Briefing Topics

- ACPE Objectives
- Alaska Education Leadership Survey
  - Methodology
  - Major Findings
- Alaska Student Loan Survey
  - Methodology
  - Major Findings
- Relevancy to pending legislation
ACPE Objectives

- Equip management in making informed decisions
- Assess general awareness of ACPE services
- Identify leaders’ perceptions of their value
- Discover appetite/interest in providing targeted support
- Assess students’ familiarity with loan options
- Improve understanding of students’ loan decisions
- Find out how we are doing in the areas borrowers care about
Alaska Education Leadership Methodology

- Email message with survey invitation sent to 201 targets (plus one reminder email)
  - Alaska State Legislators
  - Leadership of UA and other postsecondary institutions
  - State Board of Education
  - State of Alaska Department Commissioners
  - Alaska Workforce Investment Board
  - Alaska Business-Education Compact
  - Alaska Process Industry Careers Consortium
  - ANCSA Education Consortium

- 93 responses received (46 percent)
Familiarity with ACPE Programs

- **Alaska Performance Scholarships (APS)**
  - Very familiar: 54%
  - Somewhat familiar: 38%
  - Unfamiliar: 6%

- **Alaska State Education Loans**
  - Very familiar: 28%
  - Somewhat familiar: 55%
  - Unfamiliar: 16%

- **Alaska Career Info. System (AKCIS)**
  - Very familiar: 27%
  - Somewhat familiar: 44%
  - Unfamiliar: 27%

- **Education Research and Policy Analysis**
  - Very familiar: 18%
  - Somewhat familiar: 41%
  - Unfamiliar: 39%

- **AlaskaAdvantage Education Grants**
  - Very familiar: 15%
  - Somewhat familiar: 53%
  - Unfamiliar: 31%

- **Alaska College & Career Advising Corps**
  - Very familiar: 10%
  - Somewhat familiar: 32%
  - Unfamiliar: 56%

- **Education Consumer Protection**
  - Very familiar: 8%
  - Somewhat familiar: 25%
  - Unfamiliar: 62%
## Importance of ACPE Programs for Alaska Residents

<table>
<thead>
<tr>
<th>Program</th>
<th>Very important</th>
<th>Somewhat important</th>
<th>Not important</th>
</tr>
</thead>
<tbody>
<tr>
<td>APS</td>
<td>74%</td>
<td>18%</td>
<td>3%</td>
</tr>
<tr>
<td>Alaska State Education Loans</td>
<td>57%</td>
<td>29%</td>
<td>1%</td>
</tr>
<tr>
<td>AEG</td>
<td>57%</td>
<td>23%</td>
<td>0%</td>
</tr>
<tr>
<td>AKCIS</td>
<td>48%</td>
<td>34%</td>
<td>0%</td>
</tr>
<tr>
<td>Alaska College and Career Advising Corps</td>
<td>43%</td>
<td>23%</td>
<td>2%</td>
</tr>
<tr>
<td>Education Research and Policy Analysis</td>
<td>37%</td>
<td>36%</td>
<td>5%</td>
</tr>
<tr>
<td>Education Consumer Protection</td>
<td>29%</td>
<td>29%</td>
<td>2%</td>
</tr>
</tbody>
</table>
Support of State Loan Program Terms

- **Debt relief rewarding employment in high demand jobs in Alaska**
  - Strongly support: 59%
  - Support: 31%
  - Oppose: 4%

- **Debt relief rewarding Alaska residence**
  - Strongly support: 56%
  - Support: 32%
  - Oppose: 9%

- **Loans at better rates/terms than the private sector**
  - Strongly support: 50%
  - Support: 36%
  - Oppose: 7%

- **Loans at a better rate than the federal gov't**
  - Strongly support: 47%
  - Support: 42%
  - Oppose: 6%

- **Lower interest rates for borrowers beginning repayment while in school**
  - Strongly support: 41%
  - Support: 44%
  - Oppose: 6%
Debt relief rewarding timely degree completion

Repayment options allowing borrowers to vary payments based on income or other ability-to-repay factors

Making borrower credit history a factor in loan qualification

Making borrower credit history a factor in interest rates
Support for Funding Loan Options

- **Education debt relief**: 31% Strongly support, 51% Support, 2% Oppose
- **Subsidized repayment options (such as income-based)**: 21% Strongly support, 53% Support, 13% Oppose
- **Subsidized interest rates**: 16% Strongly support, 56% Support, 16% Oppose
- **State-supported bond financing through ASLC**: 13% Strongly support, 51% Support, 8% Oppose
- **Risk-sharing by the State of Alaska by guaranteeing student loans**: 14% Strongly support, 48% Support, 15% Oppose
Preferred Funding Method for Given Options

- Long-term funding: 29%
- Both (annual and long-term): 45%
- Annual appropriations: 5%
- Do not favor funding options: 6%
- Other: 5%
- Don't know: 10%
- Other: 5%
- Do not favor funding options: 6%
Alaska Student Loan Survey
Methodology

- Survey design by McDowell Group with input from ACPE staff
- Email message with survey invitation sent to 31,000 FAFSA filers for 2013-14
  - Alaska residents
  - Out-of-state residents who identified an Alaska institution on FAFSA
- Incentive: $500 Amazon.com certificate drawing
- 4,261 responses received (14 percent)
  - Responses closely matched FAFSA target population in terms of community of residence and age
    - 40% of FAFSA filers vs. 41% of respondents from Anchorage
    - 24% of FAFSA filers vs. 25% of respondents 21-24 years old
Body of report: Results based to all respondents, plus...

- Enrolled in-state versus out-of-state
- Under 25 versus 25 and older
- Loan type (State vs. Federal vs. Private)

Additional sub-groups considered:

- Urban vs. rural Alaska residents
- Degree types: Certificate/licenses, AA, BA, MA/PhD
- Loan amount: <$10K, $10K-$30K, $30K+
- Alaska region
- Timing of college decision: elementary, middle, etc.
Enrollment Status and Residency

Base: All respondents

- Alaska resident attending in-state: 58%
- Alaska resident attending out-of-state: 34%
- Non-resident attending in-state: 7%
- Not currently enrolled: 1%
Degree Type
Base: Currently enrolled

- Bachelor's: 60%
- Associate's: 18%
- Master's: 11%
- Doctorate: 6%
- Certificate/licence: 4%
- Other: 1%
# Familiarity with Loan Programs

**Base: All respondents**

<table>
<thead>
<tr>
<th>Loan Program</th>
<th>Very familiar</th>
<th>Somewhat familiar</th>
<th>Unfamiliar + Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Stafford Loan</td>
<td>39%</td>
<td>35%</td>
<td>26%</td>
</tr>
<tr>
<td>Federal PLUS Loan</td>
<td>23%</td>
<td>30%</td>
<td>47%</td>
</tr>
<tr>
<td>Federal Perkins Loan</td>
<td>11%</td>
<td>19%</td>
<td>71%</td>
</tr>
<tr>
<td>Sallie Mae Student Loan</td>
<td>11%</td>
<td>18%</td>
<td>71%</td>
</tr>
<tr>
<td>Alaska Supplemental Education Loan (ASEL)</td>
<td>8%</td>
<td>16%</td>
<td>76%</td>
</tr>
<tr>
<td>Wells Fargo Student Loan</td>
<td>7%</td>
<td>18%</td>
<td>74%</td>
</tr>
<tr>
<td>Alaska Family Education Loan (FEL)</td>
<td>3%</td>
<td>11%</td>
<td>86%</td>
</tr>
<tr>
<td>Discover Student Loan</td>
<td>2%</td>
<td>9%</td>
<td>89%</td>
</tr>
</tbody>
</table>
Loan Program Participation, 2013-14
Base: Borrowed in last three years
Importance of Term/Conditions in Loan Selection
Base: Borrowed in last three years

- **Very important**
- **Somewhat important**
- **Not important**

<table>
<thead>
<tr>
<th>Feature</th>
<th>Very important</th>
<th>Somewhat important</th>
<th>Not important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate</td>
<td>77%</td>
<td>17%</td>
<td>4%</td>
</tr>
<tr>
<td>Repayment options</td>
<td>71%</td>
<td>23%</td>
<td>3%</td>
</tr>
<tr>
<td>Loan fees</td>
<td>62%</td>
<td>28%</td>
<td>6%</td>
</tr>
<tr>
<td>Loan forgiveness options</td>
<td>57%</td>
<td>29%</td>
<td>10%</td>
</tr>
<tr>
<td>Maximum loan amount available</td>
<td>56%</td>
<td>31%</td>
<td>9%</td>
</tr>
<tr>
<td>Interest rate reduction for in-school payment</td>
<td>52%</td>
<td>26%</td>
<td>14%</td>
</tr>
<tr>
<td>Other interest rate reductions I qualified for</td>
<td>52%</td>
<td>26%</td>
<td>12%</td>
</tr>
<tr>
<td>Interest rate reduction for automatic online payment</td>
<td>51%</td>
<td>29%</td>
<td>12%</td>
</tr>
</tbody>
</table>
Importance of Other Factors in Loan Selection
Base: Borrowed in last three years

<table>
<thead>
<tr>
<th>Factor</th>
<th>Very important</th>
<th>Somewhat important</th>
<th>Not important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability to apply online</td>
<td>62%</td>
<td>27%</td>
<td>8%</td>
</tr>
<tr>
<td>Ability to access account online</td>
<td>61%</td>
<td>25%</td>
<td>9%</td>
</tr>
<tr>
<td>Clarity of information provided on total financial impact of the loan</td>
<td>53%</td>
<td>27%</td>
<td>13%</td>
</tr>
<tr>
<td>How fast I can get the money</td>
<td>39%</td>
<td>38%</td>
<td>17%</td>
</tr>
<tr>
<td>Customer service</td>
<td>35%</td>
<td>31%</td>
<td>25%</td>
</tr>
<tr>
<td>Financial aid officer recommendation</td>
<td>30%</td>
<td>36%</td>
<td>25%</td>
</tr>
</tbody>
</table>
Importance of Other Factors in Loan Selection (cont’d)

- **Personal experience with lending institution**: 26% Very important, 32% Somewhat important, 31% Not important
- **Credit score requirement**: 17% Very important, 27% Somewhat important, 43% Not important
- **Other borrower recommendation**: 16% Very important, 29% Somewhat important, 41% Not important
- **High school counselor recommendation**: 10% Very important, 17% Somewhat important, 55% Not important
- **Advertising by lender**: 8% Very important, 21% Somewhat important, 57% Not important
Who had the most influence on which loan program you selected?
Base: Borrowed in last three years

- Myself: 49%
- Financial aid officer: 25%
- Parent/guardian: 14%
- Other family member: 2%
- School counselor: 2%
- Other: 5%
- Don't know: 3%
Loan Research Steps
Base: Borrowed in last three years

- Asked financial aid officer at college/university for help/information: 53%
- Visited websites of lending institutions: 34%
- Asked family/friends for help/information: 31%
- Visited informational websites: 30%
- Visited college websites: 23%
- Reviewed printed materials: 15%
Loan Research Steps (cont’d)

- Asked high school counselor for help/information: 8%
- Visited social networking websites (such as Facebook): 2%
- FAFSA: 1%
- None; did not get any information: 9%
- Other: 2%
Borrower Satisfaction
Base: Took out loan in 2013-14

Very Satisfied  | Satisfied  | Dissatisfied
ASEL           | 30%        | 57%  | 7%
Stafford       | 23%        | 64%  | 8%
Perkins        | 25%        | 59%  | 9%
Sallie Mae     | 21%        | 60%  | 14%
Wells Fargo    | 16%        | 65%  | 11%
PLUS           | 14%        | 64%  | 12%
Other          | 30%        | 50%  | 13%
FEL/ASEL Borrower Satisfaction

Base: FEL/ASEL borrowers

<table>
<thead>
<tr>
<th>Feature</th>
<th>Very Satisfied</th>
<th>Satisfied</th>
<th>Dissatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online application process</td>
<td>32%</td>
<td>56%</td>
<td>6%</td>
</tr>
<tr>
<td>Online account management</td>
<td>32%</td>
<td>50%</td>
<td>9%</td>
</tr>
<tr>
<td>How fast I got the money</td>
<td>30%</td>
<td>53%</td>
<td>14%</td>
</tr>
<tr>
<td>Customer service</td>
<td>29%</td>
<td>51%</td>
<td>9%</td>
</tr>
<tr>
<td>Clarity of information provided</td>
<td>23%</td>
<td>57%</td>
<td>15%</td>
</tr>
<tr>
<td>Repayment options</td>
<td>22%</td>
<td>55%</td>
<td>10%</td>
</tr>
<tr>
<td>Maximum loan amount</td>
<td>21%</td>
<td>59%</td>
<td>16%</td>
</tr>
<tr>
<td>Interest rate</td>
<td>13%</td>
<td>45%</td>
<td>34%</td>
</tr>
<tr>
<td>Loan fees</td>
<td>12%</td>
<td>50%</td>
<td>27%</td>
</tr>
</tbody>
</table>
Familiarity — get information to students early

Develop strategies to lower direct costs to borrowers

Ensure state programs meet reasonable financing needs

Meet tech expectations of today’s students

Ensure consumer understanding of their loan terms, responsibilities and impacts
Related Initiatives

- **SJR 23** — Amend Alaska constitution to permit General Obligation bonds to fund education loans

- **SB 195** — Amend statutes to:
  - Increase loan and grant limits
  - Define “on time” student status for the purpose of tiered loan and grant award amounts
  - Facilitate availability of consolidation loans

- Redesign Alaska Education Grant around completion-focused policy and practice
Questions?