

HISTORY

In 1968, the Alaska legislature established the state's first scholarship loan program to assist Alaskans pursuing postsecondary education, and to incent them to use that education and training in Alaska. Initially, the Department of Education and Early Development (EED) administered the scholarship loan programs. In 1974, the legislature established the Alaska Commission on Postsecondary Education (ACPE) to coordinate the development of postsecondary education programs, regulate postsecondary institutions in the state, and administer state education financial aid programs. In 1987, as oil prices and state oil revenues declined dramatically, state funding of the program could no longer be assured. The legislature created the Alaska State Loan Corporation (ASLC) to raise alternative financing in the form of tax-exempt bonds. The Commission and the Corporation continue to partner their efforts to provide educational benefits to all Alaskans.

1968 — Alaska legislature establishes scholarship loan program, administered by EED, for undergraduates attending accredited Alaska institutions. Program provides up to \$500 for four years, interest-free, with \$500 forgiveness for each six months the borrower remains an Alaska resident.

1968

1971 — Legislature adds career and graduate education programs, extends availability to six years, and raises annual loan limits to \$2,500 for undergraduates and \$5,000 for graduates. Borrowers to pay 5% interest in repayment; can get 40% forgiveness if employed in Alaska for four years. Loans are financed from the general fund for next 15 years.

1971

1974 — Legislature creates ACPE as state higher education coordinating agency to administer student aid programs, and authorize and regulate postsecondary education institutions in Alaska.

1974

1987 — Oil prices decline, drastically reducing state revenues. Legislature creates the ASLC to raise alternative financing through tax-exempt bonds, and eliminates forgiveness benefits and subsidies for the reduction of interest. Long-range plans call for reduced subsidy of loan programs from general funds.

1987

1981 — Annual loan limit set at \$6,000 for undergraduates and \$7,000 for graduates; forgiveness increases to 50% for five years of residency in the state.

1981

1995 — Legislature approves changes to stem loan program losses. It revises loan terms to improve financial return and ensure programs become self-sustaining, and authorizes a variety of collection tools.

1995

1992 — State continues to face annual budget shortfalls and ends further general fund appropriations to the student loan programs.

1992

2001 — ASLC begins to pay an annual financial return to the State of Alaska, its original investor. Legislature charges the Corporation to leverage its financial health and develop new programs for Alaskans.

2001

1998 — ASLC has a modest net income for the first time in its history.

1998

2003 — ASLC authorizes low-interest consolidation loans for borrowers repaying higher-cost Alaska Student Loans. The first **I'm Going to College** event brings 150 5th- and 6th-grade students to Alaska campuses.

2003

2002 — ACPE implements **AlaskAdvantage Outreach** services and the **AlaskAdvantage Loan Program**®, offering federal and supplemental loans. ASLC approves the lowest-cost education loan package in the nation.

2002

2005 — At the first **Alaska College Goal Sunday** students and families get help completing the Free Application for Federal Student Aid (FAFSA).

2005

Pursuant to legislative authorization in 2004, ACPE develops and implements the **AlaskAdvantage Education Grant Program**. ASLC provides start-up funding for the grant program.

2007

2004 — ASLC offers federal consolidation loans.

2004

2007 — The first **I Know I Can** event encourages 430 2nd-graders to see college in their future.

2009

2009 — ACPE implements the federal College Access Challenge Grant Program to increase the number of students prepared for postsecondary education. The first **peer mentors** assist students with career and college planning.

2010

Federal government eliminates the Federal Family Education Loan Program. ACPE continues to service its existing FFELP loan portfolio.

2010 — Legislature authorizes EED and ACPE to implement the **Alaska Merit Scholarship** program providing scholarships for college or career training.