whole.

As part of a compliance audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal programs and, performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs, and performing such other procedures as we consider necessary in the circumstances. As permitted by U.S. Office of Management and Budget's Compliance Supplement for the Federal Family Education Loans – Lender, Assistance Listing Number 84-032L program, Other Information - , Use of Third Party Servicers section, we may not audit the Corporation's compliance with the compliance requirements applicable to the Federal Family Education Loans – Lender, Assistance Listing Number 84-032L that the third party servicer's attestation examination includes in their report for the period of July 1, 2022 through June 30, 2023. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will obtain an understanding of the entity's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal award programs, and a report on internal controls over

compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

### Management's Responsibilities

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying, in its accounts, all federal awards received and expended during the period and the federal programs under which they were received;
4. For maintaining records that adequately identify the source and application of funds for federally funded activities;
5. For preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the Uniform Guidance;
6. For designing, implementing, and maintaining effective internal control over federal awards that provides reasonable assurance that the entity is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards;
7. For identifying and ensuring that the entity complies with federal laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal award programs, and implementing systems designed to achieve compliance with applicable federal statutes, regulations, and the terms and conditions of federal award programs;
8. For disclosing accurately, currently, and completely the financial results of each federal award in accordance with the requirements of the award;
9. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
10. For taking prompt action when instances of noncompliance are identified;
11. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
12. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
13. For submitting the reporting package and data collection form to the appropriate parties;
14. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
15. To provide us with:
  - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including the disclosures, and relevant to federal award programs, such as records, documentation, and other matters;
  - b. Additional information that we may request from management for the purpose of the audit;

- c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence;
  - d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
  - e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
16. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
  17. For acceptance of nonattest services such as financial statement preparation, including identifying the proper party to oversee nonattest work;
  18. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
  19. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
  20. For the accuracy and completeness of all information provided;
  21. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
  22. For confirming management's understanding of their responsibilities as defined in this letter to us in a management representation letter.

With regard to the schedule of expenditures of federal awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance and, (b) to provide us with the appropriate written representations regarding the schedule of expenditures of federal awards, (c) to include our report on the schedule of expenditures of federal awards in any document that contains the schedule of expenditures of federal awards and that indicates that we have reported on such schedule, and (d) to present the schedule of expenditures of federal awards with the audited financial statements, to make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by you of the schedule and our report thereon.

As part of our audit process, we will request from management, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

## Nonattest Services

With respect to any nonattest services we perform (such as financial statement preparation assistance), the Corporation's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

We will not assume management responsibilities on behalf of the Corporation. However, we will provide advice and recommendations to assist management of the Corporation in performing its responsibilities.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

## Limitation of Liability

In no event will Elgee Rehfeld, LLC be liable for any consequential, special, indirect, incidental, punitive, or exemplary losses, damages, or expenses, regardless of whether or not Elgee Rehfeld, LLC has been advised of the possibility of such damages. In circumstances where all or any portion of the provisions of this Agreement are finally judicially determined to be unavailable, void, or impermissible for any reason, the aggregate liability of Elgee Rehfeld, LLC for any Claim shall not exceed the amount of compensation Elgee Rehfeld, LLC received pursuant to the terms of this Agreement.

## Other

Adam Sycks is the engagement partner for the audit services specified in this letter. His responsibilities include supervising Elgee Rehfeld's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. We will contact you regarding the audit start date, and will issue our reports no later than sixty days subsequent to the receipt of all data and schedules.

We estimate that our fees for these services will be \$42,065 for the audit, as included in our proposal dated April 21, 2020. You will also be billed for other out-of-pocket costs such as report production, typing, postage, etc. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, our fees will exceed the preliminary estimate. We utilize a web portal, Suralink, to request date specific items that need to be provided to us to complete the audit. These include items from you, and possibly others. Our fee quote assumes that you agree to provide the items we request in Suralink by the dates specified and monitor Suralink to meet these dates. Our experience has been that when items are provided late, it adds to the time and cost of the audit. We will bill you for additional time.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes sixty days or more overdue and may not be resumed until your account is paid in full. A finance charge of 1% per month (12% annually) will be assessed to all accounts over sixty days old. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we had not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

During the course of the engagement, we may communicate with you or your personnel via our portal (Suralink), email, and Zoom, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

The audit documentation for this engagement is the property of Elgee Rehfeld, LLC and constitutes confidential information. However, we may be requested to make certain audit documentation available to federal agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Elgee Rehfeld, LLC's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We agree to retain our audit documentation or work papers for a period of at least seven years from the date of our report.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

You agree that any dispute (other than our efforts to collect outstanding invoice) that may arise regarding the meaning, performance or enforcement of this engagement or any prior engagement that we have performed for you, will, prior to resorting to litigation, be submitted to mediation, and that the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. Any mediation initiated as a result of this engagement shall be administered within the State of Alaska, by local chapter of the American Arbitration Association, according to its mediation rules, and any ensuing litigation shall be conducted within Alaska, according to Alaska law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of mediation shall be shared equally by the participating parties.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

We agree to retain our audit documentation or work papers for a period of at least seven years from the date of our report.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

At the conclusion of our audit engagement, we will communicate to management the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please sign and return the attached copy of this letter (electronic copy via email is fine) to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements compliance over major federal award programs including our respective responsibilities.

We appreciate the opportunity to be your auditors and look forward to working with you and your staff.

Sincerely,



Elgee Rehfeld, LLC

\*\*\*\*\*

RESPONSE:

This letter correctly sets forth our understanding.

Alaska Student Loan Corporation

Acknowledged and agreed on behalf of Alaska Student Loan Corporation by:

Chief Financial Officer: Julie Pierce

Name: Julie Pierce

Date: 5/2/2024

Executive Director: Sana Efid

Name: Sana Efid

Date: 05/02/2024

## ATTACHMENT A



3702 KERN ROAD  
 YAKIMA, WA 98902  
 509 575 1040 P  
 509 457 2145 F

### ***Report on the Firm's System of Quality Control***

To the Partners of Elgee Rehfeld, LLC and the  
 Peer Review Committee of the California Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Elgee Rehfeld, LLC (the firm) in effect for the year ended April 30, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

#### **Firm's Responsibility**

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

#### **Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

#### **Required Selections and Considerations**

Engagements selected for review included an engagement performed under Government Auditing Standards, including a compliance audit under the Single Audit Act and an audit of an employee benefit plan.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

#### **Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of Elgee Rehfeld, LLC in effect for the year ended April 30, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Elgee Rehfeld, LLC has received a peer review rating of *pass*.

*Petersen CPAs + Advisors, PLLC*

October 24, 2023

AUDIT | ACCOUNTING | TAX





# Elgee Rehfeld

Certified Public Accountants

elgeerehfeld.com  
(907) 789-3178

9309 Glacier Highway, Suite B-200  
Juneau, Alaska 99801

May 2, 2024

Julie Pierce, Chief Financial Officer  
Alaska Student Loan Corporation  
3030 Vintage Blvd.  
Juneau, AK 99801

As certified public accountants who perform attest services (those in which we issue an opinion on your financial statements), and also perform other non-attest (bookkeeping or other services such as tax preparation services), it is important for us to maintain our independence under our professional standards. We are required to communicate this requirement to you as well as the types of services that we can and cannot provide in order to maintain that independence.

With respect to any non-attest services, such as financial statement and schedule preparation, we perform, you are responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

An outline of common non-attest (non-audit) services we are allowed to perform under ET Section 101 (independence requirements) and likewise, services we may not perform, because they would impair our independence with you, as an attest client is included below. This letter covers services that may be provided during calendar years 2024 and 2025.

### **Bookkeeping Services:**

We may:

- Record transaction for which management has determined or approved the appropriate account classification, or post coded transaction to a client's general ledger.
- Prepare financial statements based on information in the trial balance.
- Post client-approved entries to a client's trial balance.
- Propose standard, adjusting, or correcting journal entries or other change affecting the financial statements to the client, provided the client reviews the entries and the member is satisfied that management understands the nature of the proposed entries and the impact the entries have on the financial statements.

We may not:

- Determine or change journal entries, account codings or classification for transactions, or other accounting records without obtaining client approval.
- Authorize or approve transactions.
- Prepare source documents.

- Make changes to source documents without client approval.

#### **Non Tax Disbursements:**

We may:

- Using payroll time records provided and approved by the client, generate unsigned checks, or process client's payroll.
- Transmit client-approved payroll or other disbursement information to a financial institution provided the client has authorized the member to make the transmission and has made arrangements for the financial institution to limit the corresponding individual payments as to amount and payee. In addition, once transmitted, the client must authorize the financial institution to process the information.

We may not:

- Accept responsibility to authorize payment of client funds, electronically or otherwise, except as specifically provided for with respect to electronic payroll tax payments.
- Accept responsibility to sign or cosign client checks, even if only in emergency situations.
- Maintain a client's bank account or otherwise have custody of a client's funds or make credit or banking decisions for the client.
- Approve vendor invoices for payment.

#### **Computer Systems Design, Installation or Integration**

We may:

- Install or integrate a client's financial information system that was not designed or developed by us (e.g., an off-the-shelf accounting package).
- Assist in setting up the client's chart of accounts and financial statement format with respect to the client's financial system.
- Design, develop, install, or integrate a client's information system that is unrelated to the client's financial statements or accounting records.
- Provide training and instruction to client employees on an information and controls system.

We may not:

- Design or develop a client's financial information system.
- Make other than insignificant modifications to source code underlying a client's existing financial information system.
- Supervise client personnel in the daily operation of a client's information system.
- Operate a client's local area network (LAN) system.

#### **Tax Compliance Services**

We may:

- Prepare and transmit a tax return, provided that we do not have custody or control over the client's funds and the individual designated by the client to oversee the tax services: (1) Reviews and approves the tax return and related tax payment; and, (2) if required for filing, signs the tax return prior to us transmitting the return to the taxing authority.

Should we provide any of the allowable services, as outlined above, none of the services can be relied on to disclose errors, fraud, or illegal acts that may exist. However, we will inform you of any material errors and of any evidence or information that comes to our attention during the performance of the engagement that fraud may have occurred. In addition, we will report to you any evidence or information that comes to our attention during the performance of our procedures which indicates that illegal acts may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement.

We will issue an engagement letter covering attest services (audit, review, compilation, agreed upon procedures), and the specific non-attest services we are engaged to provide by you. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of that engagement letter.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the types of services our firm may provide for you. If you have any questions, please let us know.

Sincerely,

*Elgee Rehfeld*

Elgee Rehfeld, LLC



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

## Alaska Student Loan Corporation


FINANCE OFFICE

P.O. Box 110505  
Juneau, Alaska 99811-0505  
Phone: 907.465.6740  
Toll Free: 800.441.2962  
TTY: Dial 711 or 800.770.8973  
Fax: 907.465.3293  
acpe.alaska.gov

# Memorandum

**To:** Alaska Student Loan Corporation Members

**Thru:** Sana Efird, Executive Officer

**From:** Julie Pierce, Chief Finance Officer 

**Date:** May 9, 2024

**Re:** Proposed 2024-2025 Interest Rates for Variable Rate Alaska Supplemental Education Loans

Pursuant to AS 14.42.215 and 20 AAC 14.050, the Corporation sets the annual interest rates for variable rate Alaska Supplemental Education Loans (ASEL) on or after May 1 of each year. These rates will be in effect for the 12-month period beginning July 1, 2024 and ending June 30, 2025.

The Corporation issued variable rate ASEL loans from July 1, 2002, through June 30, 2006. The Corporation no longer originates variable rate ASEL loans.

Corporation regulations specify the ASEL variable interest rates be based on “the bond equivalent rate of the 91-day U.S. Treasury bills auctioned at the final auction held before May 1 of the loan year plus up to 2.8 percent.” The final auction held before May 1<sup>st</sup> was held on April 29, 2024 with an issuance date of May 2, 2024.

Staff recommend the interest rate for variable rates for ASEL loans be set as follows for the 12-month period beginning July 1, 2024:

1. During the in-school period and applicable grace and deferment periods, 7.90%<sup>1</sup> (91-day U.S. Treasury Bill rate set based on April 29<sup>th</sup> auction of 5.23% plus 2.70 %.)
2. During the repayment period and applicable forbearance periods, 8.00%<sup>1</sup>, (91-day U.S. Treasury bill rate set based on April 29<sup>th</sup> auction of 5.23% plus 2.80 %.)

### Requested Motion:

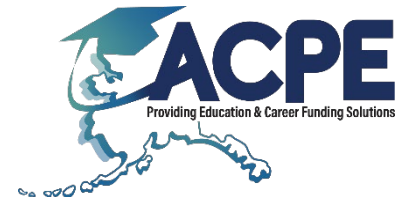
Move approval of variable interest rates for variable rate ASEL loans as recommended by staff.

<sup>1</sup> The base rate has been rounded to the nearest tenth of a percent, consistent with past practice.

# ACPE Loan Program Data Analysis

Submitted Applications: 01/01/2023-01/31/2024

*Kerry Thomas*  
*Director of Program Operations*



# Application Review

- Reviewed **13** months of application data to determine areas for improvement
  - Large number of applicants are denied loans due to credit-related reasons
  - Need to balance credit risk with meeting mission by providing access to funds for postsecondary education



# Application Funnel Data: Statistics

Status	All Programs	ASEL	FEL	WICHE	Winn Brindle	WWAMI
Submitted	1363	1203	56	1	6	97
Post Underwriting	874	725	46	1	5	97
Loan Documents	842	699	41	1	4	97
School Certification	660	626	32	1	3	NA
Final Disclosure	564	537	24	1	3	90
Right to Cancel	532	506	23	-	3	59
Fully Disbursed	527	501	23	-	3	59

Applications included: applications that successfully **entered & completed** each status were considered in the calculation



# Application Funnel Data: Analysis

- **Insufficient FICO Analysis**
  - 126 Borrowers were soft-declined for insufficient FICO
    - 27 of those borrowers reapplied with an approved application
    - 71 of applicants had a FICO of either 649 or 641
      - 34 of those borrowers reapplied with an approved application
- **Final Disclosure – Disbursement Analysis**
  - Approximately 30 applications did not complete after School Certification for the ASEL program
    - Decided Not to Borrower: 6 applications
    - Incorrect Enrollment Term: 8
    - Declined Revised Approval Disclosure: 1
    - Expired During Revised Approval Disclosure: 9





# Soft Decline Reasons: Statistics

Denial Reason(s)	Count
<b>Borrower Insufficient Credit Score</b>	<b>126</b>
Borrower Collection Action; Borrower Collection Action; Borrower Insufficient Credit Score	39
Borrower Insufficient Credit History	26
Borrower Collection Action; Borrower Collection Action; Borrower Account Charge-off; Borrower Account Charge-off; Borrower Insufficient Credit Score	22
Borrower Account Charge-off; Borrower Insufficient Credit Score	16
Borrower Account Charge-off; Borrower Account Charge-off; Borrower Insufficient Credit Score	16
Borrower Delinquent Past or Present Credit Obligations with Others; Borrower Collection Action; Borrower Collection Action; Borrower Account Charge-off; Borrower Account Charge-off; Borrower collection; Borrower Insufficient Credit Score	13
Borrower Collection Action; Borrower Collection Action; Borrower collection; Borrower Insufficient Credit Score	12
Borrower Collection Action; Borrower Collection Action; Borrower Insufficient Credit History	11
Borrower Delinquent Past or Present Credit Obligations with Others; Borrower Insufficient Credit Score	10
Borrower Collection Action; Borrower Collection Action; Borrower Account Charge-off; Borrower Account Charge-off; Borrower collection; Borrower Insufficient Credit Score	10
Borrower Collection Action; Borrower Collection Action; Borrower Account Charge-off; Borrower Insufficient Credit Score	8
Borrower Collection Action; Borrower Collection Action	5
Borrower Delinquent Past or Present Credit Obligations with Others; Borrower Collection Action; Borrower Collection Action; Borrower Account Charge-off; Borrower Account Charge-off; Borrower Insufficient Credit Score	4
Borrower Delinquent Past or Present Credit Obligations with Others; Borrower Insufficient Credit Score	4
Borrower Collection Action	4

Applications included: denial reasons where four or more borrowers received that reason(s)



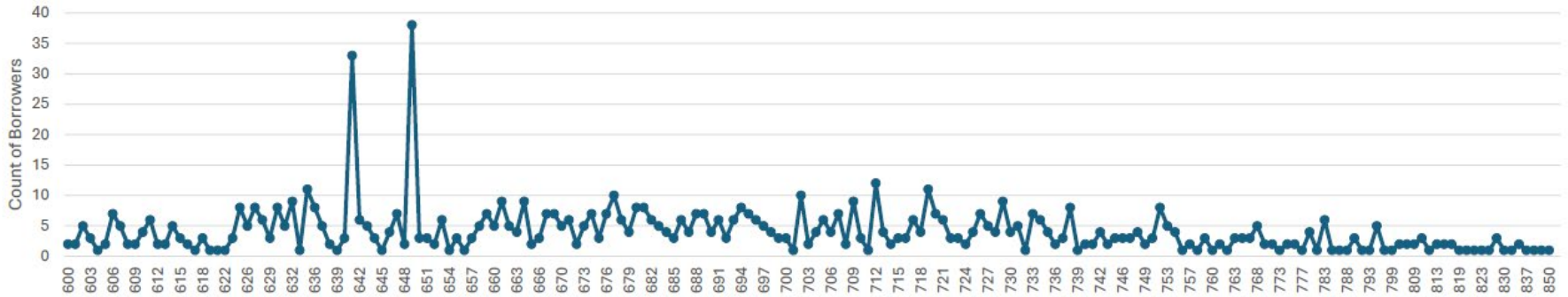
# Soft Decline Reasons: Analysis

- Total ASEL Applications soft declined: 363 applications
- 80 Borrowers who were soft-declined, also received an approval application (for all ACPE programs)

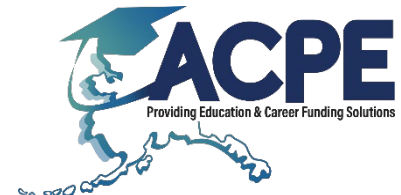
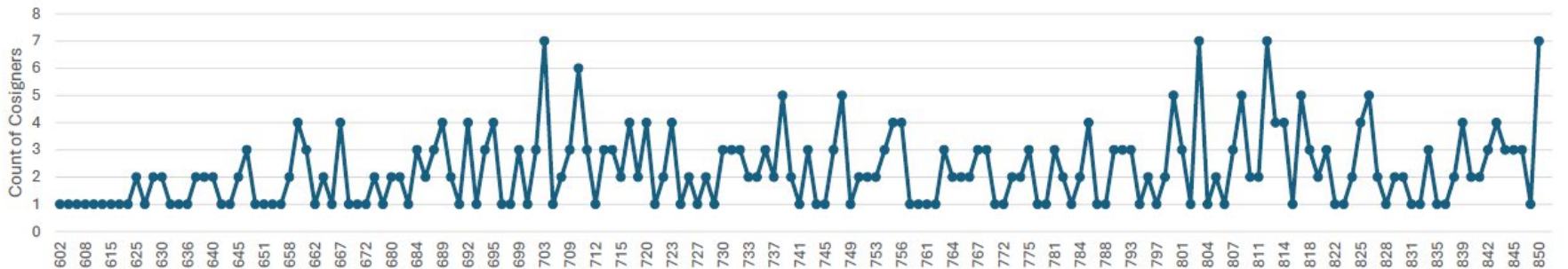


# FICO Scores: Statistics

Borrower FICO Score



Cosigner FICO Score



# Strategies to support students

- Encourage applicants to reapply with creditworthy cosigner
- Consider options to alter FICO requirements and offer immediate repayment loans to lower FICO score than fully deferred loans
- Explore other loan program changes to increase access to loans while managing credit risk



## Alaska Commission on Postsecondary Education

P.O. Box 110505  
Juneau, Alaska 99811-0505

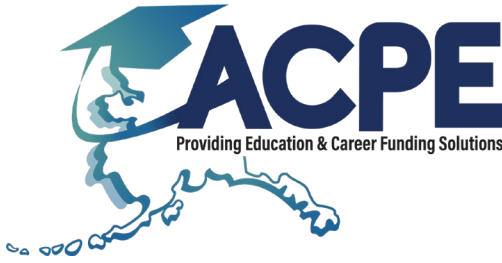
Toll Free: (800) 441-2962

In Juneau: (907) 465-2962

TTY: Dial 711 or (800) 770-8973

Fax: (907) 465-5316

acpe.alaska.gov



### MEMORANDUM

**TO:** Members, Alaska Student Loan Corporation  
**FROM:** Sana Efird, Executive Officer  
**DATE:** April 29, 2024  
**SUBJECT:** Executive Officer Report

This quarter has been focused on legislative activities, including presenting to multiple committees; providing bill analysis and fiscal note information for bills introduced that affect ACPE; meeting one-on-one with legislators and their staff to provide information on ACPE and our programs; gathering information to respond to legislative inquiries on multiple topics; and attending numerous meetings with staff, partners, and stakeholders.

#### Budget Update:

The House Education Finance Subcommittee closed out the DEED FY2025 Proposed Budget. No changes were made to ACPE's Governor's Proposed Budget. As shared in January, the Alaska Commission on Postsecondary Education's (ACPE) FY2025 Proposed Budget is basically a status quo request with a few technical changes in personal services calculations to accommodate increases in health insurance and PERS rate adjustments. Additionally, ACPE is deleting three vacant full-time positions located in Juneau:

- Administrative Officer
- Loan Services Supervisor
- Procedures and Training Specialist

Senior Managers continue to meet consistently to review and revise the current operating budget to ensure oversight, monitoring and control of expenditures.

#### Legislative Session:

I have provided testimony in a number of committee hearings, including House Education Committee and House and Senate Finance Committees. A top priority for ACPE is improving the Alaska Performance Scholarship program. We continue to work with legislators and legislative staff to pass legislation to improve the APS program to better meet the needs of Alaskans pursuing higher education and training. As shared in the current [APS 2024 Outcomes Report](#) and [APS 2024 Outcomes Report Summary](#), eligibility for the APS continues to decline. [HB148](#) introduced by the full House Education Committee passed the House on February 26 with a unanimous vote. It was exciting to be on the floor during the vote and to be able to answer specific legislative questions during breaks to ensure correct information was provided before the

final vote. HB 148 was transmitted to the Senate and has been heard in Senate Finance. We are still very hopeful that this bill will pass both bodies this session and be transmitted to the Governor for his signature. As outlined in the Outcomes Report, 2024 APS eligibility as a percent of the total number of public high school graduates continues to show a decline in eligibility and usage. Staff continue to work with schools and families to ensure the program requirements are understood, and are hopeful that the pending legislation is adopted to address some of the known program challenges.

I continue to meet regularly with University of Alaska leadership and am actively involved with legislative strategic planning with both DEED and UA.

### **Strategic Planning Project:**

I continue to meet with Erin Sedor of Black Fox Strategy to finalize all aspects of our Strategic Planning project. Senior Managers met in a two-day in person workshop in February to identify data sources for measuring key performance indicators. We have added Senior Manager in-person meetings for each quarter of the year to finalize base data information, set target outcomes, and monitor progress. I am also happy to report that Dannielle Erickson has agreed to be the point person for collection of data and managing updates to our projects and entering data to ensure ongoing consistency.

### **Human Resources Update:**

Recruitment efforts and staff changes over the last quarter resulted in the appointment of a new Program Coordinator, Kordel Thompson. Mr. Thompson joined the Commission in May 2017 as a Customer Support Specialist. We are excited to promote staff from within and welcome him to this new role.

At present, ACPE has 43 positions filled: 10 in Anchorage, 33 in Juneau. The breakdown of those positions by divisions is as follows: ISS-9, Finance-11, Program Operations-13, Outreach-7, and Executive Office-3. There are a total of seven (7) employees eligible to retire in calendar year 2024.

Currently, there are twelve vacant positions: one (1) in the Executive Office, three (3) in Finance, one (1) in Outreach, one (1) in Information Support Services, and six (6) in Program Operations. Recruitment efforts are underway for an Administrative Assistant in Operations.

ACPE currently has 55 budgeted PCNs, including 44 in Juneau and 11 in Anchorage. Three vacant PCNs are marked for deletion in the Governor's FY2025 Proposed Budget for a proposed total of 52 PCNs, including 41 in Juneau and 11 in Anchorage. The PCNs marked for deletion include an HR Officer in the Executive Office, and a Loan Services Supervisor and Procedures & Training Specialist in Operations. The functions of these positions have been absorbed by our contractors and/or consolidated with other positions. Management continues to review all vacant positions for future need including possible deletion or reclassification to retain the flexibility needed to provide support for agency initiatives.

ACPE is currently comprised of 29 women (67%) and 14 men (33%). The average age/tenure of ACPE employees is 47 years old and 12 years, respectively. ACPE employees fall into the following racial and ethnic demographics: thirty-six (36) White (84%), two (2) Asian (5%), two

(2) Alaska Native/American Indian (5%), two (2) of Two or more Races (5%), and one (1) Hispanic (2%).

### **Professional Organization Meetings/Presentations:**

I attended regular monthly and semi-monthly meetings with the Education Finance Council, State Higher Education Officers Association, Western Interstate Commission for Higher Education (WICHE), Alaska Statewide Education Leaders Collaboration, Tribal Workforce Roundtable and the Alaska Business Education Compact.

### **Other Meetings:**

- Met with Department of Law on various Institutional Authorization topics
- Meetings with Lee Donner and Tim Webb from Hilltop Securities regarding loan interest rates and national financial environment for loan interest rates
- Check ins with ACPE Commission Chair and Vice Chair, ASLC Board Chair
- Default Management Team
- Continue Career Guide discussions with DEED, DOLWD, UA, Alaska Association of School Boards, and Legislators
- Continued bi-weekly coordination meetings with UA Vice Presidents Paul Layer and Michelle Rizk
- Attended Education Finance Council's annual membership meeting which provided an opportunity to meet with our outsourcing contractors AES and CampusDoor and Lee Donner and Tim Webb of Hill Top Securities
- Meetings with DOR regarding HEIF sustainability
- Black Fox Strategy Strategic Planning meetings
- Iditarod FAFSA partnership meetings
- Weekly Legislative Director's meetings
- EFC Peer Coaching Group
- EFC Board of Directors
- Governor's Legislative Office meeting
- Boards and Commissions meetings
- Meetings with House and Senate Education Legislative Committee members
- FAO FAFSA meeting to discuss resources and concerns
- Strategic Planning meetings with SMs including Financial Planning overview – also 2-day in person workshop
- HR check ins with Bobi Jo Grimes, DEED HR Business Partner
- General Managers meetings
- Participated in JDHS FAFSA Saturday
- Check in with Demarée Michelau, Executive Director of WICHE

As always, I am grateful for the opportunity to serve the Commission and lead this talented team of individuals to support Alaskans and their access to higher education opportunities. I could not be prouder of the dedication and expertise our staff demonstrates to meet the needs of our

customers and constituents. I always want to highlight and emphasize the tremendous role they play in providing ACPE programs to Alaskans. I always invite your feedback and discussion and encourage you to reach out to me any time.

**Attachments:**

1. KPI Data Sheet
2. ACPE Logo Story



## SUMMARY OF PLAN PRIORITIES, GOALS AND KPIS

STRATEGIC PRIORITIES	STRATEGIC GOALS	KPI	DATA SOURCE
<b>Become the education lender of choice in Alaska and for Alaskans</b>	Enhance and refine financial planning resources for appropriate target audiences	Increase utilization of financial planning resources	Constant Contact and Web Analytic Funnel NEW
	Modernize and streamline the customer experience	Positively impact trends in application completions	Available – Web Analytic funnel with CampusDoor
		Positively impact trends in customer satisfaction ratings	Scheduled for Development – Customer Survey
	Increase visibility, understanding and awareness of ACPE and its products, resources, partnerships, and programs	YOY Increase in Alaska Market share based on annual in school loan originations	Enterval Quarterly Report NEW
		YOY increase in-state and out-of-state and refinance loan volume (\$/#)	Quarterly Operations Statistics Currently Reporting to Commission
	Offer loan program responsive to consumer and organization needs	YOY increase in in-state and out-of-state and refinance loan volume (\$/#)	Quarterly Operations Statistics Currently Reporting to Commission
<b>Increase access to, and utilization of federal and state education funding sources</b>	Modernize and streamline the customer experience	Decrease in incomplete application metrics	Available – web analytic funnel with CampusDoor and application status report NEW
		Positively impact trends in declined loan applications	Available – in development with CampusDoor NEW

STRATEGIC PRIORITIES	STRATEGIC GOALS	KPI	DATA SOURCE
	Increase visibility, understanding and awareness of ACPE and its products, resources, partnerships, and programs	Improve APS eligibility and use trends	Available – ASAP – Annual eligibility and quarterly usage Currently reporting to the commission
		YOY increase in in-state and out-of-state and refinance loan volume (\$/#)	Quarterly Operations Statistics Currently Reporting to Commission
		Improve in FAFSA Completion Trends	Available – FSA Report or ISIR Data NEW
	Enhance and refine financial planning resources appropriate for target audiences	Increase utilization of financial planning resources	Constant Contact and Web Analytic Funnel NEW
<b>Operate a sustainable organization responsive to students, customers, stakeholders, and employees</b>	Improve operational efficiency and financial sustainability of the organization	% complete of oversight and monitoring project	Project site and lead Internal Management Discussion
		Increase non ASLC funding sources	Available – internal budget report NEW
		Maintaining operational cost as an established percentage of income generating assets	Available – annual financial statements NEW
		YOY increase in in-state and out-of-state and refinance loan volume (\$/#)	Quarterly Operations Statistics Currently reporting to the Commission
		Foster an environment where employees thrive as the agency evolves	Meet or exceed employee retention for industry standard

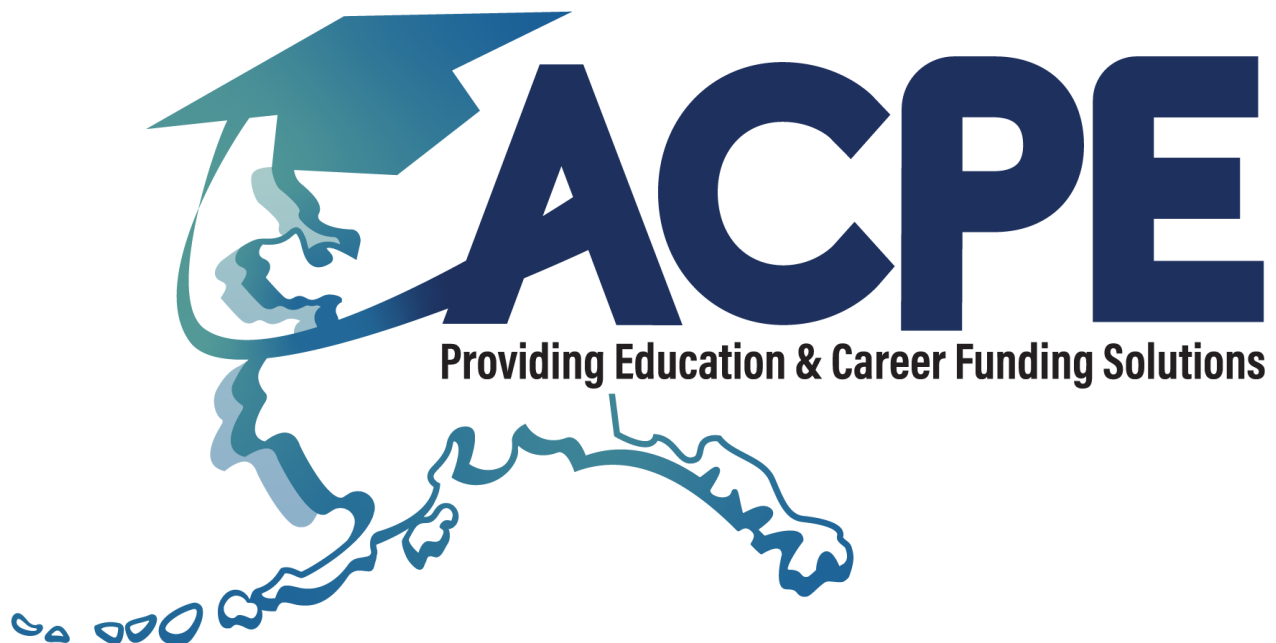
STRATEGIC PRIORITIES	STRATEGIC GOALS	KPI	DATA SOURCE
		Positively impact trends in employee satisfaction ratings	Scheduled for development – employee survey/All-staff deliverables NEW – 18 Months post-conversion
	Modernize and streamline the customer service experience	Positively increase web engagement trends	Available – web analytics TBD NEW – With web projects
<b>Position ACPE to help bridge the gap in Alaska’s current and future workforce needs</b>	Identify the current state of higher education programs and resources in Alaska	Complete inventory	NEW – FY26
	Increase visibility, understanding and awareness of ACPE and its products, resources, partners, and programs	Complete Inventory Tangible commitments	NEW – FY26
	Identify the current state of higher education programs and resources in Alaska	Tangible commitments	NEW – FY 26

## ACPE'S LOGO STORY

During ACPE's Strategic Planning process it was important to modernize our logo and ensure alignment between our Strategic Plan and the visual representation of our organization.

Our new logo incorporates Alaska (and Alaskans) as our foundation and carries forward the graduation cap from our previous logo, connecting us to educational attainment and bridging the past with the future.

The inclusion of our new tagline "*Providing Education & Career Funding Solutions*" gives additional context to our purpose. As a result, the ACPE logo now succinctly conveys where we are, who we serve, and what we do.



# State of Alaska

## Student Loan Corporation

### Resolution of Appreciation 2024.01

**WHEREAS**, Commissioner Barbara Adams, as a representative of the general public faithfully served on the Alaska Student Loan Corporation from June 2020 through April 2024; and

**WHEREAS**, Commissioner Adams provided the Corporation, as Chair of that Body with dedicated and valuable engagement. Furthermore, Commissioner Adams served the Alaska Commission on Postsecondary Education as a member providing informed leadership and insight to both entities. Board Member Adams' expertise was instrumental in the Corporation's efforts to modify its Investment Policy to advance the Commission's services and programs to students and their families through enhancement of the fund's long-term sustainability; and

**WHEREAS**, Board Member Adams, as a teacher and education researcher, provided great insight to ensure Alaskan's access to education and the benefits thereof demonstrating a strong commitment to the development of affordable education loan programs to the benefit of our citizens; and

**WHEREAS**, Board Adams has consistently demonstrated the highest qualities of public service, stewardship, and commitment to higher education;

**NOW, THEREFORE BE IT RESOLVED**, that the members of the Alaska Student Loan Corporation Board of Directors and its Staff officially recognize Dr. Barbara Adams' service as a member on the Board and extend their statement of appreciation for her support and contributions to the Board's efforts;

**BE IT FURTHER RESOLVED**, that their Resolution be appropriately engrossed and conveyed to Commissioner Adams with a copy to be incorporated in the official minutes of the May 9, 2024, meeting of the Corporation.

---

Micaela Fowler, Vice-Chair

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Sana Efird, Executive Director