

Alaska Commission on Postsecondary Education



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MEMORANDUM

TO: Members, Alaska Commission on Postsecondary Education
FROM: Diane Barrans, Executive Director
DATE: July 13, 2015
SUBJECT: Executive Director's Report/Legislative Update

Following is a brief overview of the status of legislation of interest to the Commission as well as other items of note.

The First Regular Session of the 29th Alaska Legislature convened January 20, 2015 and adjourned April 27, one week past it's originally scheduled adjournment date. Bills in the deliberative process included:

- **SJR2** by Senator MacKinnon would permit, subject to approval by a vote of the general electorate, the issuance of General Obligations of the State of Alaska for the purpose of funding postsecondary student loans. SJR2 is now in the House for consideration having passed the Senate with a 19 to 1 vote. It was given three committees of referral: Education, Judiciary and Finance. Representative Scott Kawaski has signed on as a cross sponsor.
- **SB3** by Senator Stevens relates to the collection, storage and handling of student data. DEED would be required to appoint a chief privacy officer charged with developing and implementing related policies and procedures. SB3 further directs the UA Board of Regents, the Commission, and authorized postsecondary education institutions to adopt student data policies and procedures consistent with those of DEED. The bill has two committees of referral, Education and Finance, and was not the subject of any hearings.
- **HB54** by Representative Kawasaki establishes institutes of medicine and law at the University of Alaska. The bill has two committees of referral to Education and Finance and was not scheduled for any hearings.
- **HB63** by Representative Gara proposes to reduce interest on postsecondary education loans for Alaska residents. HB63 provides an interest rate reduction, stipulating a borrower may be eligible for up to a 2.5% interest reduction on qualifying loans each year a borrower remains in or returns to Alaska. There are residency and education attainment

requirements. ACPE does not currently collect academic progress or completion data from borrowers, creating administrative challenges to determining eligibility. The bill has two committees of referral, Education and Finance, and was not the subject of any hearings.

- **HB80** by Representative Gattis repeals the requirement for secondary students to take college and career readiness assessments. On April 18, HB80 passed the House on a 25 to 15 vote and is now in the Senate for consideration. It has two committees of referral to Education and Finance.
- **CSHB85** by Representative Reinbold, among other changes, creates new data reporting responsibilities for DEED, places certain limitations on the use of student data, adds new district-level data management requirements, allows students to opt out of assessments and repeals the college or career readiness assessment that is currently required for high school graduation. The bill was heard, amended and passed out of the Education committee and is awaiting a hearing in Finance.
- **CSHB107** by Representative Gattis relates to the size and composition of the Board of Regents of the University of Alaska. This bill requires geographic representation by requiring at least five members be from designated state regions, two additional members as members at large; and one full-time University of Alaska student. The bill was heard, amended and passed out of the Education Committee and on April 14th passed out of the House on a 26 to 13 vote. On the Senate side it has a single committee of referral to Education.
- **HB202** by Representative Seaton by request was introduced April 16 and relates to the Commission's authority to receive and analyze data and to DOLWD's authority to provide employment and wage information to the ANSWERS program to streamline and increase Alaska's capacity to assess education and training program outcomes. The bill prohibits the Commission from providing unit records from ANSWERS to the federal government. HB202 has two committees of referral to Education and Labor and Commerce. A copy of this bill is attached for your information.

With respect to HB202, Commission staff will be scheduling meetings with legislators and their staff during the interim to familiarize them with the ANSWERS project and program and seek to demonstrate its value to education, policy makers and other stakeholder groups in Alaska in advance of the 2016 session.

FY16 Operating Budget

Chief Finance Officer Charlene Morrison's report provides a comparison of the Governor's requested budget for the Commission to the authorized agency budget as signed into law at the end of June following the end of the Second Special Session. As reflected therein, a substantial cut was made to the base authorization of Alaska Student Loan Corporation funds which pay for the majority of Commission operating costs of programs and services.

Notwithstanding the funding that was ultimately approved to pay for ACPE employees' FY16 COLA costs, it is necessary to absorb \$925 thousand from FY15's base budget. We are managing that loss of funding by suspending plans to staff the ANSWERS' project management office (PMO). As mentioned in ANSWERS' Project Manager Kerry Thomas' report, Alaska's project team requested and was approved for a no cost extension of one year to use the remaining federal grant funding to complete the project as described in our grant proposal. You may recall that ACPE management had identified internal funding made available due to efficiencies achieved in FY15 (such as the HDN project described in ISS Director Kenneth Dodson's report), that could be used to staff the PMO for the first years of operation while developing the resource and building a statewide group of information consumers. At this time, we believe that by leaving those and other positions vacant and by taking other cost reduction measures (substantial reduction in staff travel, reduction in dependence on the U.S. Postal Service for communicating with customers, etc.) we anticipate we will continue to be able to deliver quality higher education assistance and information with available funding and without the need to lay off staff from currently filled positions.

As I believe was reported to you previously, outside of funding ACPE's scholarships, grants and WWAMI awards, the Higher Education Investment Fund (HEIF) was tapped as a funding source for a variety of other state programs (education-related) with total appropriations at approximately \$24.0 million in FY16. Other DEED budget items funded were:

- Student and School Achievement (\$525.0)
- Statewide Mentoring (\$500.0)
- Library Operations (\$1,800.0)
- Online with Libraries (OWL) (\$761.8)
- Live Homework Help (\$138.2)

The Legislative Finance report by fund source is attached for your information.

Using Lean Principles

Looking forward, beyond FY16, we recognize that greater and greater emphasis will be placed on cost efficient operations. Toward that end, we are very fortunate that, with the encouragement of Chair Johnsen, as a management team we are already investigating adopting the Lean principles of continuous process improvement. Some of you may already be quite familiar with this methodology but I will provide a brief description—Lean is a process whereby an organization examines its business process through a lens of “value to the customer”. Taking this perspective, the organization identifies where in the process there are steps or components which fail to add meaningful value and eliminates those as wasteful of resources. The Lean process is predicated on engaging all agency staff and will be beneficial by directly engaging line employees who work to directly serve ACPE's customers. We are confident that there should always be better ways to do business or improve services and believe the Lean methodology will be an important discipline through which we can make informed, positive changes. I look forward to sharing our implementation process and outcomes with you.

Legislative Budget & Audit (LB&A) Activity

Since the April Commission meeting LB&A has notified DEED that, pursuant to the governmental performance reviews mandated by AS 44.66.020, it has scheduled the Department for a review. Last month the LB&A Committee approved the scope of that activity to include a review of ACPE and ASLC. It is my understanding that while Legislative Audit employees may be involved, to ensure the review is carried out by individuals with appropriate subject matter expertise, RFPs to procure firms or individuals will be issued. These reviews are anticipated to begin on or after September 15, 2015. The legislation giving rise to the governmental performance reviews became law in 2013 and this is the first time (reviews are to be performed every ten years) we have been involved. I will keep the Commission informed of the review as it progresses.

I hope this information is of interest to you. Please feel free to contact me in advance of the meeting to discuss any of these items.

ATTACHMENTS

HOUSE BILL NO. 202

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE SEATON BY REQUEST

Introduced: 4/16/15

Referred: Education, Labor and Commerce

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the duties of the Alaska Commission on Postsecondary Education;**
2 **relating to a statewide workforce and education-related statistics program; relating to**
3 **information obtained by the Department of Labor and Workforce Development; and**
4 **providing for an effective date."**

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 *** Section 1.** AS 14.42.030(e) is amended to read:

7 (e) The commission may

8 (1) adopt regulations under AS 44.62 (Administrative Procedure Act)

9 to

10 (A) carry out the purposes of

11 (i) AS 14.43.091 - 14.43.849, 14.43.990, AS 14.44, and
12 AS 14.48; [AND]

13 (ii) AS 14.43.910 and 14.43.920 as they relate to the
14 purposes of AS 14.43.091 - 14.43.849, 14.43.990, AS 14.44, and

1 AS 14.48; **and**

2 **(iii) AS 14.42.035 and (7) and (8) of this subsection;**

3 (B) ensure compliance with the requirements imposed by state
4 and federal statutes and regulations governing the guaranty, insurance,
5 purchase, or other dealings in eligible loans by federal agencies,
6 instrumentalities, or corporations; and

7 (C) establish standards for the

8 (i) administration of hearings conducted under
9 AS 14.43.153; and

10 (ii) administrative enforcement of collection orders
11 under AS 14.43.151 - 14.43.155;

12 (2) delegate to the executive director of the commission or a
13 subcommittee of the commission any duty imposed on or power granted to the
14 commission by this chapter, AS 14.43, AS 14.44, or AS 14.48, except its power to
15 adopt regulations and its duty to consider appeals under AS 14.43.100(b) and
16 AS 14.48.120;

17 (3) establish task forces, committees, or subcommittees, not
18 necessarily consisting of commission members, to advise and assist the commission in
19 carrying out its functions;

20 (4) contract with or use existing institutions of postsecondary
21 education or other individuals or organizations to make studies, conduct surveys,
22 submit recommendations, or otherwise contribute to the work of the commission;

23 (5) establish fees for the review of an out-of-state institution that

24 (A) requests approval for participation in the programs under
25 AS 14.43.091 - 14.43.750, 14.43.990, and AS 14.44; and

26 (B) is not accredited by a national or regional accreditation
27 association recognized by the Council for Higher Education Accreditation;

28 (6) collect all fees and costs incurred in collection of the amount owed
29 on a loan or repayment obligation if the loan or repayment obligation becomes
30 delinquent or in default; in this paragraph, fees and costs include attorney fees, court
31 costs, and collection fees charged by a collection agency; [AND]

1 (7) if approved by the department, receive and analyze performance
 2 data for students in grades kindergarten through 12 and enter into contracts for the
 3 purpose of assessing education outcomes; and

4 (8) administer a statewide workforce and education-related
 5 statistics program under AS 14.42.035.

6 * **Sec. 2.** AS 14.42.035 is amended by adding new subsections to read:

7 (b) The commission may maintain a database containing information received
 8 under this section, AS 14.42.030(e)(7) and (8), and AS 23.20.110, for the purpose of
 9 compiling statewide workforce and education-related statistics and analyzing
 10 education and training outcomes. The commission may enter into cooperative
 11 agreements with state agencies, the University of Alaska, and other organizations to
 12 share data and information related to education and employment. The commission
 13 may not provide unit records to the federal government under this subsection.

14 (c) The commission shall, for the purposes of this section and
 15 AS 14.42.030(e)(7) and (8), remove personally identifiable information, including first
 16 name, last name, and middle name, social security number, student identification
 17 number, residential address, and mailing address, before placing the information in the
 18 database under (b) of this section. The commission is not required to remove the
 19 month or year of birth from a record under this subsection.

20 (d) In this section, "unit record" means information pertaining to an
 21 individual.

22 * **Sec. 3.** AS 23.20.110 is amended by adding a new subsection to read:

23 (s) The department may provide information obtained under this chapter to
 24 another state agency if

25 (1) the disclosure is authorized under 20 C.F.R. 603, as amended;

26 (2) the disclosure is for the statewide workforce and education-related
 27 statistics program described under AS 14.42.035;

28 (3) the department has entered into a written agreement with the
 29 agency receiving the information in which the agency agrees not to disclose the
 30 information unless

31 (A) the subsequent disclosure is for the statewide workforce

1 and education-related statistics program described under AS 14.42.035; and

2 (B) the agency is authorized to make the subsequent disclosure
3 under a written agreement between the agency and the Alaska Commission on
4 Postsecondary Education.

5 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 **APPLICABILITY.** AS 23.20.110(s), enacted by sec. 3 of this Act, applies to
8 information obtained by the Department of Labor and Workforce Development under
9 AS 23.20 before, on, or after the effective date of this Act.

10 * **Sec. 5.** This Act takes effect immediately under AS 01.10.070(c).

**2015 Legislature - Operating Budget
Allocation Summary - FY16 Post-CC St Structure**

Numbers and Language Fund Codes: 1226 High Ed
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Allocation	[1] 15MgtPIn	[2] 16Budget
Education & Early Dev		
Teaching and Learning Support		
Student and School Achievement	0.0	525.0
Statewide Mentoring	0.0	500.0
Appropriation Total	0.0	1,025.0
 Alaska Library and Museums		
Library Operations	0.0	1,800.0
Online with Libraries (OWL)	0.0	761.8
Live Homework Help	0.0	138.2
Appropriation Total	0.0	2,700.0
 Alaska Postsecondary Education		
Program Admin & Operations	5,582.8	5,832.8
WWAMI Medical Education	0.0	2,964.8
Appropriation Total	5,582.8	8,797.6
 AK Performance Scholarship Awd		
AK Performance Scholarship Awd	11,000.0	11,500.0
Appropriation Total	11,000.0	11,500.0
 Agency Total	16,582.8	24,022.6
 Statewide Total	16,582.8	24,022.6
 Funding Summary		
Designated General (DGF)	16,582.8	24,022.6