

An Analysis of the AlaskAdvantage Education Grant Program

Conducted by the Alaska Commission on Postsecondary Education,
Reviewing Data for Academic Years 2005-06
Through Preliminary 2010-11

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EXECUTIVE SUMMARY

The AlaskAdvantage Education Grant Program (AEG) was authorized by the legislature to “provide financial assistance to eligible students to enable them to attend, or continue their attendance at, postsecondary educational institutions¹.” AEG awards, first distributed in the 2005-06 academic year, are awarded to qualified Alaska postsecondary students who have financial need not met through other grants or scholarships. Eligible full-time students are awarded up to \$1,000 per academic year, with half-time students awarded up to \$500. Students demonstrating exceptional preparation for academic success or those pursuing training relevant for future employment in a priority occupation can receive awards of twice these amounts.

Since the AEG’s inception, 4,460 students have received at least one of the 5,550 grant awards. However, in no year has there been sufficient funding to award a grant to all eligible Alaskans. In the last three years of the program, as the overall pool of eligible students has expanded, ACPE has observed that higher unmet need thresholds must be met for students to qualify for and actually receive an award. This left 5,054 eligible Alaskans over the past three years, each with an unmet need above the \$500 statutory minimum, who were not awarded a grant because of lack of funds.

This analysis seeks to describe the bio/demo characteristics and enrollment behaviors of AEG recipients, and to compare those recipients with otherwise qualified non-recipient applicants. The goal of the analysis is to determine whether the AEG meets program goals related to

“It helped me to finish my undergraduate studies on time and with less debt than I would otherwise have had.”
(AEG recipient commenting on how the AEG assisted in their educational pursuits.)

enabling financially needy students to enroll in postsecondary education.

However, given current program financial constraints, it is unclear if the receipt of an AEG award has an effect on students’ enrollment behavior. Because the pool of eligible recipients is not determined until after students are already in the process of enrolling (if not already enrolled) in postsecondary education, most students find out after-the-fact that they will receive a grant. Therefore, the initial receipt of a grant is unlikely to have been an influence on their decision to enroll.

¹ Authorized in Alaska Statute, Section 14.43.400.

Eligible students are awarded based on their level of unmet need. AEG program management changes in 2008-09 led to the use of an eligibility model to establish an unmet need “threshold,” above which students would receive the grant. An unmet need of at least \$8,000 was required to receive an award in AY 2008-09, increasing to \$14,300 in 2010-11. In the past three years, the average award has covered only about 8% of recipients’ unmet need. Relative to the amount of unmet need, the ability of an AEG award to influence students’ behavior might be questioned.

Finally, while the average recipient receives one and one-quarter AEG awards, only three percent of degree-seeking recipients are first-year freshmen. Most recipients have already decided to pursue a postsecondary education, though the grant may achieve its goal of enabling students to continue their education.

“The Alaska Education Grant I received in 2008 was a God-send, literally. I was in the middle of my college education with almost no money and the fall semester was quickly approaching. I had a scholarship, but it didn't cover all my expenses and I wasn't making very much money at the part-time jobs I worked while attending classes full time. I was so grateful to receive the grant because it took a huge burden off my shoulders and let me concentrate more on my studies than how I was going to pay for them.

“I still worked and had expenses but it really took the edge off my financial strain. I graduated at the age of 20 on May 2, 2010 with a bachelor's degree in Elementary Education, and now possess my initial teacher certification for the state of Alaska. Because of the Alaska Education Grant and other generous programs, I am completely debt free and able to pursue my life and career goals immediately. Thank you, AlaskAdvantage!”

(AEG recipient commenting on how the AEG assisted in their educational pursuits.)

SECTION I: ADMINISTRATION AND HISTORY OF THE ALASKADVANTAGE EDUCATION GRANT PROGRAM

In 2004, the AlaskAdvantage Education Grant Program (AEG) was authorized during the 23rd session of the Alaska State Legislature to “provide financial assistance to eligible students to enable them to attend, or continue their attendance at, postsecondary educational institutions.²” The program was not the first of its kind in Alaska. Beginning in 1978-79, Alaska participated in a federal/state grant partnership known at the federal level as the State Student Incentive Grant (SSIG).

In Alaska, SSIG was called the State Educational Incentive Grant (SEIG), and the required state matching funds were provided through an annual appropriation of state General Fund dollars. However, with the economic retraction of the 1990s, the match dollars were no longer available. For seven years Alaska was one of only two states with no state needs-based educational grant program.

In 1998, amendments to the Higher Education Act repealed SSIG and replaced it with the Leveraging Educational Assistance Partnership Program³, or LEAP. AEG program’s annual funding has come primarily from the Alaska Student Loan Corporation. In 2008-09, the Governor’s capital budget included \$2.5 million in state general funds as a one-time appropriation specifically for use as AEG awards. These funds were awarded over a three-year period. Again in the 2010-11 academic year, LEAP matching funds were paid by the State of Alaska as the AEG program was fully funded by a combination of the FY09 capital appropriation funds and an additional \$400,000 appropriated through the passage of Senate Bill 221, which also created an Alaska statewide scholarship program. LEAP funding has been cut in the proposed federal budget for AY 2011-12.

“The last year of my degree program required me to complete a full year of student teaching. This requirement did not allow me time to work and without this grant I might not have been able to complete it.”

(AEG recipient commenting on how the AEG assisted in their educational pursuits.)

² Authorized in Alaska Statute, Section 14.43.400.

³ *Higher Education Act of 1965*, as amended, Title IV, Part A, Subpart 4; 20 U.S.C. 1070c-1070c-4.

AEG ELIGIBILITY REQUIREMENTS

Since its inception, AEG eligibility requirements have remained constant, though the process through which grants are awarded has seen significant changes. To receive an AEG, a student must:

- Be an Alaska resident and a U.S. citizen or Permanent Resident Alien;
- Possess a high-school diploma or GED;
- Have not earned a baccalaureate degree;
- Be admitted and enrolled into an undergraduate degree or vocational certification program at a qualifying Alaska postsecondary institution;
- Be enrolled at least half-time;
- Have an unmet financial need of attending school greater than or equal to \$500;
- Meet the institution's satisfactory academic progress standards;
- Be eligible for Title IV aid; and
- Complete a FAFSA⁴ by April 15th of each year prior to attendance.

DETERMINING AWARD RECIPIENTS AND GRANT AMOUNTS

To receive a grant award, the student's postsecondary institution must verify that the student has met all of the above criteria, and certify the amount of additional non-self help aid⁵ the student is receiving.

*"I do not know really why I received it. Possibly a reason why or maybe information on how to receive it again would be nice."
(AEG recipient commenting on how to improve the program.)*

To be eligible, students must demonstrate that after receipt of all non-self help aid, there is still an outstanding cost of attendance of at least \$500. AEG funds are therefore the last dollars awarded, after taking into consideration all other non-loan aid. Students with remaining costs after the grant award must find other means to meet those remaining costs of attendance: accessing any potential savings, borrowing student loans, working while attending school, or dropping classes or withdrawing altogether.

⁴ Free Application for Federal Student Aid.

⁵ Non-self help aid includes any "gift" financial aid, such as Pell Grants or institutional scholarships, that does not commit the recipient to repaying or working in exchange for the aid.

However, the AEG program has never had sufficient funding to award all eligible Alaskans. In every year, there are a number of students who meet the statutory eligibility requirements, yet do not receive an award. To account for this disparity, ACPE has employed two different processes to determine which students receive an award. The two processes, and their strengths and weaknesses, are briefly described below.

In both processes, the information from an applicant's FAFSA is used to make a preliminary eligibility determination. The U.S. Department of Education transmits FAFSA data to schools

"It may be helpful to raise more public awareness of the grant and how to apply for it; I did not even know the program existed until I was awarded a grant. I really appreciated the grant, but would not have known how to apply for it myself. I believe I was entered for consideration from something I filled out for my university."
(AEG recipient commenting on how to improve the program.)

and state agencies in the form of an Individual Student Institutional Record, or ISIR. Using ISIR data, a student's initial unmet need is calculated⁶. ACPE provides to the AEG-participating Alaska schools a roster of applicants who shared their FAFSA data with that school. Schools then review their roster to edit and update students' ISIR and enrollment data, thus "certifying" the students' award eligibility.

"It was simple. Grant went straight to school. I wish I could have won more than one grant in 5 years of school."
(AEG recipient commenting on how to improve the program.)

⁶ To calculate unmet need, the Expected Family Contribution from the ISIR and any available non-self help aid is subtracted from the Standard Alaska Cost of Attendance. The Standard Alaska Cost of Attendance is the average annual cost of tuition and required fees at the University of Alaska system for both full-time and half-time attendance, plus the annual average cost of living for both dependent and independent students. The AEG program is partially funded by federal funds which require consideration of the dependency status of grant recipients.

DETERMINING AWARDS 2005-06 through 2007-08: “CERTIFY -THEN-AWARD”

During the first three years of the program, awards were made on an annual basis. Schools certified students in mid-June, verifying enrollment and non-self help aid information at that time. Each student’s unmet need was re-calculated based on this information, and the AEG servicing system began awarding students in order of unmet need. Those having the highest unmet need were awarded first, until funds were exhausted, and first disbursements were paid to institutions prior to the start of the fall term.

This annual award process had several weaknesses. The information received in the early certification process often changed by the time the students began attending school. Because funds were limited, students accepting admission to school later in the summer or first attending in the spring oftentimes found that all the grant funds had already been allocated. Disbursing the funds prior to the start of classes meant schools were required to refund large amounts of money when AEG recipients didn’t attend or were otherwise found ineligible for AEG funds.

“I was very grateful to have received this grant. During school I worked full-time and went to school full-time. This grant helped me to pay for my tuition. I put all my schooling on a credit card because I did not have the means to pay the money up front. This helped relieve the financial strain and helped make ends meet. It significantly made a difference and helped. Thank you!”

(AEG recipient commenting on how the AEG assisted in their educational pursuits.)

“Where to start! In addition to the instant upgrade of my resumé that comes with higher education, I know I can pursue other employment or business paths. The UAF School of Education promotes certification of qualified competent educators so, with your past support, I am now ready to take on the responsibility of my own classroom.”

(AEG recipient commenting on how their postsecondary studies have assisted them.)

DETERMINING AWARDS 2008-09 through 2010-11⁷: “AWARD-THEN-CERTIFY”

To more efficiently and effectively determine award recipients and amounts, a new process was implemented in 2008-09 that awarded funds on a semester basis. Using data from the first years of the AEG program, a model was developed to forecast the number and amounts of awards that were likely to be paid out. The model then identified an unmet need threshold that would expend the available grant funds in a given year. Eligible FAFSA filers with unmet need at or above the threshold would be assured of an award.

Schools could still certify students prior to the start of the term, but were asked to verify and update certification information after their institution’s final add/withdraw deadline, after which funds were disbursed to the schools.

CONTINUING CHALLENGES

Both award processes are faced with the challenge of fairly distributing funds to the population of eligible students with the most unmet need. If the program were fully funded, then any student with an unmet need of at least \$500 would be assured of an AEG award, but this has never been the case.

The new process’ minimum unmet need thresholds serve to implement the statutory unmet need requirement. However, the result of varying annual funding levels is that these thresholds also vary, sometimes dramatically, across the years, and the amounts have been much higher than the \$500 statutory minimum: \$8,000 in 2008-09; \$14,000 in 2009-10, and \$14,300 in the most recent year.

Given an insufficient annual funding amount and defined AEG award amounts, the only way to meet the legislative mandate is to control the numbers of students awarded. The only means to change the numbers of students awarded is by changing the unmet need thresholds each program year. This means that a student receiving the award in one year might not be eligible the following, even though their unmet need has not changed or may have even increased. The lack of predictability that an award will be made in the first place, much less be renewed in subsequent academic years, also diminishes the program’s ability to influence students’ behaviors and thus meet the legislative intent of the program.

⁷ 2010-11 data is preliminary and represents only Fall 2010 disbursements. Total annual disbursements are predicted to be approximately \$1.5 million. As of February 4, 2011 total disbursements were \$1.35 million.

SECTION II: GENERAL OBSERVATIONS OF THE AWARD RECIPIENTS

The AlaskAdvantage Education Grant (AEG) was first provided to Alaska residents pursuing studies at in-state postsecondary institutions during the 2005-06 academic year. To be eligible, students must meet the requirements set out in Section I: be Alaska residents who have received a high school diploma or a GED; have not already earned a baccalaureate degree; are admitted and enrolled at least one-half time at a qualifying Alaska postsecondary institution; and have unmet needs of attending school, after accounting for all other sources of available aid, of at least \$500.⁸

Slightly over \$500,000 was awarded and disbursed in the program's first year to help 506 students pay for their postsecondary education expenses. In academic year 2008-09, the process used to determine award recipients changed, and the program was provided with a one-time general fund capital appropriation which was used in funding AEGs over the next three years.

Table 1 Total Disbursements and Count of Recipients, Average Award Amount, Average Unmet Need and Percentage of Unmet Need Awarded, By Academic Year

Academic Year	Disbursed Funding Amount	Headcount of Students	Average AEG Award Amount	Average Unmet Need	Award As A Percentage of Unmet Need
2005-06	\$501,972	506	\$992	\$8,980	11%
2006-07	\$586,639	581	\$1,010	\$12,239	8%
2007-08	\$670,274	672	\$997	\$13,041	8%
2008-09	\$1,977,584	2,106	\$939	\$11,520	8%
2009-10	\$855,800	869	\$985	\$14,538	7%
2010-11 ⁹	\$771,501	816	\$945	\$15,719	6%

⁸ By statute, a student must show a minimum of \$500 in unmet cost of attendance at their postsecondary institution. Annual funding levels have been insufficient to award this entire population of eligible applicants. For example, in 2010-11 the level of unmet need required to receive an AEG award was \$14,300. A review of the population otherwise eligible yet unfunded is included in Section VI of this report.

⁹ 2010-11 data is preliminary and represents only Fall 2010 disbursements. Total annual disbursements are predicted to be approximately \$1.5 million. As of February 4, 2011 total disbursements were \$1.35 million.

A total of 4,460 Alaskans have received an AEG grant, with 5,550 grants awarded between its inception and the 2010-11 academic year.¹⁰ While many may imagine the average award recipient to be a recent high-school graduate, their average age in 2009-10 was 31. In fact, only a very small number of awards went to first-time freshmen recipients; of those enrolled in a degree-seeking program, seniors received the majority of the awards.

Also, while the majority of recipients were working towards an associate’s or bachelor’s degree, in that same year five percent of the awards were provided to students training for a certificate or occupational license.

Table 2 Awards by Award Type and Academic Year

Academic Year	Certificate/License		Associate's Degree		Bachelor's Degree	
	Awards	Percent of Awards	Awards	Percent of Awards	Awards	Percent of Awards
2005-06	32	6%	151	30%	323	64%
2006-07	22	4%	183	31%	376	65%
2007-08	30	4%	202	30%	440	65%
2008-09	73	3%	677	32%	1,356	64%
2009-10	41	5%	347	40%	481	55%
2010-11 ¹¹	35	4%	287	35%	494	61%

“Without grants such as the Alaska Education I would not have been able to complete my degree. I am a single mom who returned to school after a twenty year absence. This grant allowed me to complete my teaching degree.”
 (AEG recipient commenting on how the AEG assisted in their educational pursuits.)

¹⁰ Recipients can be eligible to receive the AEG in more than one year. The average is 1.25 awards per recipient.

¹¹ 2010-11 data is preliminary and represents only Fall 2010 disbursements. Total annual disbursements are predicted to be approximately \$1.5 million. As of February 4, 2011 total disbursements were \$1.35 million.

Recipients need not attend full-time to be eligible for an AEG award, though most students do attend full-time at least some portion of the academic year. The table below counts a student as full-time if they attended on a full-time basis at any time during the academic year.

Table 3 Student Enrollment Status by Academic Year

Academic Year	Full-Time	Half-Time	Percent Full-Time
2005-06	392	114	77.5%
2006-07	519	62	89.3%
2007-08	558	114	83.0%
2008-09	1517	589	72.0%
2009-10	701	168	80.7%
2010-11	792	24	97.1%

The 2010-11 data is subject to some changes, since students who were otherwise eligible and did not attend in the fall might attend in the spring, increasing the total number of recipients. Also, the decline in the number of half-time students in 2010-11 may be affected by the calculation for unmet need. As the unmet need threshold increases, fewer half-time students become eligible to receive an AEG award. The lesser cost of attending half-time, further reduced by available non-self help aid, gives half-time students an unmet need that often falls below the applicable threshold.

Recipients are twice as likely to be female than male, similar to the distribution of students in the University of Alaska system, where 60% of students are female. Average award amounts and average unmet need are nearly identical between the sexes. (See Table 4.)

“I am a continuing education student and without the grant I may not have been able to attend last year. It truly made the difference between being a full time student and having to take a semester off. Thank you.”
 (AEG recipient commenting on how the AEG assisted in their educational pursuits.)

Table 4 Headcount and Percentage of AEG Recipients By Gender

Gender	Headcounts	Percentage	Avg. Cumulative Award Amounts	Average Unmet Need
Male	1,505	33.7%	\$1,210	\$12,842
Female	2,955	66.3%	\$1,198	\$12,620

Grant recipients are also much more likely to be independent, caused to a large degree by their relatively greater unmet need. (A dependent student's unmet need amount takes into account both the student's and the parent's ability to contribute to the student's cost of attendance; no parental contributions are considered for independent students.) Over the life of the AEG program, independent students have outnumbered dependent students by more than 6:1, based on their dependency status at the time of their first grant award.

Table 5 Dependency Status of Award Recipients, Average Cumulative Award and Unmet Need, All Years

Dependency Status	Headcounts	Percentage	Avg. Cumulative Award Amounts	Average Unmet Need
Dependent	606	13.6%	\$1,039	\$10,077
Independent	3,854	86.4%	\$1,228	\$12,733

During the last three years of the grant program, when a fixed minimum unmet need threshold has been used to determine eligibility, we can see how increasing the unmet need requirement affects the number of dependent students qualifying for a grant. In the 2008-09 academic year, increased program funding allowed the unmet need threshold to be lowered to \$8,000, and nearly one-quarter of grant recipients were dependents.

Table 6 Dependency Status of Award Recipients, Average Annual Award and Unmet Need, 2008-09

2008-09	Headcounts	Percentage	Avg. Annual Award Amounts	Average Unmet Need
Dependent	525	24.9%	\$975	\$10,146
Independent	1,581	75.1%	\$927	\$11,976

The following year, in order to serve those students most in need with substantially less funding, the unmet need threshold increased to \$14,000, and the number and the percentage of dependent students being awarded plummeted.

Table 7 Dependency Status of Award Recipients, Average Annual Award and Unmet Need, 2009-10

2009-10	Headcounts	Percentage	Avg. Annual Award Amounts	Average Unmet Need
Dependent	13	1.5%	\$654	\$15,050
Independent	856	98.5%	\$990	\$14,531

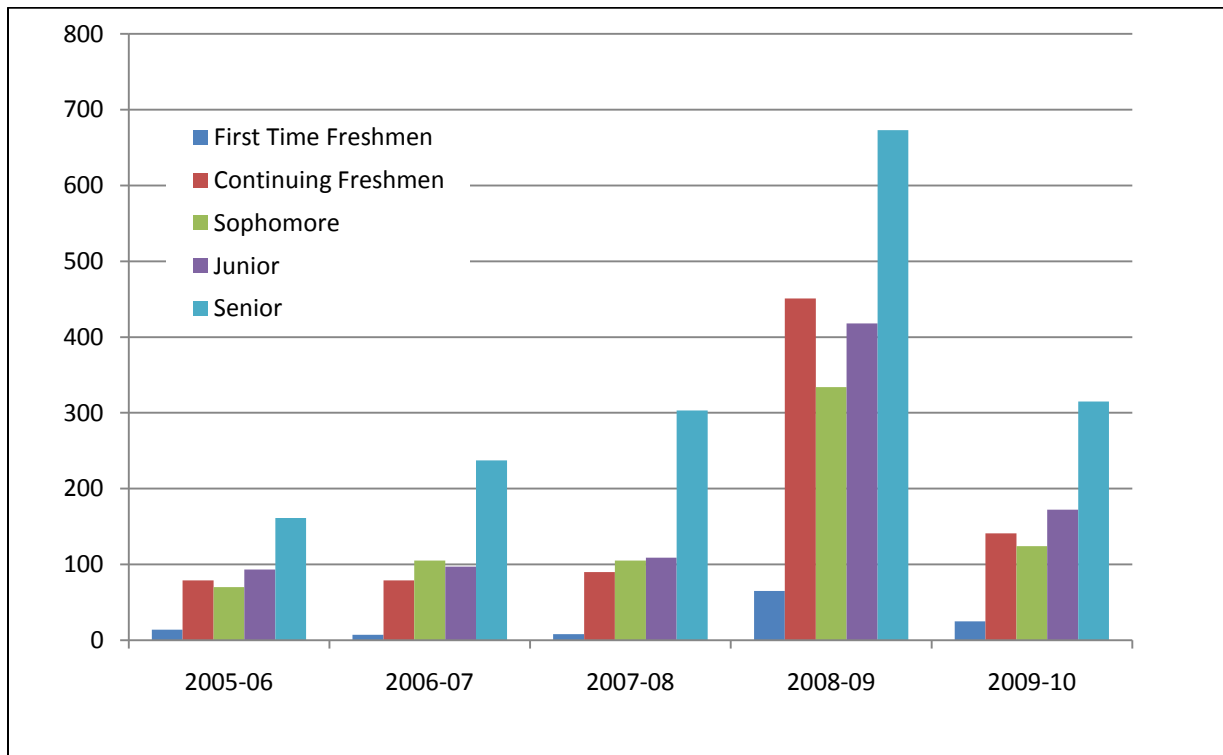
That trend continued during the current year, with a \$14,300 unmet need threshold and only 8 of 816 recipients being dependent.

Students are more likely to be dependent early in their postsecondary education attendance years, and independent in later years. For that reason, changes in the unmet need thresholds can affect the eligibility of students depending upon their year in school. Using data supplied by the University of Alaska’s Statewide Office of Planning and Institutional Research, we find that only in the 2008-09 academic year were AEG awards made to a significant number of freshmen students. (See Figure 1.)

“This grant is very helpful to me, without it I probably wouldn’t be able to afford the cost of attending college. When I first started attending school I had been a teen mother, single and working a full time job to support myself and my daughter. I knew I needed to get an education for my future and hers, but finances are slim and this grant helped me more than you could imagine.”

(AEG recipient commenting on how the AEG assisted in their educational pursuits.)

Figure 1 Headcount of AEG Recipients by Grade



“I was able to buy books that I needed and pay for gas to get to and from school.”
 (AEG recipient commenting on how the AEG assisted in their educational pursuits.)

The racial and ethnic breakdown of AEG recipients mirrors the population of similarly-aged Alaskans. A very small number of AEG recipients are under 20 years of age¹², while approximately 75% of the recipients are 39 or younger. Table 8 compares the race and ethnicity of AEG recipients to Alaska’s population between 20 and 39 years of age¹³. Alaska

¹² Most under-20 students are dependents, and as discussed are largely underrepresented in the grant recipients.

¹³ Ethnicity information is reported through the federal Integrated Postsecondary Education Data System, or IPEDS. Ethnic categories underwent a slight modification beginning in Fall 2008, when the category “Asian/Pacific Islander” was split into two categories of “Asian” and “Native Hawaiian or Other Pacific Islander.” For this report, because a student can have only one ethnicity designation in the AEG database and many students were included in the database prior to Fall 2008, the older ethnicity category will be used.

Natives and American Indians are slightly underrepresented in the AEG recipient totals, while Asian and Pacific Islanders are slightly overrepresented.

Table 8 Headcount of AEG Recipients By Race/Ethnicity By Academic Year and Totals

Race/Ethnicity	Academic Years						All AEG Recipients		All Alaskans, 20-39 yrs old ¹⁴
	05-06	06-07	07-08	08-09	09-10	10-11	Count	Percent	Percent
American Indian / AK Native	87	86	102	235	77	68	551	14.1%	16.9%
Asian / Pac Islander	24	23	32	157	42	34	254	6.5%	4.4%
Black / African American	19	32	29	105	54	34	216	5.5%	5.6%
Hispanic (of any race)	20	23	34	144	56	62	273	n/a	n/a
Two or more races	13	15	17	96	73	83	222	5.7%	4.0%
Unknown / Blank	70	29	32	79	49	50	283	n/a	n/a
White	273	373	426	1,290	518	485	2,661	68.2%	69.1%

"I had reached a point in my life that completing my degree was the highest priority in life. I planned on borrowing money through student loans. Receiving the grant enabled me to borrow less. I have since graduated with a 3.8 GPA from the School of Education and am currently teaching second grade. I plan to complete my masters degree sometime in the future."

(AEG recipient commenting on how the AEG assisted in their educational pursuits.)

¹⁴ Source: Alaska Department of Labor and Workforce Development, Research & Analysis Section, Alaska Population Overview: 2009 Estimates.

In addition to the standard AEG award, some recipients are eligible for additional funds, known as priority awards. Enrollment in certain degree programs or sufficiently high scores on the SAT or ACT exams qualifies the recipient for a priority award, with additional funding equal to the standard award.¹⁵

Approximately one-quarter of AEG recipients qualified for a priority award, with the majority qualifying based on their pursuit of a priority program of study. Allied Health Sciences and Teaching/Education were the programs in which students received the largest number of AEG priority awards. However, the Process Industries category, which has only been a priority program for three years, now accounts for the greatest number of priority grant awards.

Table 9 Standard and Priority Awards by Academic Year, And Priority Programs of Study Participants

Academic Year	Standard Awards	Priority Awards	Percent Receiving Priority Awards	Academic Priority Award Recipients	Priority Program Recipients by Program ¹⁶			
					Allied Health Sciences	Process Industries	Protective & Social Services	Teaching & Education
2005-06	506	126	24.9%	13	58	n/a	30	25
2006-07	581	116	20.0%	14	38	n/a	28	36
2007-08	672	142	21.1%	14	58	n/a	26	44
2008-09	2,106	611	29.0%	79	152	158	62	160
2009-10	869	257	29.6%	32	61	86	30	48
2010-11 ¹⁷	816	235	28.8%	32	42	79	29	53

¹⁵ The authorizing legislation allowed for priority awards to be granted to applicants who could “document participation in a secondary education program of study that is a predictor of postsecondary education success.” Regulations allowed “a composite or total test score in the top quartile for the applicable test year on the Scholastic Aptitude Test (SAT) or the ACT Assessment” to meet this requirement.

¹⁶ Program participants can be counted in more than one year. Priority awards can be based on a student’s program of study or their scores on standardized college entrance exams, so the total number of priority awards is greater than the number of students pursuing a priority program of study. In those situations where a student qualified for a priority award based on both program of study and test scores, the student is identified as a priority award recipient based on test scores.

¹⁷ Data for 2010-11 is preliminary, and subject to revision based upon additional recipients receiving a grant during the spring or summer semesters of this academic year.

From the AEG's beginning through 2009-10, priority award recipients could receive an annual award of \$2,000 if full-time, or \$1,000 if half-time. In the 2010-11 academic year, legislation increased all awards by 50%, so a student earning a priority award could receive \$3,000 per year for full-time attendance.¹⁸

Most of the awards are less than these amounts, however, and only once has the average annual award amount exceeded \$1,000. And in all but one year, 2008-09, when the unmet need threshold was set at \$8,000, the average amount of unmet need per student has increased.

In the last complete year of the AEG program, 2009-10, the average award amount per student covered only 7% of the students' average unmet need. In 2005-06, the average award covered 11% of the average unmet need. (See Table 1.)

"I received a bachelor's degree and doubled my yearly salary within the first year of graduation. I am now able to afford a family home and I have much more potential for career growth. I also learned a great deal about Alaska that I would otherwise not have known had I not attended college. My studies at UAA affected my life in an infinite number of ways. I cannot even imagine where I would be right now had I not attended college."

(AEG recipient commenting on how the AEG assisted in their educational pursuits.)

¹⁸ In a very limited number of cases students enrolled in "accelerated programs" can receive an additional 50 percent of their award amounts. To be eligible, program participants must complete more than one academic year's worth of studies per calendar year of attendance and must be enrolled in a program designed for completion on an accelerated basis. Accelerated awards account for a very small percentage of all AEG awards.

SECTION III: EXAMINING THE EFFECT OF AN AEG AWARD ON RECIPIENT BEHAVIORS

Early in the AEG outcomes evaluation project, we hoped to measure how receiving an award affected students' behaviors by reviewing their academic records across several years. Were students more likely to enroll full-time versus part-time if they received an award? Did they complete their degree requirements more quickly than non-recipients? Were they less likely to drop out of school?

Unfortunately, we could not measure a causal effect of receiving the grants on students' behaviors, based on several factors. For example, since students generally don't know whether they will receive a grant until after they have already enrolled, the grant award obviously could not have affected their enrollment decision. (For more information on AEG funding and determining who receives an award, see Section I.)

Also, changes in the amount of available funding affects the number of students who could possibly receive an award, so the capacity to affect students' behaviors can be diminished by simply changing annual funding amounts.

Finally, while the awards certainly help students pay for their education, the average award amounts – typically about \$1,000 – account for only six to eight percent of the average unmet need for students. While receiving an award creates an incentive to attend school, it is only one of many factors that students must consider in their decision to attend or continue with their postsecondary education.

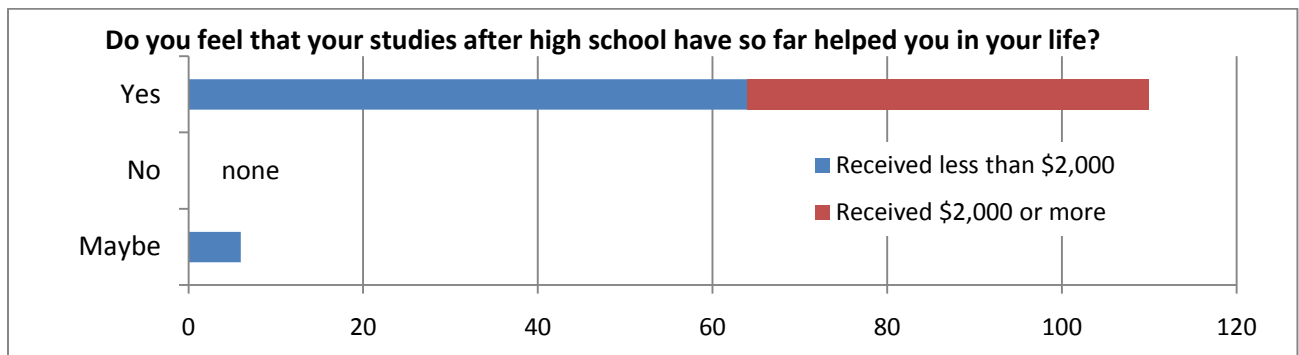
To get some measure of the AEG's effect on recipients, we took a more direct approach – we surveyed AEG recipients for academic years 2008-09 and 2009-10. Students were broken into two groups based on their lifetime award totals. The largest group with 1,165 students included those with less than \$2,000 in cumulative AEG awards. A second group of those receiving at least \$2,000 included an additional 514 students.

Emails were sent using the address the student provided in their most recent FAFSA. One-hundred seventeen were returned as undeliverable, 132 recipients responded to the survey and 114 completed the entire survey. Fifty-one of the respondents had received at least \$2,000 in AEG funds to support their postsecondary education pursuits, and 81 had received less than \$2,000.

Recipients were asked three open-ended questions, and also asked several multiple choice questions. Selected responses to the open-ended questions are included throughout this report.

Addressing the value of postsecondary studies to the respondents, we asked two simple questions: Did they feel their studies after high school had so far helped them in their life, and did their studies help them land a job? The responses to both questions were extremely positive, as shown in Figures 2 and 3.

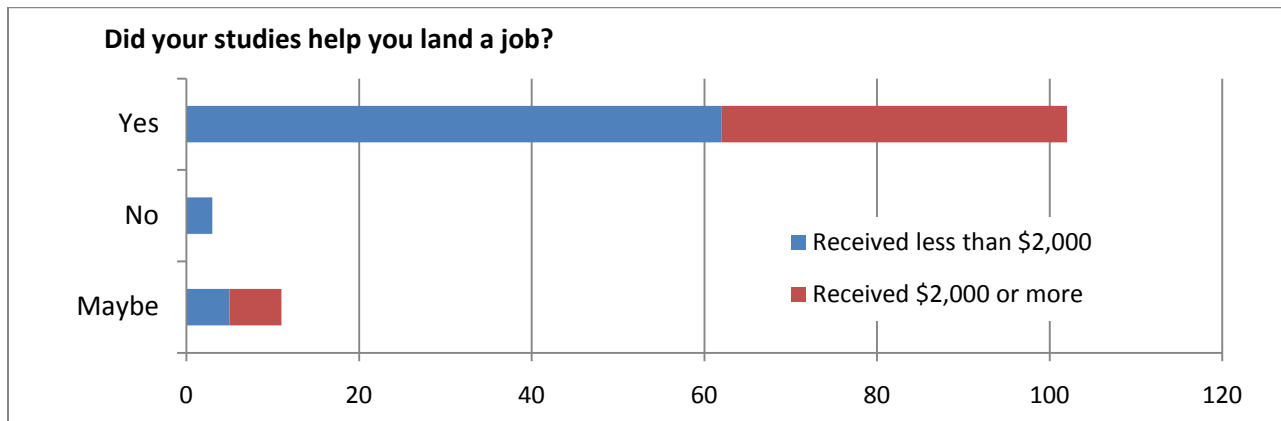
Figure 2 Did Postsecondary Studies Help In Your Life?



“Receiving this grant was a huge encouragement as it came during a family crisis, and acted (as) a source of hope and inspiration to continue and excell in my program. Consequently, I graduated with a 3.8 GPA. Furthermore, because of the Alaska Education Grant, I was able to complete my nursing degree without taking out a loan. I am extremely grateful for the AlaskAdvantage Program and the chance they gave me to become a nurse”

(AEG recipient commenting on how the AEG assisted in their educational pursuits.)

Figure 3 Did Postsecondary Studies Help Land A Job?

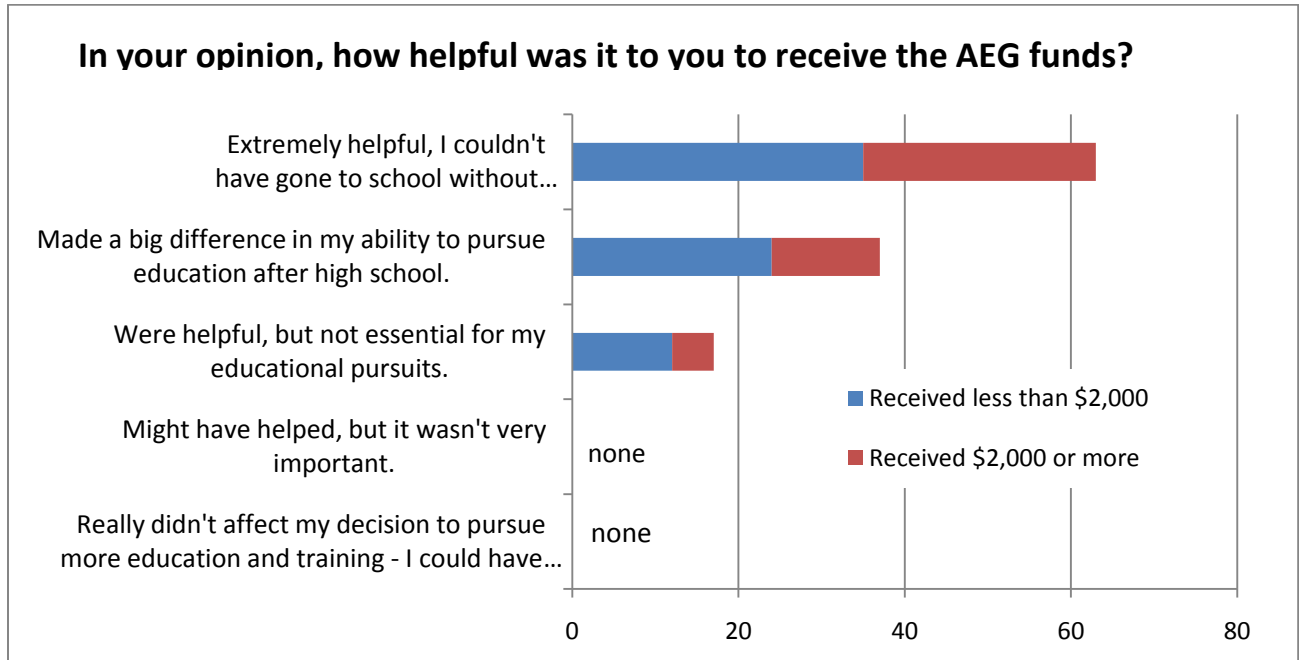


For the first question, whether postsecondary education had helped AEG recipients in their lives, all of those students receiving at least \$2,000 in AEG funds responded yes. (In this Section, blue bar charts represent students receiving less than \$2,000 in AEG awards, and red represents those receiving at least \$2,000.)

When asked to choose among five statements regarding how much the AEG funds had helped them in their pursuit of postsecondary education, the majority expressed that it was extremely helpful or had made a big difference in their ability to continue their education. (See Figure 4.)

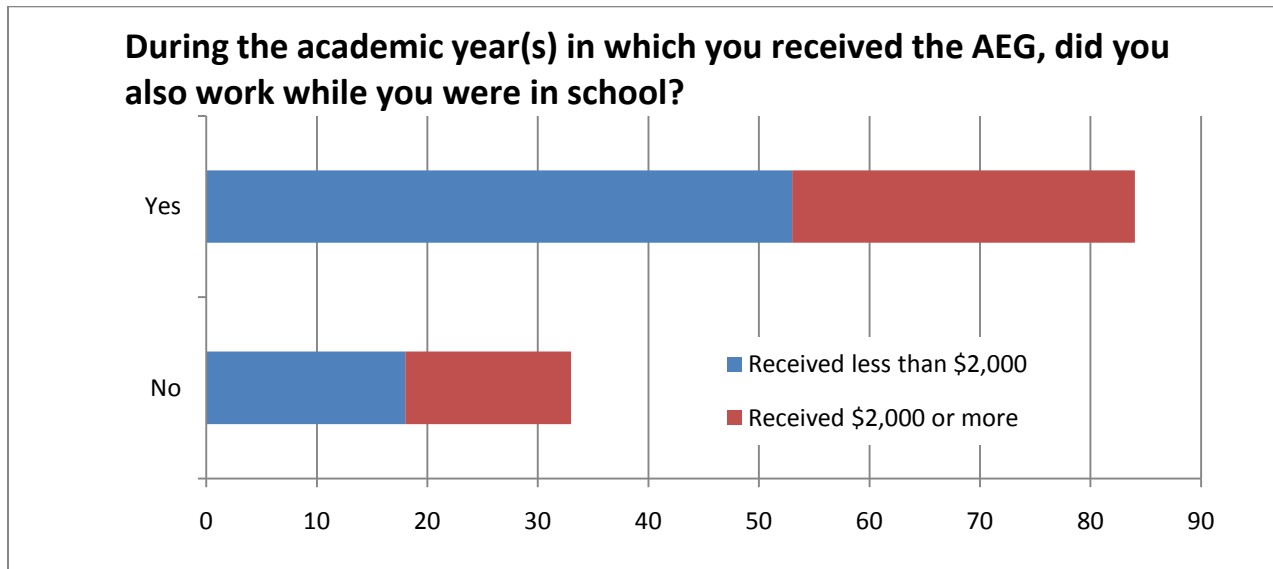
“The grant allowed me to finish my Bachelors of Education Degree. I am now a certified teacher and able to positively influence the future of many young students.”
(AEG recipient commenting on how the AEG assisted in their educational pursuits.)

Figure 4 How Helpful Was It To Have Received AEG Funds?



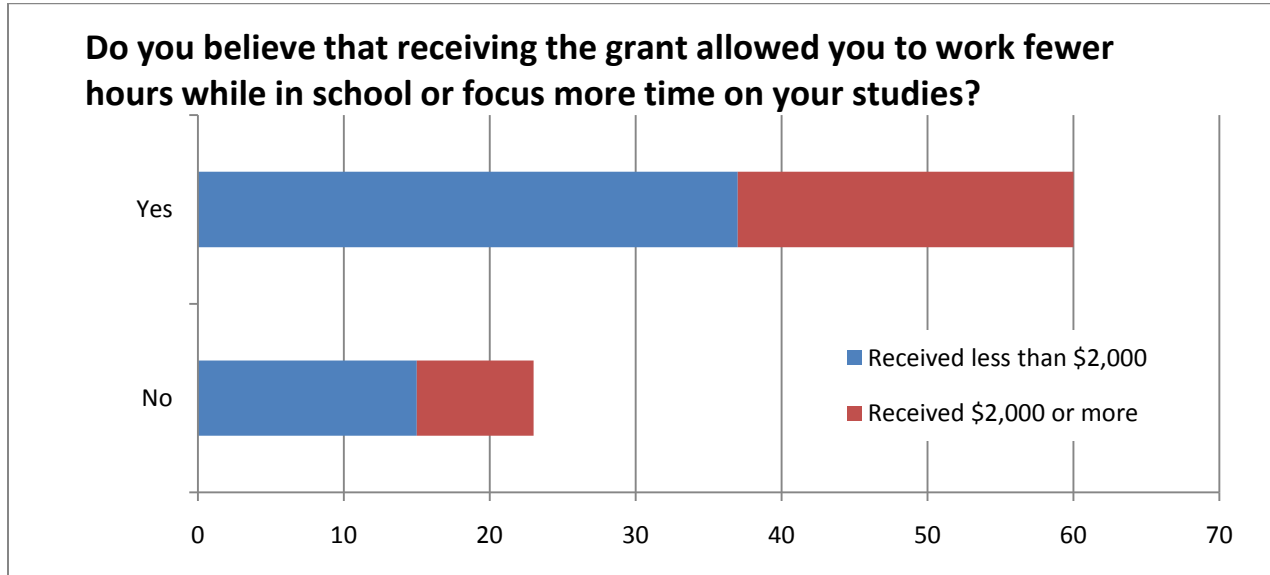
Even though they received an award, 84 students, or over 70 percent of respondents, reported that they continued to work while in school. (See Figure 5.) This is not surprising, given that the average AEG award covered only 6% to 8% of their average unmet need.

Figure 5 Did You Work While In School?



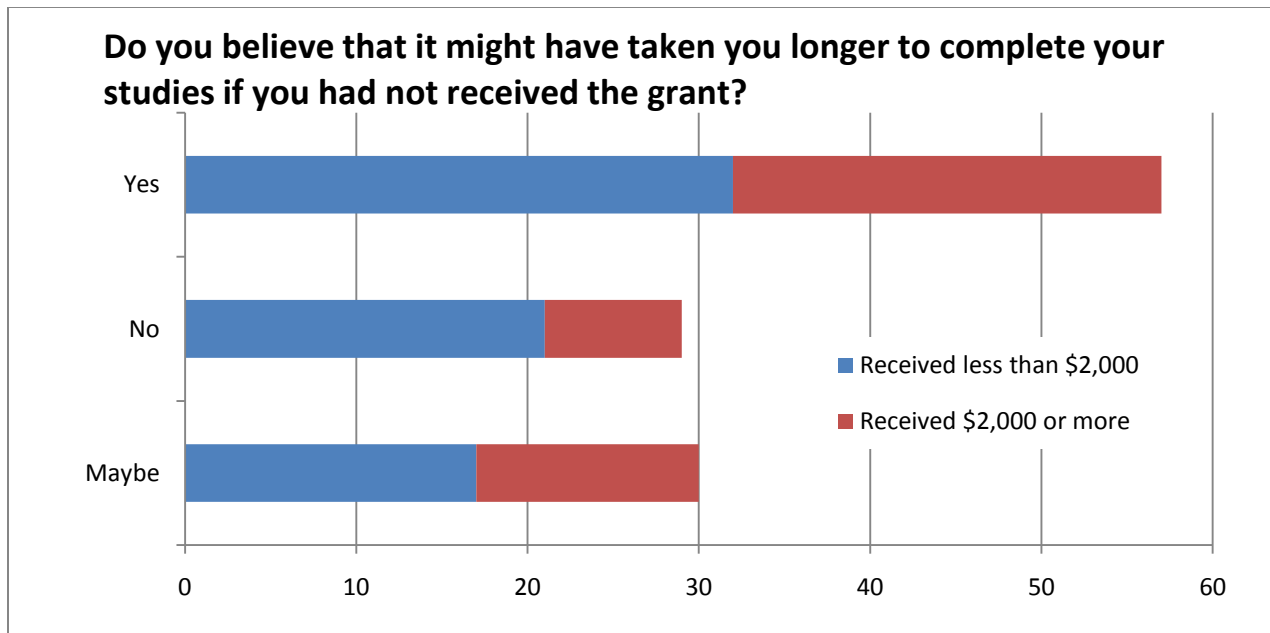
Of the 84 working students, 60 responded that by receiving the AEG award they were able to work fewer hours or were able to focus more time on their studies.

Figure 6 By Receiving the Grant, Did You Work Fewer Hours/Study More?



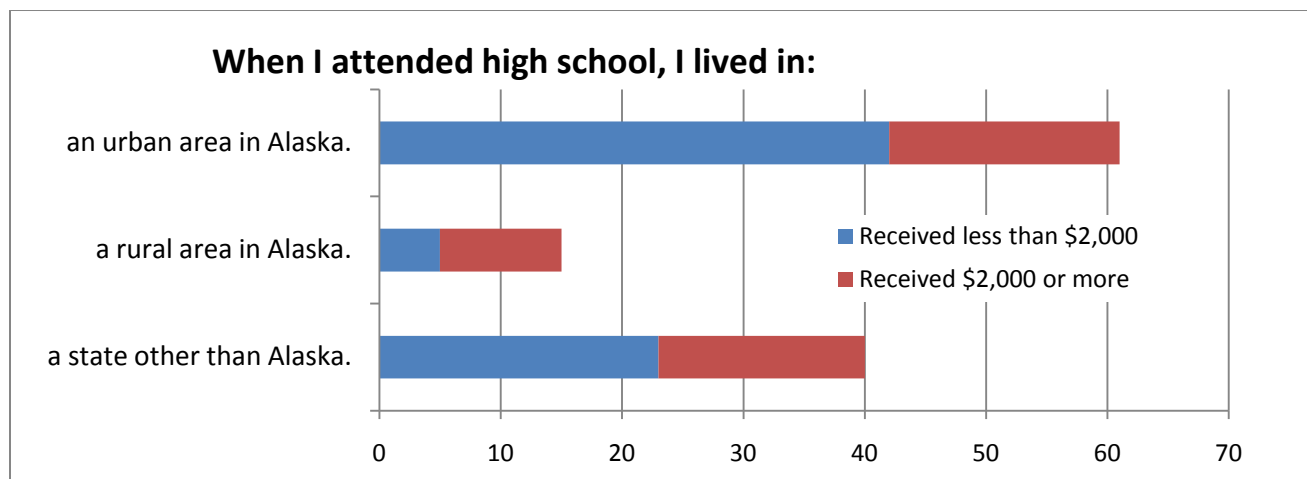
Overall, one-half of the respondents felt it would have taken them longer to complete their studies had they not received an AEG award. (See Figure 7.)

Figure 7 Would Completing Studies Have Taken Longer Without the Grant?



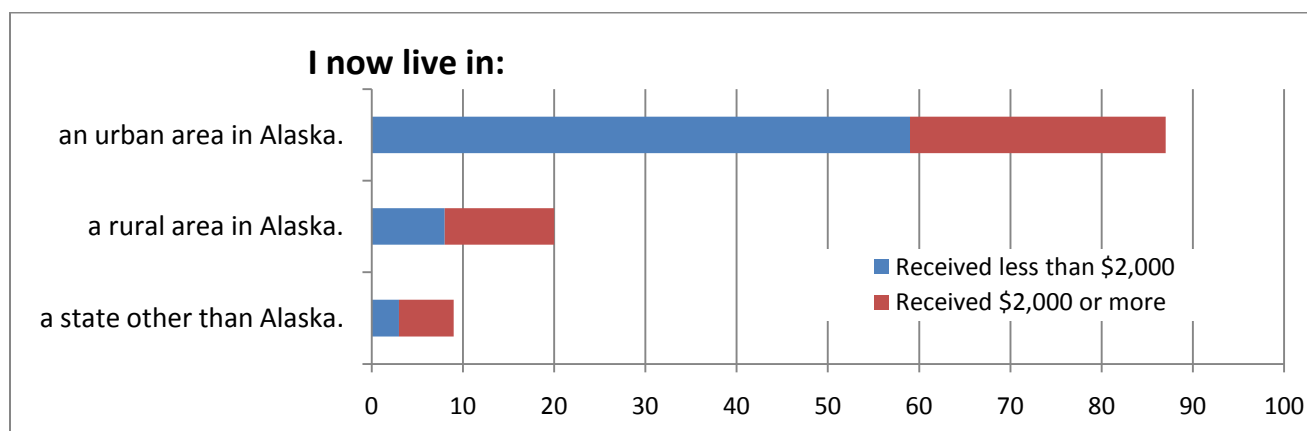
Given the requirements that recipients must be Alaska residents and attend an Alaska-based postsecondary institution, it seems likely that recipients would have graduated from Alaska high schools. While this is mostly true, approximately one-third of AEG survey responders attended high school in another state. This finding is less startling when one considers that the average recipient is approximately 30 years of age.

Figure 8 High School Completion by Place of Residence



Even though the AEG survey responders may have attended high-school in another state, a much smaller number have left Alaska subsequent to receiving their grants. Only nine of the recipients responding to the survey currently live outside of Alaska, though this number could well rise in future years.

Figure 9 Recipients' Current Place of Residence



It's not surprising that most respondents do not consider themselves as having completed their educational pursuits, since they just recently received an AEG. Only 12 respondents said they had completed their postsecondary education, with 11 having received a bachelor's degree and

one an associate's degree. Of the remaining 90 percent, the majority indicated their intention to continue their postsecondary education in pursuit of, at a minimum, a bachelor's degree; 90 percent of these students plan to complete their studies in Alaska. (See Figures 10 and 11.)

Figure 10 Certificate and Degree Completion Plans for Continuing Recipients

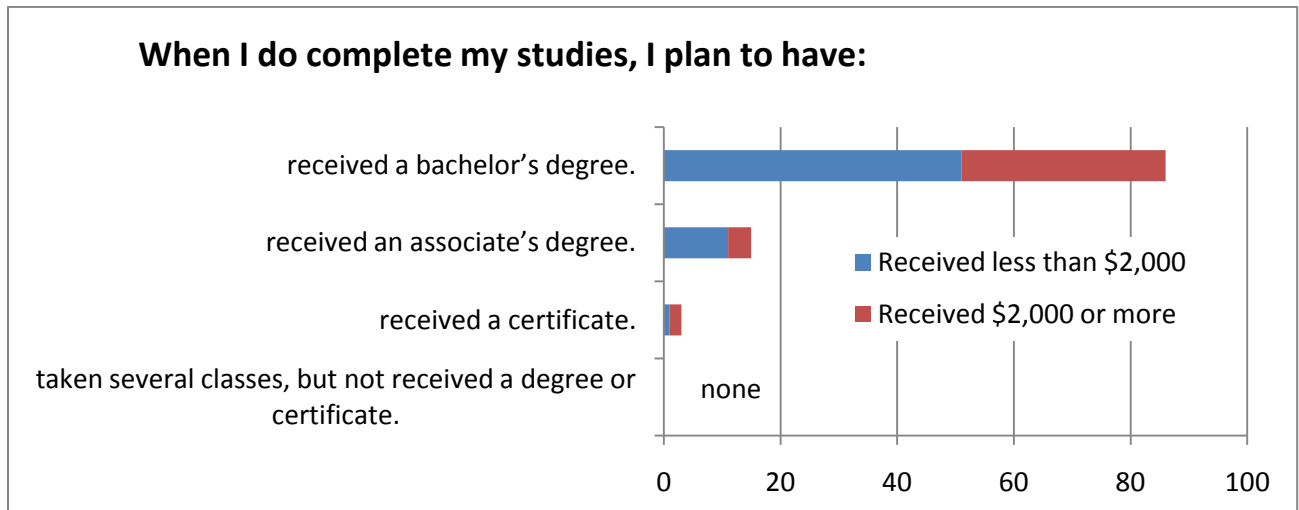
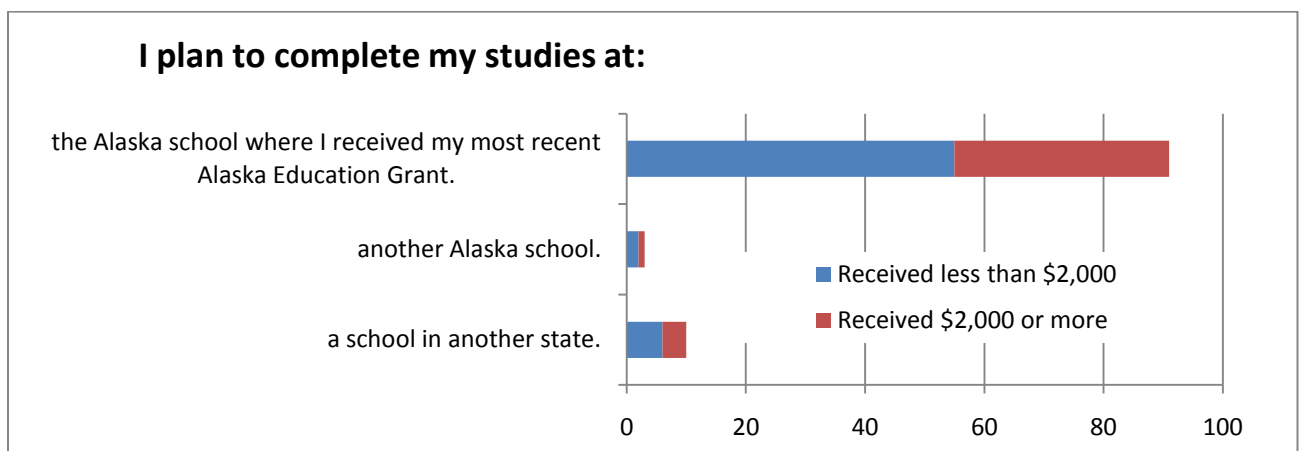


Figure 11 Recipients' Degree/Certificate School Completion Plans



SECTION IV: AEG RECIPIENT AS FIRST GENERATION ATTENDING POSTSECONDARY INSTITUTION INFORMATION

The basic policy of the AEG Program is to “provide financial assistance to eligible students to enable them to attend, or continue their attendance at, postsecondary educational institutions.” For many students, closing the unmet needs gap is often times accomplished by borrowing student loans, though some students are more likely to make use of student loans than are others.

Studies have shown students who are the first generation in their family to pursue postsecondary instruction are less likely to apply for student loans^{19, 20}. As identified in student surveys, reasons for this debt aversion include the fear of being unable to repay the loans given the current earning potential of the family, a lack of financial sophistication that increases apprehensions for taking out loans, and the lack of a tangible asset, for example a car or a home, being associated with the loan. For these students, receiving the grant may be a more vital factor influencing their decision to continue their postsecondary education than for any other group.

There were a total of 1,539 AEG recipients indicating that they were the first generation in their family to pursue postsecondary education. This population has so far received a total of 1,976 AEGs during the six years of the program’s existence, or slightly more awards per student than the average recipient. This accounts for the slightly higher cumulative award amounts for first generation recipients than for non-first generation recipients.

FAFSA filers are not required to provide information on whether earlier generations of their family had pursued postsecondary education, so we do not have complete information for all students. However, for those answering this question, 40% indicated they were the first generation in their family attending a postsecondary institution, or over one-third of the entire population of AEG recipients. (See Table 10.)

¹⁹ Pamela Burdman, “The Student Debt Dilemma: Debt Aversion As A Barrier To College Access,” Center for Studies in Higher Education, October, 2005.

²⁰ *Research to Practice* brief: “Cost Perceptions And College-Going For Low-Income Students,” Institute for Higher Education Policy, Spring, 2010.

Table 10 Headcount and Percentage of AEG Recipients as First Generation to Attend Postsecondary Status, Unique Recipients

	Headcounts			Average Unmet Need ²¹
	First Generation Attending?	Percentage of Reporting Recipients	Avg. Cumulative Award Amounts	
Yes	1,539	40.6%	\$ 1,273	\$12,767
No	2,248	59.4%	\$1,195	\$12,928
No Answer	674		\$1,063	

The ratio of female-to-male first generation recipients is nearly identical to that of the overall recipient population, at 2:1. Annual award amounts and unmet need were also very similar to the overall population of AEG recipients.

Table 11 AEG Recipient as First Generation to Attend Postsecondary Institution Headcounts, Average Award Amounts and Average Unmet Need by Academic Year

Academic Year	AEG Recipient as First Generation Attending Postsecondary		
	Recipients ²²	Average Award Amount	Average Unmet Need
2005-06	86	\$1,138	\$8,956
2006-07	127	\$1,040	\$12,223
2007-08	238	\$1,049	\$12,967
2008-09	896	\$968	\$11,519
2009-10	331	\$1,012	\$14,549
2010-11 ²³	298	\$927	\$15,711

²¹ Average Unmet Need includes the unmet need calculations for all recipients and in all academic years in which a student received an award. With this approach, a student receiving awards over several years has more of an effect on the average unmet need calculation than a student who received only one AEG award.

²² Recipients can be eligible to receive the AEG funds for multiple years. The average is 1.28 annual awards per first generation attending postsecondary recipients.

²³ Data for 2010-11 is preliminary, and subject to revision based upon additional recipients receiving a grant during the spring or summer semesters of this academic year.

The racial and ethnic breakdown of first generation recipients is also very similar to the overall population. Black or African American, Hispanic and American Indian or Alaska Native recipients were slightly more likely to be first generation pursuing postsecondary education, and White and Asian and Pacific Islander students were less likely to be first generation.

Table 12 Headcount and Percentage of AEG Recipients as First Generation to Attend Postsecondary Institution by Race/Ethnicity, Unique Recipients

Race/Ethnicity	Headcounts		Percentage of Reported Recipients	Avg. Cumulative Award Amounts	Average Unmet Need
	All	First Generation			
American Indian / AK Native	551	205	37.2%	\$1,122	\$12,306
Asian / Pac Islander	254	87	34.3%	\$1,210	\$12,270
Black / African American	216	82	38.0%	\$1,159	\$12,720
Hispanic (of any race)	273	103	37.7%	\$1,116	\$12,754
Two or more races	222	84	37.8%	\$1,293	\$13,440
Unknown / Blank	283	76	26.9%	\$935	\$12,565
White	2,661	902	33.9%	\$1,368	\$12,863

“I was able to attend college full time, completing my studies faster.”
 (AEG recipient commenting on how the AEG assisted in their educational pursuits.)

SECTION V: OTHERWISE ELIGIBLE STUDENTS WITH INSUFFICIENT UNMET NEED, AND THE COSTS TO FUND THEM

Beginning with the 2008-09 academic year, a minimum unmet need threshold (above the \$500 minimum set in law) has established for each program year. The intent was to more efficiently ensure that the limited AEG funds went to those students with the greatest unmet costs of attending postsecondary education institutions.

These thresholds, starting at \$8,000 in 2008-09 and rising to \$14,300 in 2010-11, created a population of applicants who met all the eligibility requirements for the AEG, but whose unmet need fell below that program year's threshold and therefore did not receive an AEG award. In some cases, students were eligible for an award in one year, had very little change in their level of unmet need in the subsequent year, yet were ineligible to receive a second award because the need threshold had been raised. (For more information see the sidebar "ASSUMPTIONS REGARDING FUNDING OF UNMET NEED".)

There were a total of 5,054 individuals identified as meeting the eligibility requirements for the AEG, and having unmet need of at least \$500 but less than the applicable need threshold in a given year.²⁴ The number of unfunded potential awards was 6,120 in the past three years, as a student could be eligible yet unawarded in multiple academic years.

As previously noted, all award recipients receive at a minimum a Standard Award, but can receive additional Priority Awards based on their program of study or their secondary school academic achievement. Nearly 30% of the unfunded but eligible students would have also qualified for a Priority Award in any given year.

ASSUMPTIONS REGARDING FUNDING OF UNMET NEED

There are several populations of potential AEG recipients who did not receive an award. Some populations are easily defined, others less so. In other sections of this report, we examine only those students who were awarded an AEG. These students met all of the AEG eligibility requirements, defined in Section I of this report, and had a sufficiently high unmet need to actually receive an award.

In this section of the report, we consider only those students attending an AEG-participating postsecondary institution, who met all of the AEG requirements, including the timely FAFSA filing, but did not receive any AEG funds. These students had an unmet need of at least \$500 (as required in the AEG statutes) but less than the unmet need threshold amount for that year. Since these students were already attending an AEG-participating school, they would have received an award if additional funds had been available. These funding estimates are based on the actual enrollment behavior of the eligible but unfunded students. If an AEG award would have changed these students' behaviors – for example, if the award would have allowed part-time students to attend on a full-time basis – then these estimated funding costs could be greater.

(continued on page 30)

²⁴ This analysis looks only at academic years 2008-09 through 2010-11. The latest year's data may change as more students are awarded in the spring who were otherwise ineligible in the fall of 2010, meaning that students currently identified as eligible but who were originally below the unmet need threshold may become eligible.

Table 13 Count of Unfunded Awards by Type and Academic Year

Academic Year	Count of Awards	
	Standard Awards	Priority Awards
2008-09	742	196
2009-10	2,518	718
2010-11	2,860	771

Considering that in 2008-09 the AEG program was highly funded, it is not surprising there were far fewer unfunded awards in that year compared to the subsequent two years.

Previously, we found dependent students were much more likely to have been awarded in 2008-09 than in other years, because dependent students tended to have a lower, though still sometimes significant, unmet need.

“If you funded me continuously, that would be more helpful.”
(AEG recipient commenting on how to improve the AEG program.)

This conclusion is confirmed when analyzing the dependency status of students who were eligible for an AEG award but fell below the required unmet need thresholds. Nearly one-half of the unfunded yet eligible students were dependent, though dependent students have made up less than 2% of the award recipients in the last two years.

“I was unfortunately unable to continue higher education because I could not receive the financial aid necessary to do so, but while attending UAS, the AEG helped me pay for classes I wouldn't have otherwise been able to take due to the high cost of higher education.”
(AEG recipient commenting on how AEG assisted in their educational pursuits.)

Table 14 Dependency Status of Unfunded Eligible Students

Dependency Status	Number of Students	Percent of Total
Dependent	2,421	47.9%
Independent	2,633	52.1%

Similarly, we found students receiving AEGs were more likely to be full-time, with a low of 72% full-time in 2008-09, and a high of over 97% in the current population of 2010-11 recipients. The high funding and lower unmet need thresholds in 2008-09 – and the increase in the percentage of half-time student recipients in that year – imply that reducing the unmet need threshold would bring in a larger proportion of half-time students. The data confirms this.

For the last three years of the program, nearly one-third of the unfunded but eligible students were attending less than full-time. If these students had received an AEG, it is likely that some percentage would have attended school on a full-time basis and, it is hoped, would receive their degrees sooner. However, it appears the population not receiving an AEG is more likely to attend less than full-time.

Table 15 Enrollment Status of Unfunded Eligible Students

Enrollment Status	Number of Students	Percent of Total
Full-Time Attending	3,425	67.8%
Less Than Full-Time Attending	1,629	32.2%

Other attributes of the unfunded but otherwise eligible populations were similar to the students receiving AEG awards. The gender mix was 2:1, female to male. Approximately one-fourth would have been eligible to receive priority awards, and the proportion of students pursuing the various priority programs of study was very similar to the AEG recipient population.

Nearly the same percentage of unfunded students identified themselves as being the first generation in their family to pursue postsecondary education. Ethnic breakdowns were very similar, with a slightly smaller percentage of White students included in the unfunded eligible population, with this difference being spread among the other ethnic groups.

MEASURING THE EXTENT OF THE UNDERFUNDING ISSUE

Because AEGs are intended to provide financial assistance to students to enable them to pursue their postsecondary education, it's impossible to identify exactly how much additional funding would be needed to provide the award to every student who met the eligibility requirements defined in the statutes. With additional funds, more students might decide to pursue postsecondary education, or continue in school longer. Currently unfunded part-time students might, if provided the funds, decide to go full-time and be eligible for an even greater award.

There are large differences in the total funds available to make awards over the past three years: 2009-10 total awards were less than one-half of those in 2008-09. Because of this, it should be expected that the amounts required to award the unfunded students would fluctuate greatly over these years. Also impacting the amounts needed to award unfunded students is the recent trend in Alaska for a greater percent of students to complete the FAFSA, impacting the size of the AEG applicant pool.

However, it's possible to estimate how much it might cost to provide funding to all eligible students based upon their actual behaviors. If we look at the population we reviewed above – students eligible in all aspects except that they had insufficient unmet need to meet the required threshold to receive an award in a given program year – we can derive such an estimate. (See Table 16.)

ASSUMPTIONS REGARDING FUNDING OF UNMET NEED

(continued from page 27)

Some Alaskan students were otherwise eligible for an AEG award, but did not factor it into their education planning because they may not have been aware of its existence. They may have filed a FAFSA after the April 15th deadline, or not filed one at all. Or, students may have decided to attend a non-participating school, not knowing they could have qualified for an AEG award if they attended a participating school in Alaska. These students were not included in this analysis. Inclusion of these students, particularly combined with any significant shift toward full-time enrollment, would also result in the required additional funding being higher than these estimates.

Finally, it is reasonable to posit there is a population of high school graduates who believe they could not afford postsecondary education and were unaware of the AEG. Within this population there would be some students who may have pursued additional education if they only knew about the award. The inclusion of these students would widen the funding gap even more.

Table 16 Additional Funding Required To Award All Eligible Students by Academic Year

Academic Year	Amount to Fund All Otherwise Eligible But Currently Unfunded Students Based On Insufficient Unmet Need			Avg Award Amount
	Standard Awards	Priority Awards	Total, All Awards	
2008-09	\$657,727	\$186,881	\$844,608	\$1,138
2009-10	\$2,161,652	\$622,352	\$2,784,004	\$1,106
2010-11 ²⁵	\$3,399,209	\$907,517	\$4,306,726	\$1,506

These estimates assume students would use their maximum eligible award amounts based on their school-certified enrollment status. (See sidebar for a discussion of the various unfunded student populations.) In reality, many students change their enrollment status mid-year, resulting in a changed award amount. For example, students initially attending full-time in the fall dropping to half-time in the spring receive only 75% of their original award amounts. However, non-recipients might be able to take more classes if they received an award, so their enrollment status might have changed.

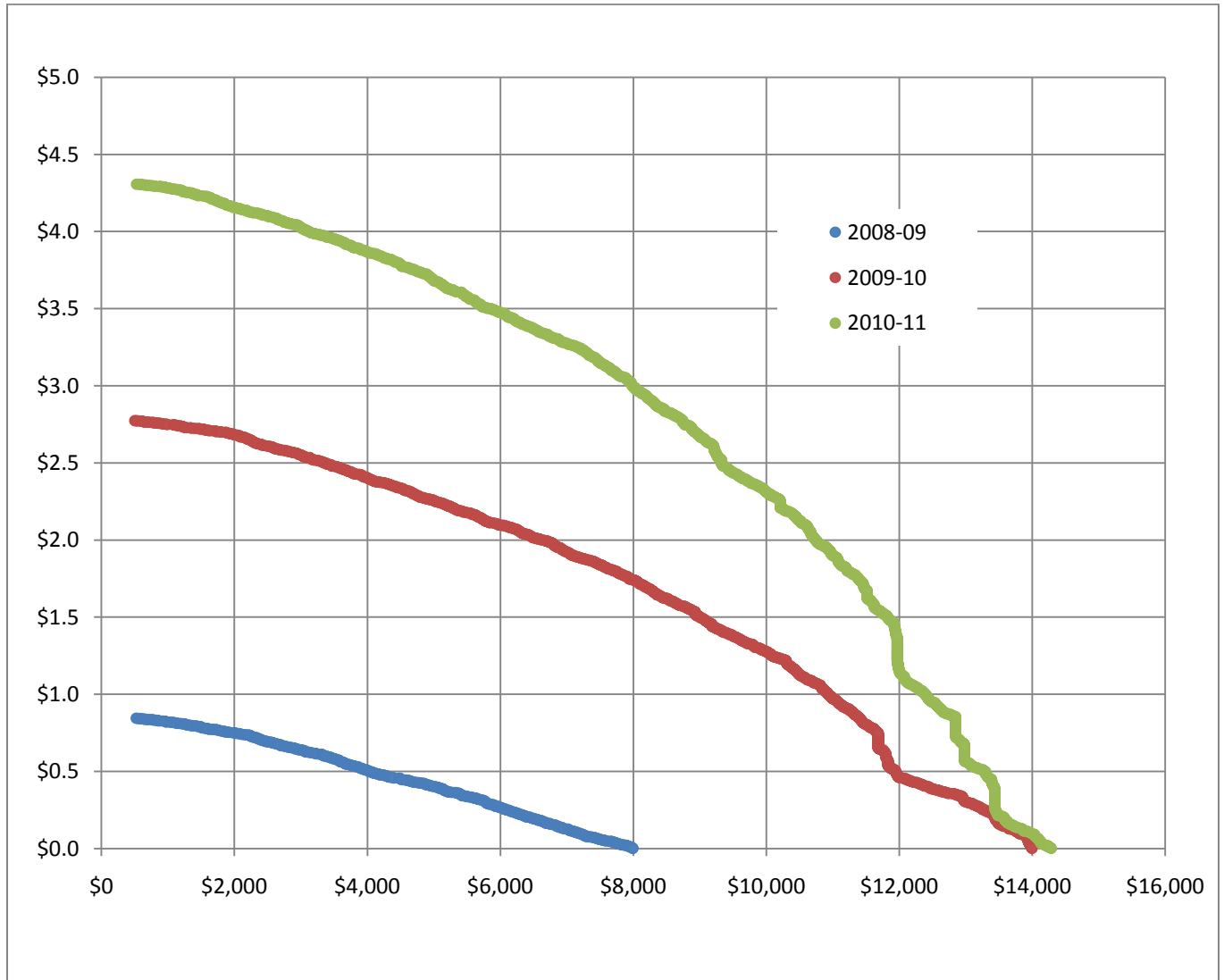
“The grant program is extending itself to as many Alaskans as possible. The work that has been done is great. The only difference, like most grants, is to make more money (available.) Increasing the financial depth to how much it may provide Alaskans is critical in improving the number of recipients across the state.”

(AEG recipient commenting on how to improve the program.)

Of course, the decision to fund additional students is not one with a simple yes/no answer; there is a range of costs associated with funding more students based on the students’ unmet need. The chart below graphs the amount of additional funding required (the vertical axis) to lower a particular year’s unmet need threshold to a new, lower level (the horizontal axis.) For example, in 2009-10, the red line, the unmet need threshold was \$14,000. To have lowered the threshold to \$8,000, the level used in 2008-09, would have required an additional \$1.75 million. (See Figure 12.)

²⁵ In 2010-11, the AEG award was increased by 50 percent. This increase is at least partially responsible for the large increase in the unfunded award amounts and the average award amount in that year. Data for 2010-11 is preliminary, and subject to revision based upon additional recipients receiving a grant during the spring or summer semesters of this academic year.

Figure 12 Additional Funding Requirements To Reduce Unmet Need Thresholds By Year
(Millions of Dollars)

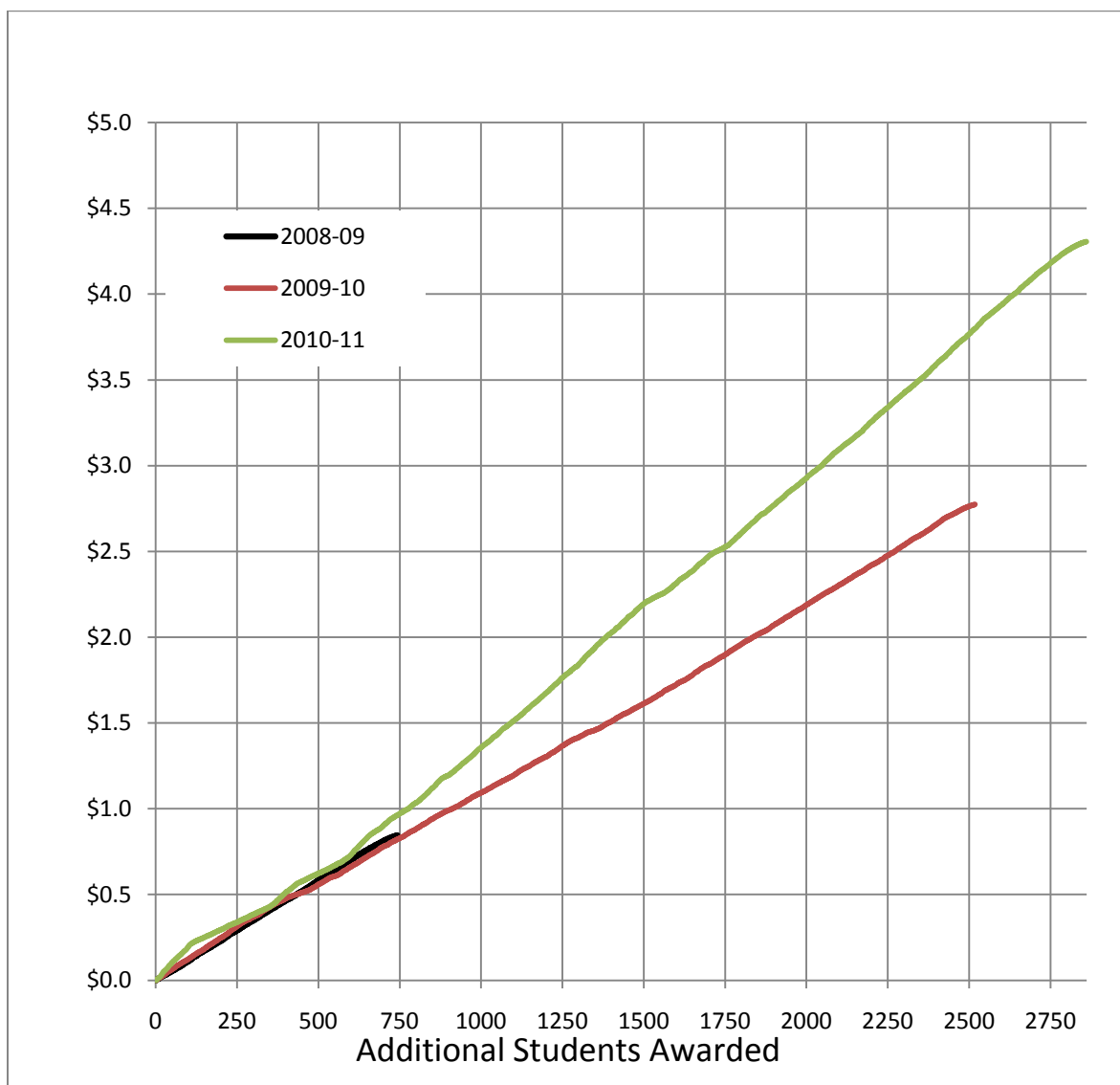


"It does not offer enough assistance. My degree is a 4 year degree and assistance is needed for an additional year."

(AEG recipient commenting on how to improve the program.)

Another way to consider the costs of awarding additional grants would be to consider how many more students could be served with a given increase in funding. Using the chart below, in 2009-10, an additional 900 students would have received an award if there had been an additional \$1 million in award funds available. For 2010-11, 775 additional students would have received funding based upon the 50% increase in award amounts from the prior academic years.

Figure 13 Cumulative Award Funding Required to Award Additional Students, Based on Highest Unmet Needs, By Academic Year
(Millions of Dollars)



APPENDIX A: BRIEF OVERVIEW OF AWARDING PROCESS

Program Year	Awarding Process	Year-by-Year Description
2005-2006 (Year 1)	<p>Certify-then-Award approach:</p> <ul style="list-style-type: none"> Students who met application deadline and have qualifying enrollment are ranked based on highest unmet need and awarded until available funds are exhausted. Required disbursement dates to be pre-scheduled 	<u>2005 – 2006</u> : First year of AEG program; certification process was entirely manual. Funding sources: US Dept. of Education LEAP/SLEAP program and ASLC matching funds.
2006-2007 (Year 2)		<u>2006 – 2007</u> : Electronic certification process implemented, allowing UA schools to certify grants by transmitting enrollment data to ACPE via secure FTP. Files then loaded into GrantNet. All other schools continue to use manual certification process.
2007-2008 (Year 3)		<u>2007 – 2008</u> : E-Cert process continued, with further enhancements and refinements.
2008-2009 (Year 4)	<p>Award-then-Certify approach:</p> <ul style="list-style-type: none"> Modeling reports, based on previous year data, are used to establish an unmet need threshold, above which all initially eligible students are awarded. Upon confirmation by the school of qualifying enrollment, a grant is disbursed. This awarding process change provides ability for disbursements to be issued to school via “request payment” option. Pre-scheduled disbursement dates no longer required. 	<u>2008 – 2009</u> : \$2.5 million in GF appropriated in capital budget, to be spent over three program years. First year using modeling reports to establish unmet need threshold; \$8,000
2009-2010 (Year 5)		<u>2009 – 2010</u> : Unmet need threshold set at \$14,000
2010-2011 (Year 6)		<u>2010 – 2011</u> : Per statutory change, cumulative max increased to \$12,000. Annual award maximum increased from \$2,000 (FT, Priority Eligible award) to \$3,000. Unmet need threshold set at \$14,300. ASLC did not provide funding for LEAP/SLEAP match; State of Alaska provided LEAP/SLEAP match.

APPENDIX B. GLOSSARY²⁶

Academic Year: A period of time schools use to measure a quantity of study. For example, a school's academic year may consist of a fall and spring semester during which a full-time undergraduate student must complete 24 semester hours. Academic years vary from school to school and even from educational program to educational program at the same school.

Alaska Advantage Education Grant Program (AEG): The state's need-based financial aid program, providing assistance to eligible Alaska residents attending qualifying postsecondary educational institutions in Alaska. The AEG was the aid program developed to allow the state to participate in the federal LEAP grant program. The program was specifically designed to set aside a portion of available grant funds as priority awards for applicants demonstrating exceptional academic preparation for higher education (as documented by top quartile SAT or ACT scores), and for otherwise eligible applicants enrolled in qualifying workforce shortage programs

Alaska Student Loan Corporation (ASLC): The Alaska Student Loan Corporation (ASLC), a public corporation and governmental instrumentality with a legal existence independent of and separate from the State, was created to fund the lending and operations activities of the Alaska Commission on Postsecondary Education without demand on the State's General Fund. The Executive Director of the Commission is also the Executive Officer of ASLC.

Certification (of student roster data): Certification is a process where a school verifies the data reported on a student's FAFSA, and confirms that the student has qualifying enrollment and unmet need at that school.

Cost of Attendance / Standard Cost of Attendance: For purposes of the AEG, Alaska Administrative Code defines cost of attendance as the average annual cost of tuition and required fees at the University of Alaska system for both full-time and half-time attendance, plus the annual average cost of living for both dependent and independent students.

Dependency Status (Independent / Dependent): Federal financial aid regulations define an independent student as one of the following: at least 24 years old, married, a graduate or professional student, a veteran, a member of the armed forces, an orphan, a ward of the court,

²⁶ Some definitions provided by the U.S. Department of Education, available at <http://studentaid.ed.gov/PORTALSWebApp/students/english/Glossary.jsp>, and by "FinAid! The SmartStudent Guide to Financial Aid," available at www.finaid.org.

or someone with legal dependents other than a spouse. Independent students do not include their parents' income and asset information on their FAFSAs. A student who does not meet any of the criteria for an independent student is considered to be dependent. Dependent students are required to provide parent income and asset information on their FAFSAs. The AEG program is partially funded by federal LEAP funds which require consideration of the dependency status of grant recipients.

Enrollment Status (full-time, half-time): For undergraduates, "full-time" generally means taking at least 12 credit hours in a term or 24 clock hours per week. "Half-time" generally means taking at least 6 credit hours in a term or 12 clock hours per week.

Expected Family Contribution: The Expected Family Contribution (EFC) is a dollar amount that is used for determining a student's eligibility for federal student financial aid. This amount is derived from the financial information provided in the student's FAFSA application, and is reported to a student on their Student Aid Report (SAR).

First-Generation Attending Postsecondary Institution: This term shares two definitions. Some studies define first-generation students as "those whose parents' highest level of education is a high school diploma or less." In other studies, first-generation has been defined as students "who are the first members of their families to attend college." For this report, a student is considered to be a first-generation attending postsecondary education if neither of the student's parents received a college diploma, even if the parents attended a postsecondary institution.

First-Time Freshman: An entering freshman who has never attended college. It includes students enrolled in the fall term who attended college for the first time in the prior summer term.

Free Application for Federal Student Aid, or FAFSA: Federal form used to apply for federal need-based aid, such as Pell Grants, federal student loans, and many state grants. Submitting a FAFSA by April 15th is one of the requirements for a student to receive an AEG award.

Individual Student Institutional Record, or ISIR: A report that summarizes the information included in the FAFSA that is provided to the school's Financial Aid Office. The ISIR indicates the amount of Pell Grant eligibility, if any, and the Expected Family Contribution (EFC).

Leveraging Educational Assistance Partnership Program (LEAP): This U.S. Department of Education program provides grants to states to assist them in providing need-based grants and

community service work-study assistance to eligible postsecondary students. States must administer the program under a single state agency and meet maintenance-of-effort criteria.

Non-Self Help Aid: Non-self help aid is considered “gift” financial aid, in that the recipient is not committed to repaying or working in exchange for the aid. Examples include Pell Grants or other institutional or private scholarships or grants.

Priority Awards (See also “Standard Awards.”): Priority awards are supplemental award amounts to qualifying AEG recipients. Students may qualify by enrolling in a program of study designed to lead to employment in an Alaska workforce shortage area, or by documenting, via a qualifying ACT or SAT score, participation in a secondary education program of study that is a predictor of postsecondary education success.

Priority Programs: Each year, ACPE awards a portion of the available grant money to applicants enrolled in a program of study designed to lead to employment in a workforce shortage area. For 2010-11, those programs included Allied Health Sciences, Process Industries, Protective and Social Services, and Teaching and Education. Priority program participants receive a priority award, which is twice the amount of funding as a standard award recipient.

Program Participants: Individual students who receive an award. Because a student can receive several awards over multiple years, there will be fewer program participants than there are grants awarded.

Satisfactory Academic Progress: To be eligible to receive an AEG award, students must meet and maintain their school’s standards of satisfactory academic progress toward a degree or certificate offered by that institution. There are no federal- or state-defined standards for satisfactory academic progress. However, each school is required to establish its own satisfactory academic progress policy in order to comply with Title IV of the Higher Education Act of 1965.

Standard Awards: (See also “Priority Awards.”): All AEG recipients receive a Standard Award, though some students are eligible to receive a Priority Award in addition to a Standard Award. From 2005-06 through 2009-10, the Standard Award amount was \$1,000 for full-time students and \$500 for half-time students. These amounts increased by 50% beginning with the 2010-11 academic year.

State Student Incentive Grants, or SSIG: The federal/state financial aid partnership to provide need-based grants, which was the precursor to the current LEAP program. In Alaska, the program was known as the State Educational Incentive Grant, or SEIG.

Unmet Need: Unmet need is the difference between the Expected Family Contribution plus any available Non-Self Help Aid and the Standard Cost of Attendance. Unmet Need is based on the student's enrollment and dependency status. A student must have at least \$500 in unmet need to be eligible for an AEG award. (See Unmet Need Threshold.)

Unmet Need Threshold: The amount of unmet need required to be eligible to receive an AEG award, determined annually. Students with the highest levels of unmet need must be awarded first, and given the funding constraints of the AEG program, this creates a "threshold" that divides the AEG recipients and non-recipients. In 2008-09, the threshold was \$8,000, rising to \$14,300 in 2010-11.