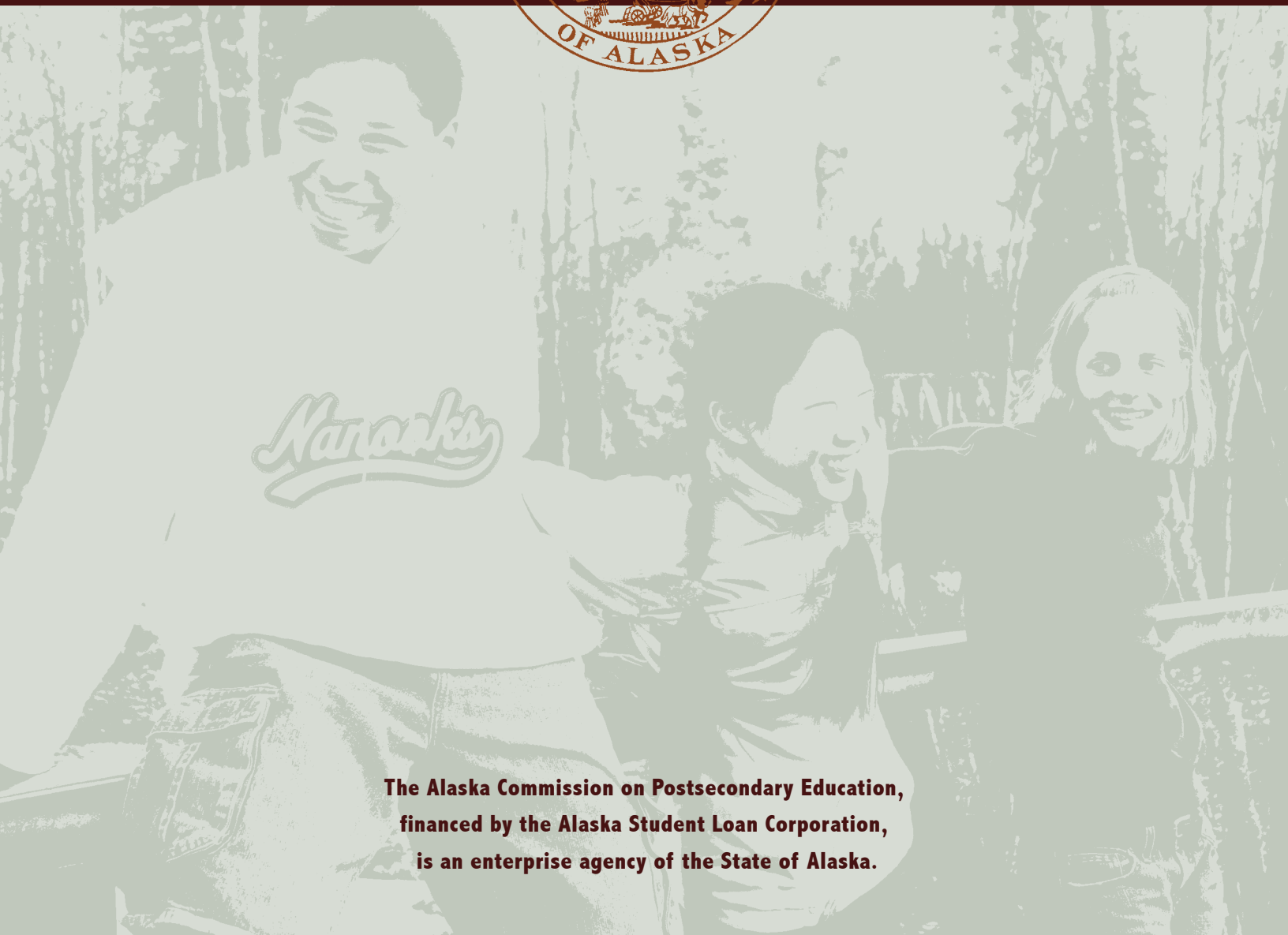
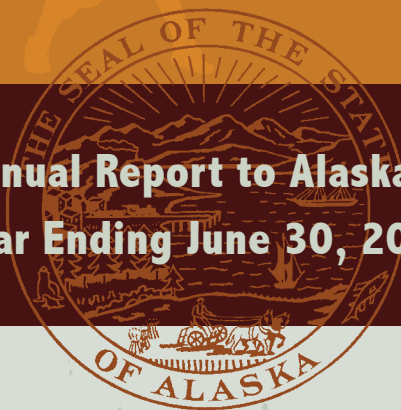


**ALASKA COMMISSION ON POSTSECONDARY EDUCATION  
ALASKA STUDENT LOAN CORPORATION**

**Alaska Advantage<sup>®</sup> Programs**

**Annual Report to Alaskans  
Year Ending June 30, 2007**



**The Alaska Commission on Postsecondary Education,  
financed by the Alaska Student Loan Corporation,  
is an enterprise agency of the State of Alaska.**

**[www.AKadvantage.alaska.gov](http://www.AKadvantage.alaska.gov)**

# AlaskAdvantage<sup>®</sup> Programs

## Mission Statement

Through its AlaskAdvantage Programs, the Alaska Commission on Postsecondary Education promotes, supports, and provides access to postsecondary education for Alaskans and in Alaska.

## Core Services

- ✓ Outreach and programs to create early awareness of higher education
- ✓ Financial aid for postsecondary education and training
- ✓ Advocacy for Alaska college and postsecondary career education opportunities
- ✓ Education consumer protection through institutional authorization and consumer complaint investigation

The Alaska Student Loan Corporation (ASLC) finances core services of the Alaska state higher education access agency. There is no state General Fund expenditure and ASLC income is used to reduce higher education costs for Alaska's students.





Dear Alaskan:

On this 20th anniversary of the Alaska Legislature's creation of the Alaska Student Loan Corporation, we are proud to report on another year of success for the state's higher education assistance agency. Among the accomplishments this year to make higher education more accessible to Alaskans, we provided borrowers with cost reductions in excess of \$3.5 million and funded over \$500,000 in grants to Alaska's neediest students. Other 2007 accomplishments are listed on the following page of this report.

2007 was also notable as a year that brought new challenges and opportunities to demonstrate the organizational strengths of the Corporation and the Commission:

- Turmoil in U.S. and world financial markets impacted the Corporation and we responded in terms of identifying ways to minimize our costs of financing education loans, thereby keeping our customers' costs low.
- National headlines reported on lenders pursuing increased market share through unethical relationships with financial aid personnel, whereas the Commission's partnerships continue to appropriately leverage cost-reducing efficiencies to benefit Alaska's students.
- Congressional concern over education loan industry practices resulted in new consumer protection proposals, advocating for communication requirements the Commission proactively developed and employed.

The differences between the Commission and private lenders have never been sharper, nor has recognition of those distinctions been more vital. Our record of returning the Corporation's federal loan-related income to benefit Alaska's borrowers clearly demonstrates that ACPE always has and continues to serve Alaskans' best interests. We take pride in helping Alaska's students realize their potential as individuals and as part of the Alaska economy. An educated workforce can attract business and investment to our state and create even more opportunity for successive generations.

Supported by Alaska's congressional and executive leadership, the Commission stands ready to safeguard programs that offer the lowest possible costs for Alaska students. In Congress, Senator Lisa Murkowski championed the Commission and its public service programs. She was unstinting in her support of the Commission's uniquely Alaskan programs, and we are extremely grateful to her. Similarly, in partnership with Governor Palin's office, the Commission gained the National Governor's Association's support for a clear definition in federal law to distinguish loans from state agencies as non-private loans.

To Governor Palin and Lieutenant Governor Parnell, and to the Alaska Legislature, thank you for your commitment to expanding opportunities for Alaska's people and economy. A very heartfelt thanks to Senator Murkowski for her unflagging support. To Alaska's students, we encourage you to pursue postsecondary education and training as the most certain road to success. To Alaska's education professionals and mentors, thank you for the difference you make every day in individual lives and in communities.

Respectfully,

Spike C. Jorgensen, Chair  
Alaska Student Loan Corporation

Richard I. Mauer, Chair  
Alaska Commission on Postsecondary Education

Diane Barrans, Executive Director/Officer  
Alaska Commission on Postsecondary Education  
Alaska Student Loan Corporation



Spike C. Jorgensen



Richard I. Mauer



Diane Barrans



## Program Year 2007 Highlights

During Program Year 2007, the Commission, through its AlaskAdvantage Programs, met its mission to make higher education more accessible for Alaskans, without cost to Alaska's General Fund:

- ✓ Returned over \$17 million in cumulative borrower benefits to Alaska's students borrowing from AlaskAdvantage Loan Programs
- ✓ Provided grants in excess of \$500,000 to over 500 needy Alaska college students
- ✓ Made AKCIS (Web-based interactive career and education planning tools at [www.akcis.org](http://www.akcis.org)) available at no cost to schools and mentoring organizations statewide
- ✓ Offered Alaska's education loan borrowers the lowest costs in the nation, with federal loans as low as 5% while in-school and 3.05% while in repayment, and alternative loans as low as 6.3% while in-school and 4.05% while in repayment
- ✓ Led the Coalition of Alaskans Supporting Higher Education (CASHE) in expanding Alaska's College Goal Sunday program, providing free financial aid assistance to over 1100 students in 17 locations statewide
- ✓ Expanded Alaska's I'm Going to College program, bringing over 1500 fifth and sixth graders from Title I schools to Alaska college campuses for a day (program offered in partnership with NELA)
- ✓ Provided free higher education outreach services and planning assistance to more than 65,000 Alaskans
- ✓ Hosted more than 450 higher education outreach events throughout Alaska's six geographic regions
- ✓ Provided Alaska eighth-graders and high school juniors and seniors with information to help them understand the benefits of preparing for higher education and the options here in Alaska
- ✓ Provided over 1,600 Alaska students with participation in the WICHE Western Undergraduate Exchange, saving them approximately \$11.7 million in tuition costs without forgoing their Alaska residency
- ✓ Provided a cumulative dividend to the Alaska General Fund of over \$32 million
- ✓ Attracted out-of-state investment of almost \$6 million in Alaska's higher education system by offering financial aid to non-resident students who invested their higher education dollars in Alaska



Note: The Alaska Student Loan Corporation (ASLC) is committed to providing qualifying AlaskAdvantage federal and alternative education loan borrowers an annual benefits package that provides Alaska students with the lowest possible financial aid costs. These benefits are provided to reduce borrower-paid costs each year that the ASLC has the financial capacity to do so. A borrower who defaults on a loan forfeits benefits, and interest is charged at the full allowable base rate. ASLC annually reviews its financial condition and determines whether an adjustment either in the form of an increase or decrease in benefits is warranted. Notice is provided to borrowers at any time a change in benefits is made. Rate reductions are subject to minimum levels as determined by the ASLC.

# AlaskAdvantage® Financial Aid 2007 Statistical Summary

## FY2007 Loan Origination Summary by Loan Program

	In-State		Out-of-State		Total	
	Loans	Dollars	Loans	Dollars	Loans	Dollars
Stafford Subsidized	2,756	\$8,920,007	604	\$2,581,589	3,360	\$11,501,596
Stafford Unsubsidized	2,630	\$10,884,484	586	\$2,977,903	3,216	\$13,862,387
PLUS	56	\$352,855	93	\$1,259,204	149	\$1,612,059
Grad PLUS	1	\$4,824	26	\$428,789	27	\$433,613
<b>Federally Guaranteed Total:</b>	<b>5,443</b>	<b>\$20,162,170</b>	<b>1,309</b>	<b>\$7,247,485</b>	<b>6,752</b>	<b>\$27,409,655</b>
ASEL	4,662	\$29,806,140	2,175	\$16,696,785	6,837	\$46,502,925
Family Education Loan	56	\$378,409	159	\$1,217,165	215	\$1,595,574
Teacher Education Loan	60	\$408,316	65	\$450,600	125	\$858,916
State Alternative Loan Total:	4,778	\$30,592,865	2,399	\$18,364,550	7,177	\$48,957,415
<b>Grand Total:</b>	<b>10,221</b>	<b>\$50,755,035</b>	<b>3,708</b>	<b>\$25,612,035</b>	<b>13,929</b>	<b>\$76,367,070</b>

## Institutions With at Least 50 Borrowers in FY2007

School Name	Total Amt	# of Borrowers	Alternative Loans	Federal Loans
University of Alaska Anchorage	\$25,474,695	3,015	\$15,336,605.00	\$10,138,090
University of Alaska Fairbanks	\$10,188,396	1,317	\$7,985,617.00	\$2,202,779
Charter College	\$3,609,666	430	\$1,744,219.00	\$1,865,447
University of Alaska Southeast	\$3,729,224	397	\$1,472,289.00	\$2,256,935
Career Academy	\$2,868,184	393	\$1,088,824.00	\$1,779,360
Alaska Pacific University	\$2,991,416	283	\$1,506,833.00	\$1,484,583
University of Idaho	\$810,941	94	\$810,941.21	\$0
AVTEC	\$691,904	92	\$391,532.00	\$300,372
University of Nevada Reno	\$593,690	72	\$447,550.00	\$146,140
MT State University Bozeman	\$497,768	57	\$341,435.00	\$156,333
Sheldon Jackson College	\$439,636	54	\$305,032.00	\$134,604

10,221 or 73% of the total number of 2007 loans originated were made to borrowers attending school in Alaska. Of those borrowers attending school in Alaska in 2007, 2,136 or 21% were non-resident students choosing to invest their higher education dollars in Alaska institutions.

## Summary of Alaska Student Loan Corporation Annual Cohort Default Rates

Cohort Year	2005	2004	2003	2002	2001	2000
<b>Alternative Loan Programs</b>						
Alaska Institutions	5.6%	6.3%	6.1%	5.1%	4.9%	8.4%
Out-of-State Institutions	4.0%	4.1%	3.4%	2.5%	4.8%	5.9%
Total Institution-Specific Rate	4.7%	4.9%	4.6%	3.6%	4.8%	7.2%
<b>Federal Loan Programs</b>						
Federally Guaranteed Loans	5.5%	9.2%	6.5%	Not Applicable		

## FY 2007 AlaskAdvantage Education Grant Awards

Total Grant Dollars Awarded \$584,889 to 579 Students

# Alaska Student Loan Corporation

## Summary Financial Information

Balance Sheet (in thousands)	2007	2006
Assets:		
Cash and investments	\$ 496,570	489,255
Loans receivable, net	524,348	504,372
Interest receivable-loans, net	19,636	17,279
Other assets	10,140	8,649
Total assets	<u>1,050,694</u>	<u>1,019,555</u>
Liabilities:		
Bonds payable	779,235	726,587
Bond interest payable	9,386	10,518
Arbitrage payable	2,079	780
Return of capital payment declared	68,488	101,710
Other liabilities	10,335	9,556
Total liabilities	<u>869,523</u>	<u>849,151</u>
Net assets:		
Restricted net assets	147,825	141,142
Unrestricted net assets	33,346	29,262
Total net assets	<u>181,171</u>	<u>170,404</u>
Total liabilities and net assets	<u>\$ 1,050,694</u>	<u>1,019,555</u>
<b>State of Revenues and Expenses (in thousands)</b>		
	<b>2007</b>	<b>2006</b>
Interest earned on education loans	\$ 40,322	36,311
Operating expenses:		
Provision for:		
Loan losses	5,216	5,038
Forgiveness	205	306
Operations	11,646	12,449
Total operating expenses	<u>17,067</u>	<u>17,793</u>
Operating income	<u>23,255</u>	<u>18,518</u>
Nonoperating revenue (expense):		
Investment income	20,702	13,035
Interest expense	(29,660)	(27,122)
Arbitrage rebate expense	(1,384)	(395)
Bond related costs	(946)	(1,352)
Change in estimate of forgiveness allowances	-	752
Net nonoperating expense	<u>(11,288)</u>	<u>(15,082)</u>
Income before return of capital (statutory net income)	11,967	3,436
Return of capital	<u>(1,200)</u>	<u>(1,900)</u>
Change in net assets	10,767	1,536
Total net assets - beginning	170,404	168,868
Total net assets - ending	<u>\$ 181,171</u>	<u>170,404</u>

Audited financial statements are available at [www.akadvantage.alaska.gov](http://www.akadvantage.alaska.gov) or by calling 907 465-6718.

## Summary of Cumulative AlaskAdvantage Benefits to Borrowers

	Rate Reductions/ Acct Credits	Federal Loan Fee Reductions	Total
FY2002	\$ 1,149,390	-	\$ 1,149,390
FY2003	1,822,021	96,211	1,918,232
FY2004	2,895,956	153,754	3,049,710
FY2005	3,670,795	274,754	3,945,549
FY2006	3,284,571	215,824	3,500,395
FY2007	<u>2,904,462</u>	<u>656,395</u>	<u>3,560,857</u>
Total	<u>\$ 15,727,195</u>	<u>\$ 1,396,938</u>	<u>\$ 17,124,133</u>

# AlaskaAdvantage<sup>®</sup> Leadership



Governor Sarah Palin

## Alaska Commission on Postsecondary Education

**Richard I. Mauer, Chair**

Alaska Board of Education and Early Development

**Sharon Charnell Gherman, Vice Chair**

Community Colleges

**Milton B. Byrd, Ph.D.**

Proprietary Education

**Representative Carl Gatto**

Alaska House of Representatives

**Cynthia Henry**

University of Alaska Board of Regents

**Rebecca Huggins**

General Public

**Patricia Jacobson**

University of Alaska Board of Regents

**Spike Jorgensen, Ed.D.**

General Public

**John Roberson III**

Student Representative

**Tim R. Scott**

Workforce Investment Board

**Senator Tom Wagoner**

Alaska State Senate

**Lydia H. Wirkus**

General Public

**Diane Barrans**

Executive Director

**Donna Vargas**

Commission Secretary

## Alaska Student Loan Corporation

**Spike Jorgensen, Ed.D., Chair**

Alaska Commission on Postsecondary Education

**Lydia H. Wirkus, Vice Chair**

Alaska Commission on Postsecondary Education

**Commissioner Patrick S. Galvin**

Department of Revenue

*Designee: Deputy Commissioner Brian Andrews*

**Commissioner Annette Kreitzer**

Department of Administration

*Designee: Deputy Commissioner Kevin A. Brooks*

**Commissioner Emil Notti**

Dept of Commerce, Community & Economic Development

*Designee: Director, Division of Investments, Greg Winegar*

**Diane Barrans, Executive Officer**

**Charlene Morrison, CPA, Chief Finance Officer**

**Donna Vargas, Corporation Secretary**



*Standing: Representative Carl Gatto, Senator Thomas Wagoner, John Roberson III, Dr. Milton Byrd, Spike Jorgensen. Seated: Sharon Charnell Gherman, Patricia Jacobson, Rebecca Huggins, Lydia Wirkus.*



*Standing: Kenneth Dodson, Stephanie Butler, Diane Barrans. Seated: Donna Vargas, Frank Love, Charlene Morrison.*

## Commission Management Team

**Diane Barrans**

Executive Director

**Stephanie Butler**

Director of Program Operations and Outreach

**Kenneth Dodson**

Director of Information Support Services

**Frank Love**

Administrative Officer

**Charlene Morrison, CPA**

Chief Finance Officer

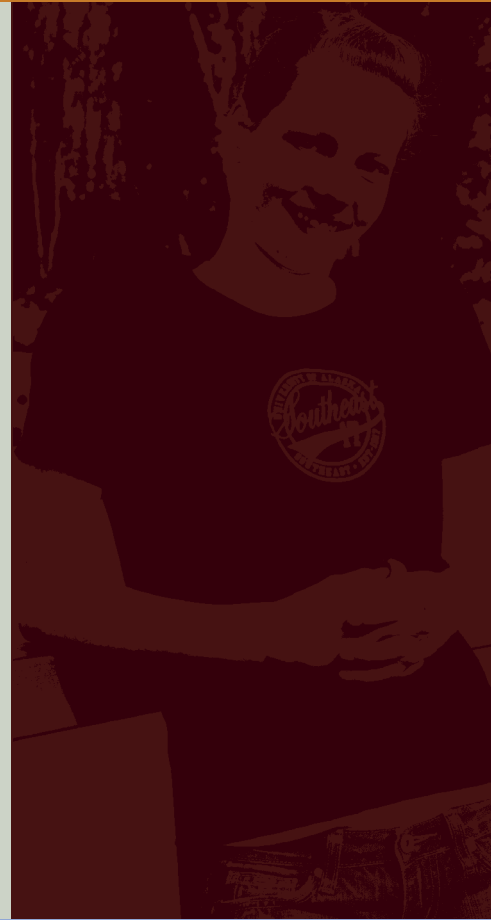
**Donna Vargas**

Executive Assistant

# Alaska Advantage® Programs

**This 2007 Annual Report is presented with special gratitude to:**

Alaska Advantage® Outreach Advisory Team  
Alaska Association of Student Financial Aid Administrators (ALASFAA)  
Alaska Department of Education and Early Development  
Alaska Department of Labor and Workforce Development  
Alaska Vocational Technical Education Center (AVTEC)  
Consortium of Alaskans Supporting Higher Education (CASHE)  
National College Access Network (NCAN)  
Northwest Education Loan Association (NELA)  
United States Department of Education  
University of Alaska  
Vermont Student Assistance Corporation – ACPE’s Sister Agency



**ACPE provides its programs and services to all persons without regard to race, color, religion, national origin, gender, age, political affiliation, or disability. Upon request, information contained in this publication will be made available in an alternate format.**

## Alaska Advantage® Programs

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