

## NARRATIVE SUMMARY

The Division of Operations is staffed by a team of 35 and operates the Commission's customer contact center; loan, grant, and scholarship originations and servicing; agency quality assurance; institutional authorization and school compliance; and research and analysis. In the program year just ended, the division originated grants, scholarships and loans totaling over \$22 million and serviced a portfolio of approximately \$400 million in loans outstanding. During the program year, the division logged over 125,000 customer contacts (telephone, electronic, and responses to customer correspondence).

Division focus over the past quarter has included:

- Business implementation relative to conversion of the Higher Education Loan Management System (HELMS) to the .net platform. This included associated updating of business process and documentation
- Implementation and deployment of the new Alaska education grant and scholarship management system
- Program year 2015/2016 transition, including changes to the Alaska Supplemental and Family Education loan programs, and to the Alaska Education Grant
- Design of a streamlined online loan application
- Transition to using an external vendor for letter generation
- Preparation for Lean transformation kick-off activities

I am particularly pleased to be able to report that a key component common to several of these activities has been identifying options to replace print customer communications with electronic communications. Our transition to using an external letter vendor has been particularly successful in this area, with 6,072 borrowers opting into electronic communications rather than printed bills or letters. We are tracking related reductions to report on at the end of the first contract period. As an early example, we are estimating a postage saving in excess of \$12,000 as a result of electronic annual privacy notices alone. Also relative to projects that include large-scale borrower communication requirements, our programming staff is reporting that use of the letter vendor simplifies internal IT requirements due to the vendor's ability to accept our files without programmer intervention and to return data in whatever format we specify.

Similarly, the new grant and scholarship management system replaces hard copy letters with email communications to students. We are finding this change results in reduced expenses, and increased student response rates, most likely as a result of their being able to respond by clicking a link in the email to access the system, rather than having to read the Web address in a letter and then type it into a browser window.

Turning to the Lean transformation project, consultants will be on site later this month to work with the management team on a long-term plan to introduce and then reinforce the Lean methodology across agency divisions and activities, including the development and incorporation of success metrics at the overall management and at the process-specific levels. The vendor was selected based both on affordability and experience with governmental entities and service – as distinct from manufacturing – environments.

Specific to my time, I have had the privilege of continuing to participate in a variety of strategic planning, Network development, and partnership meetings. Through my role as president-elect of the National Association of State Student Grant and Aid Providers (or NASSGAP) I am active in

an increasing number of meetings relative to federal education legislation and its potential impact on state financial aid programs. Finally, I am continuing in my role as ANSWERS project director for the duration of the ANSWERS grant no-cost extension; however, I expect the demand for my time to decrease as the grant project nears completion and transitions to an ongoing program with separate program leadership. Ben Shier, the Commission's Quality Assurance Officer, was selected by the ANSWERS partners to serve as the director for the ANSWERS program, post-grant. To ensure best use of limited budget resources, Ben is currently devoting 30% of his time to ANSWERS while remaining in his current position and performing his QA leadership role for 70% of the time. We will revisit that structure at the completion of the no-cost extension.

A final human resources related report is that Cindee Brown-Mills, the Commission's Assistant Director of Financial Aid, accepted a promotion opportunity elsewhere in state service and transferred from ACPE in June. At this time we are examining options to create strategic staffing efficiencies, and will make a determination on whether to fill that position upon completion of that analysis.

Last, specific to the audits previously reported to you, we continue to await the final report from the 2013 federal loan servicing review, as well as the initial report from federal SCRA audit completed in February of this year. The division is currently coordinating agency activities relative to the regularly scheduled guarantor FFELP review, occurring this fall as a desk audit.

Please do not hesitate to contact me if you have any questions or would like additional information.

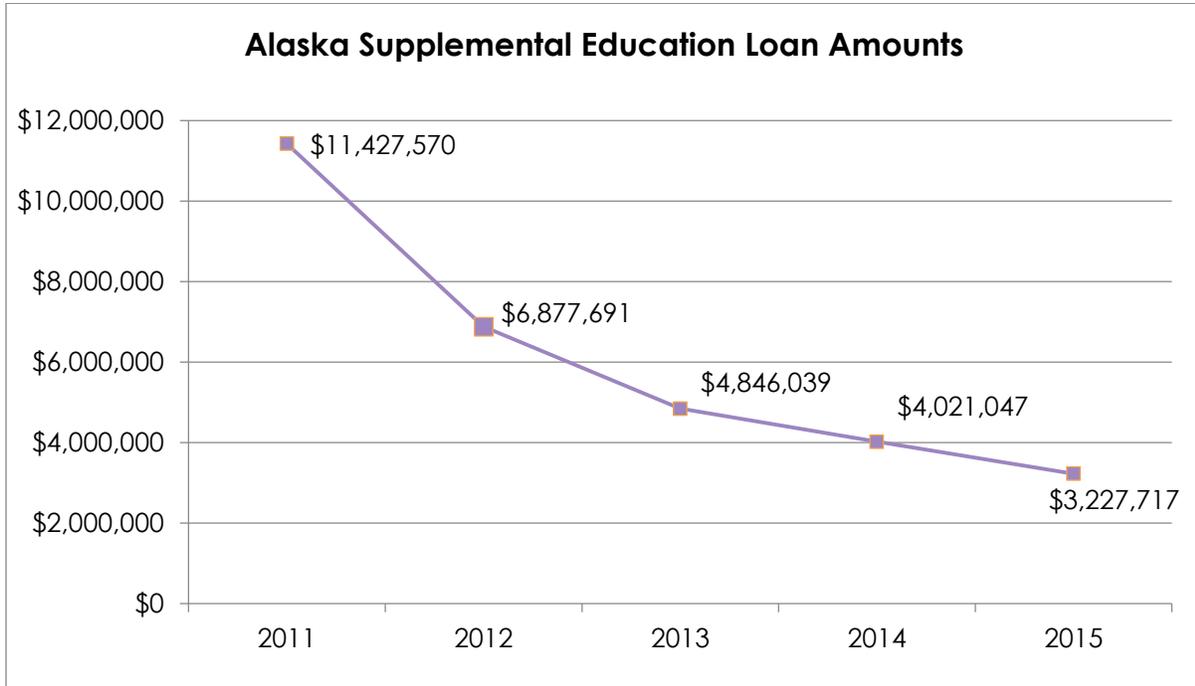
# LOAN ORIGINATION

## Number of Loans Awarded – Program Year 14/15 through June 30, 2015

Loan Type	2014-2015	2013-2014	Difference
Family Education Loans	38	46	-17.39%
Teacher Education Loans	34	67	-49.25%
AK Supplemental Loans	448	551	-18.69%
<b>Total</b>	<b>520</b>	<b>664</b>	<b>-21.69%</b>

## Loan Amount Awarded – Program Year 14/15 through June 30, 2015

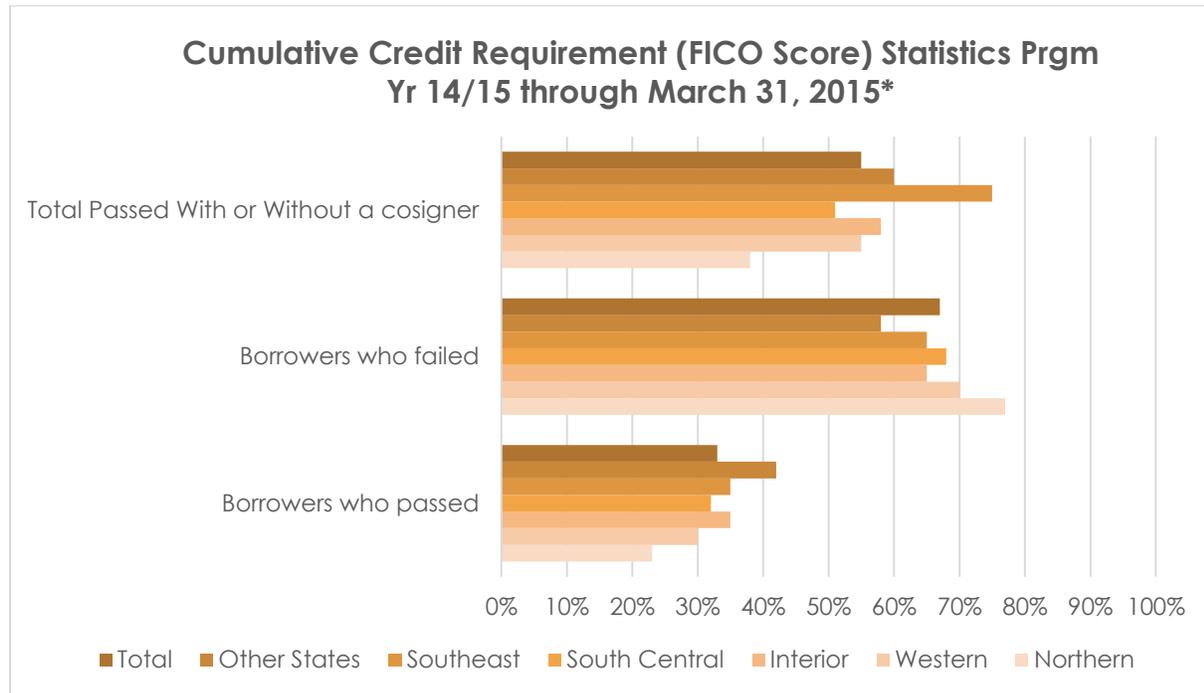
Loan Type	2014-2015	2013-2014	Difference
Family Education Loans	\$261,764	\$340,434	-23.11%
Teacher Education Loans	\$253,604	\$473,234	-46.41%
AK Supplemental Loans	\$3,227,717	\$4,021,047	-19.73%
<b>Total</b>	<b>\$3,734,085</b>	<b>\$4,834,715</b>	<b>-22.76%</b>



\*Loan amounts reflect statistics reported during July commission meeting of each year.

## Alternative Consolidation – Program Year 14/15 through June 30, 2015

Cumulative Consolidation Totals			
Applications Awarded	158	Dollars Awarded	\$4,437,565
Applications Denied	103	Average Loan Balance	\$28,086



\*2014-2015 data is only available through 3/31/15, pending development of post-conversion reporting.

## SPECIAL PROGRAMS

### Special Programs – Program Year 14/15 through June 30, 2015

Program Type	2014-2015	2013-2014	% Change
Winn Brindle Education Loan	\$310,093	\$296,360	4.63%
WWAMI Medical Edu Loan	\$1,175,733	\$1,163,050	1.09%
WICHE PSEP Loan	\$217,632	\$233,906	-6.96%
<b>Total</b>	<b>\$1,703,458</b>	<b>\$1,693,316</b>	<b>0.60%</b>

## APS/AEG Awards by Institution – Program Year 14/15 through June, 2015

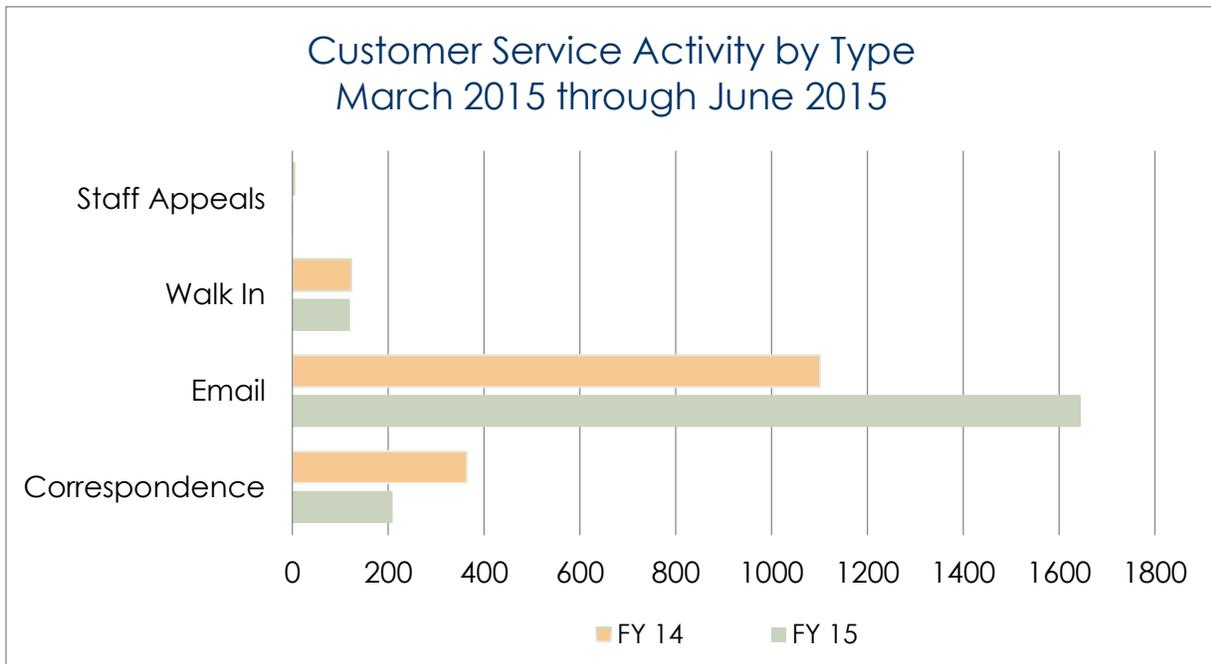
School Name	AEG Program		APS Program	
	Total # of Awards	Total Award Amount	Total # of Awards	Total Award Amount
AK Bible College	3	\$4,000	6	\$21,297
AK Christian College	29	\$44,000	0	\$0
AK Technical Center*	0	\$0	0	\$0
Amundsen Ed. Center*	0	\$0	0	\$0
APU	34	\$48,500	15	\$58,851
AVTEC	31	\$62,250	18	\$53,553
Alaska Career College	162	\$311,750	5	\$11,889
Charter College	173	\$110,316	3	\$3,964
Galena City School District**	0	\$0	0	\$0
Ilisagvik College	11	\$17,750	0	\$0
Metroasis*	0	\$0	0	\$0
Northern Industrial Training*	0	\$0	0	\$0
Trendsetters*	0	\$0	4	\$14,264
UAA	2,358	\$3,232,827	1,712	\$5,463,160
UAF	806	\$1,227,500	1,104	\$3,990,954
UAS	259	\$380,000	139	\$459,021
Wayland Baptist	35	\$41,002	0	\$0
<b>Totals</b>	<b>3,901</b>	<b>\$5,479,895</b>	<b>3,006</b>	<b>\$10,076,953</b>

\*Participation in the APS program only.

# CUSTOMER SERVICE

## Call Center Activity – March 2015 through June 2015

	FY15	FY14	% Change
Calls Received in IVR	20,506	22,241	-7.80%
Calls Received in CS Queue	10,689	11,565	-7.57%
Calls Answered by CS	10,196	11,121	-8.32%
Hold Time in CS Queue	76 sec	67 sec	14.29%
Calls Placed	26,454	27,098	-2.38%



## PAYMENT INFORMATION

Method	# of Borrowers	Amount Received	% of Total Dollars
WebPay/IVR	45,668	\$13,606,377	53.24%
TelPay	4,480	\$2,855,851	11.17%
Consolidation	108	1,729,555	6.77%
Claim Payments	434	1,554,058	6.08%
Coupon Checks	4,728	1,357,478	5.31%
BillPay	5,398	1,227,698	4.80%
AWG	2,786	1,058,904	4.14%
Premiere Payments	3,890	1,056,642	4.13%
Local Payments - US Bank	1,270	980,036	3.83%
Cosigner TelPay	405	57,572	0.23%
Direct Pay	323	57,488	0.22%
PFD Garnishments	9	16,043	0.06%
<b>Total</b>	<b>69,499</b>	<b>\$25,557,702</b>	

## ACPE WEB ACTIVITY

<b>Viewer Information</b>	Total Unique Visitors	133,745
	Total Page Views	546,194
	Average # of Pages/Views	4
	Length of time on site (avg.)	5 min 32 sec
<b>Returning vs. New Visitors</b>	Returning	51.43%
	New	48.57%
<b>Visits by Device Type</b>	Desktop	106,144
	Mobile	34,522
<b>Traffic Sources</b>	Google	55,782
	Direct (acpe.alaska.gov)	45,180
	Akcis.org	27,188
	Bing	13,054
	Yahoo	954
<b>Top Content (Page views)</b>	Home	85,872
	Online payments	71,748
	AKCIS	64,482
	Login	56,363
	My Accounts	51,884

# QUALITY ASSURANCE

## Compliance Activity – March 2015 through June 2015

Type of Compliance Referral	Number
Compliance Question/Topic	5
Document Review	0
Industry Resource Update	4
Potential Breach Investigation	2
<b>Total</b>	<b>11</b>

## Alternative Loans Default Rate Calculations

The Commission calculates default rates annually, based on Alaska state education loans entering repayment between January 1<sup>st</sup> and December 31<sup>st</sup> of the cohort year. Alaska education loans greater than six months past due at the end of the first 12 months of repayment are included in the annual default rate calculations.

The Commission publishes two different default rate calculations for the state loan programs:

1. Institutional Rate: Rate of default on Alaska Supplemental, Alaska Student and Teacher Education Loans at institutions administering education loan programs on behalf of Alaska students.
2. Program Rate: Rate of default by specified loan program.

### Institutional Cohort Default Rate (CDR)

Institution Location	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Alaska	8.15%	9.15%	8.13%	6.88%	5.34%	5.29%	5.30%	5.60%	6.30%	6.10%	5.10%
Out-of-State	3.32%	4.87%	6.96%	4.90%	3.45%	3.93%	3.50%	4.00%	4.10%	3.40%	2.50%
Combined Rate	6.14%	6.61%	7.69%	6.08%	4.56%	4.68%	4.50%	4.70%	4.90%	4.60%	3.60%

### Program Cohort Default Rate

Program	2012	2011	2010	2009
Alaska Supplemental Education Loan	6.00%	7.40%	7.67%	6.04%
Alaska Student Loan	10.41%	9.94%	13.57%	8.48%
Family Education Loan	2.11%	0.00%	2.09%	0.00%
Teacher Education Loan	9.40%	4.35%	4.56%	3.01%
Winn Brindle Education Loan	1.62%	3.21%	4.54%	15.33%
Alternative Loan Consolidation	0.00%	0.00%	0.00%	0.00%



## Alaska Commission on Postsecondary Education

P.O. Box 110505  
Juneau, Alaska 99811-0505

Customer Service Center  
Toll Free: (800) 441-2962  
In Juneau: (907) 465-2962  
TDD: (907) 465-3143  
Fax: (907) 465-5316  
[acpe.alaska.gov](http://acpe.alaska.gov)

### MEMORANDUM

**TO:** Members, Alaska Commission on Postsecondary Education  
**THROUGH:** Diane Barrans, Executive Director  
**FROM:** Brian Rae, Principal Researcher, Research & Analysis  
**DATE:** July 1, 2015  
**SUBJECT:** Research Unit Activities

During the past quarter work has focused on implementing the new state grant and scholarship management system and continued work on ANSWERS.

Relative to the student aid management system, in April the process began to extract historical data from the previous management system and load it into the new system. These records, from 2015 and prior academic years (AY), were extracted and translated for loading into the new system. This provided an environment in which we could test if certain data was loaded correctly and the new system was functioning as required. Then, in early June, the legacy system was taken offline and AY16 data was extracted and loaded into the new system. Testing of the new system, including for data transfer accuracy between the systems, continues as the vendor moves forward to make the system fully functional.

ANSWERS-related work has focused on its publicly-facing reporting requirements. Initial ANSWERS reports will include more in-depth, visual and interactive presentations of APS Outcomes Report data, as well as an updated report produced by the Department of Labor and Workforce Development. To assist in creating appealing, intuitive and informative data presentations, we began collaborating with the Arkansas Research Center, or ARC. ARC is that state's SLDS grant recipient, with experience presenting data using online, interactive data visualization tools. We have also worked with the Northwest Regional Education Laboratory to research best practices in data protection and nondisclosure techniques, which will be implemented in all of the publicly-accessible reports produced using ANSWERS data.

In the April Quarterly Report I noted the School District Feedback Reports were delayed approximately one month. We created these reports to provide superintendents with information on their recent graduates' postsecondary and employment outcomes. Prior to the reports' release, however, priorities were refocused on developing a more robust and longer-term MOU for data sharing, with the goal of publishing statewide feedback reports online and being able to share unsuppressed district-level data back to the superintendents. It is expected that these reports can be provided to the districts in the near future.

Additional activities this quarter included:

- coordinating the Commission's role in the annual IPEDS data collection,
- attending the Association for Institutional Research annual forum and additional workshops, and,
- conducting a brief workshop for ACPE's Outreach staff to review APS Outcomes Report findings and discuss how to interpret the information it contains when assisting currently enrolled high school students plan for postsecondary studies.