



Program Operations Report: October 2015 – November 2015

NARRATIVE SUMMARY

The Program Operations team is pleased to be able to report this quarter that for FY16 we are seeing the first increase in loan volume since the 2009 demise of the lender-based federally guaranteed loan program. Both the loan dollar volume and application numbers are reflecting modest increases, leading us to believe that the rise in volume is attributable to more than just the increased loan limits. Staff will be monitoring and reporting on new loan limits impacts closely, as well as application volume, over the next few quarters.

Turning to project-related work, several projects and annual processes from last quarter were completed:

- We received 12 appeals of ACPE's garnishment action on defaulted borrowers' PFDs; one PFD was released upon review, six appeals were denied as not qualifying for appeal, and five appeals were advanced to hearing. To date, all hearing decisions have affirmed ACPE's garnishment action.
- The guarantor desk audit of ACPE's federal loan servicing was completed and closed out on December 8th. The only issue identified was a typo in data entry relative to processing an Income-based Repayment request. However, the typo had no impact on the borrower or the Department of Education.
- Redesign of online loan application (design work completed and development is now in progress).

Projects from last quarter scheduled for completion in the next several months are:

- Annual IRS reporting (1098 and 1099 reporting)
- Alternative loan cohort default rate calculation
- Annual analysis and servicing system write-off of aged, non-performing loans
- "Plain English" rewrite of loan promissory notes

New projects scheduled for the upcoming quarter include:

- Revisions to agency Servicemembers Civil Relief Act (SCRA) processing to provide proactive SCRA benefits to eligible borrowers of both state and federal loans, without requiring the borrower to request the benefit (changes

in federal law require proactive benefit application for federal loan borrowers only).

- Additional migration of template letters to the agency letter vendor to leverage savings from paperless communications (currently ~7,500 borrowers in repayment have opted in).
- Compliance analyses related to recent changes in federal law
 - o Fixing America's Surface Transportation Act (FAST) Gramm Leach Bliley Act privacy notice exemption
 - o Telephone Consumer Protection Act compliance as related to calls to borrowers with cell phones
 - o Fair Credit Reporting Act (FCRA) compliance related to frivolous complaints

The Program Operations division is additionally heavily involved in the development and deployment of ACPE's Lean initiative, as noted in the Lean report from Ben Shier, Assistant Director of Operations. Also as separately noted, considerable effort is being invested in preparing for the upcoming legislative session, particularly with respect to best positioning ANSWERS for ongoing success.

Last, I would like to note that the Western Association of Student Financial Aid Administrators (WASFAA) is having its annual spring meeting in Alaska this year. This is a rare opportunity for ACPE staff to interact face-to-face with financial aid administrators from across the west, without having to leave the state. It is also a timely opportunity, given the recent changes to loan limits and enrollment intensity variables, for us to query our postsecondary institution partners on student reaction to the changes and to potentially identify areas for changes in communication protocols or other improvements. ACPE and UA have submitted a proposal to WASFAA to jointly conduct a conference session on how state higher education agencies and higher education institutions can partner to design and deploy financial aid and outreach programs to efficiently enhance student access and completion.

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 15/16 through November 30, 2015

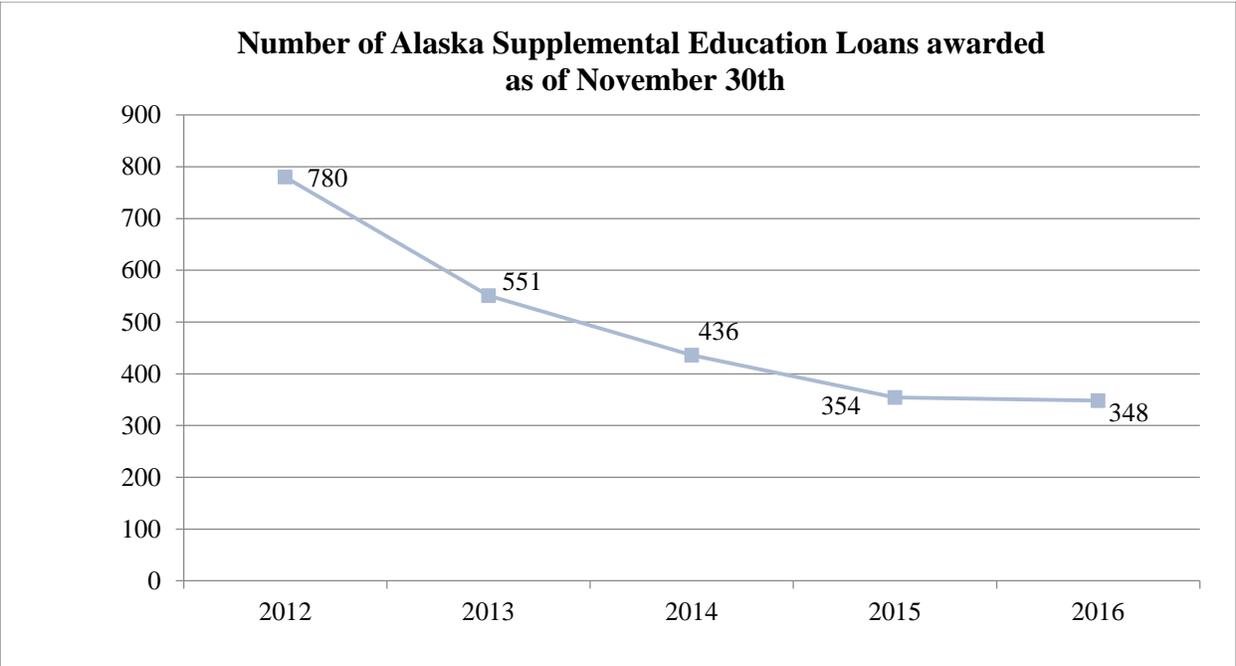
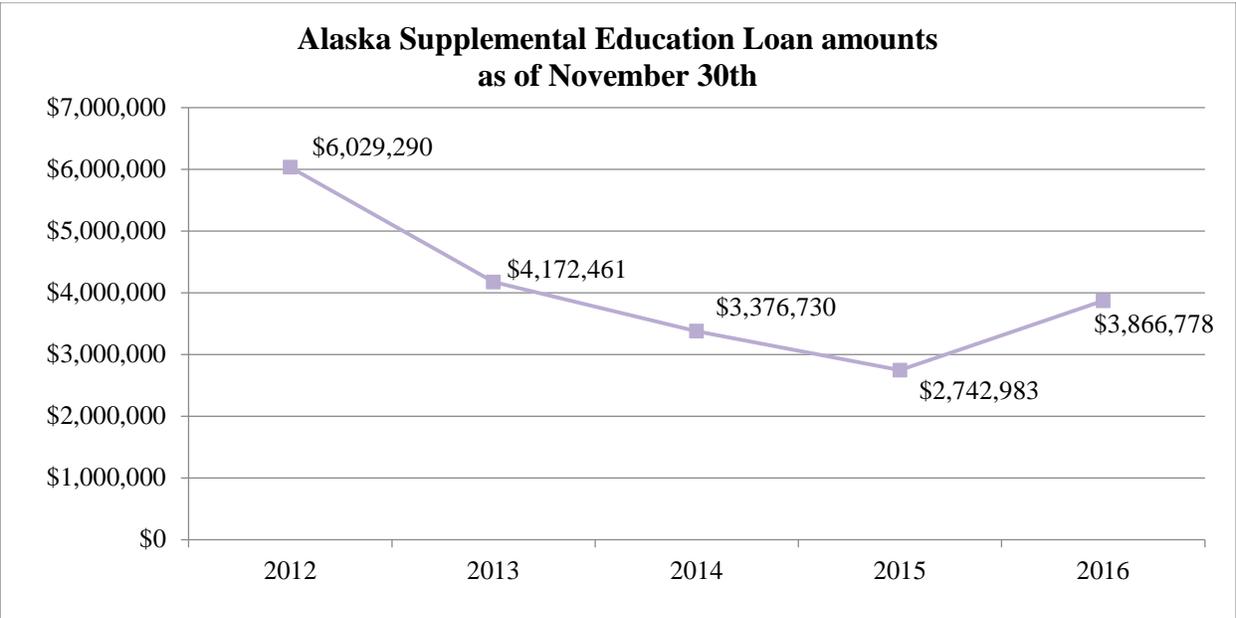
Loan Type	2015-2016	2014-2015	Difference
Family Education Loans	26	27	-3.70%
Teacher Education Loans	19	31	-38.71%
AK Supplemental Loans	348	354	-1.69%
Total	393	412	-4.61%

Loan Amount Awarded – Program Year 15/16 through November 30, 2015

Loan Type	2015-2016	2014-2015	Difference
Family Education Loans	\$306,707	\$200,924	52.65%
Teacher Education Loans	\$138,750	\$232,500	-40.32%
AK Supplemental Loans	\$3,866,778	\$2,742,983	40.97%
Total	\$4,312,235	\$3,176,407	35.76%

Awarded Loans by Enrollment Intensity – Program Year 15/16 through November 30, 2015

Intensity Level	2015-2016
On-Time	65 (17%)
Full-Time	307 (78%)
Half-Time	21 (5%)
Total	393



Alternative Consolidation – Program Year 15/16 through November 30, 2015

Cumulative Consolidation Totals			
Applications Awarded	34	Dollars Awarded	\$923,964
Applications Denied	44	Average Loan Balance	\$27,175

Special Programs – Program Year 15/16 through November 30, 2015

Program Type	2015-2016	2014-2015	% Change
Winn Brindle Education Loan	\$323,645	\$304,374	6.33%
WWAMI Medical Education Loan	\$1,208,976	\$1,175,733	2.83%
WICHE PSEP Loan	\$282,900	\$217,632	29.99%
Total	\$1,815,521	\$1,697,739	6.94%

APS/AEG Disbursements by Institution – Program Year 15/16 through November, 2015

School Name**	AEG Program		APS Program	
	Total # of Awards	Total Award Amount	Total # of Awards	Total Award Amount
AK Bible College	0	\$0	4	\$5,350
Alaska Career College	77	\$142,172	7	\$13,279
AK Christian College	18	\$29,500	1	\$1,783
APU	15	\$24,250	18	\$35,072
AVTEC	19	\$30,000	13	\$23,183
Charter College	69	\$82,338	2	\$4,359
Embry Riddle	0	\$0	0	\$0
Ilisagvik College	6	\$9,750	0	\$0
Metroasis	0	\$0	1	\$1,783
Northern Industrial Training*	0	\$0	1	\$1,189
Trendsetters*	0	\$0	3	\$6,539
UAA	811	\$1,071,926	1,618	\$2,864,516
UAF	286	\$403,250	1,039	\$2,021,695
UAS	93	\$131,000	135	\$241,944
Wayland Baptist University	4	\$6,000	0	\$0
Totals	1,398	\$1,930,186	2,842	\$5,220,692

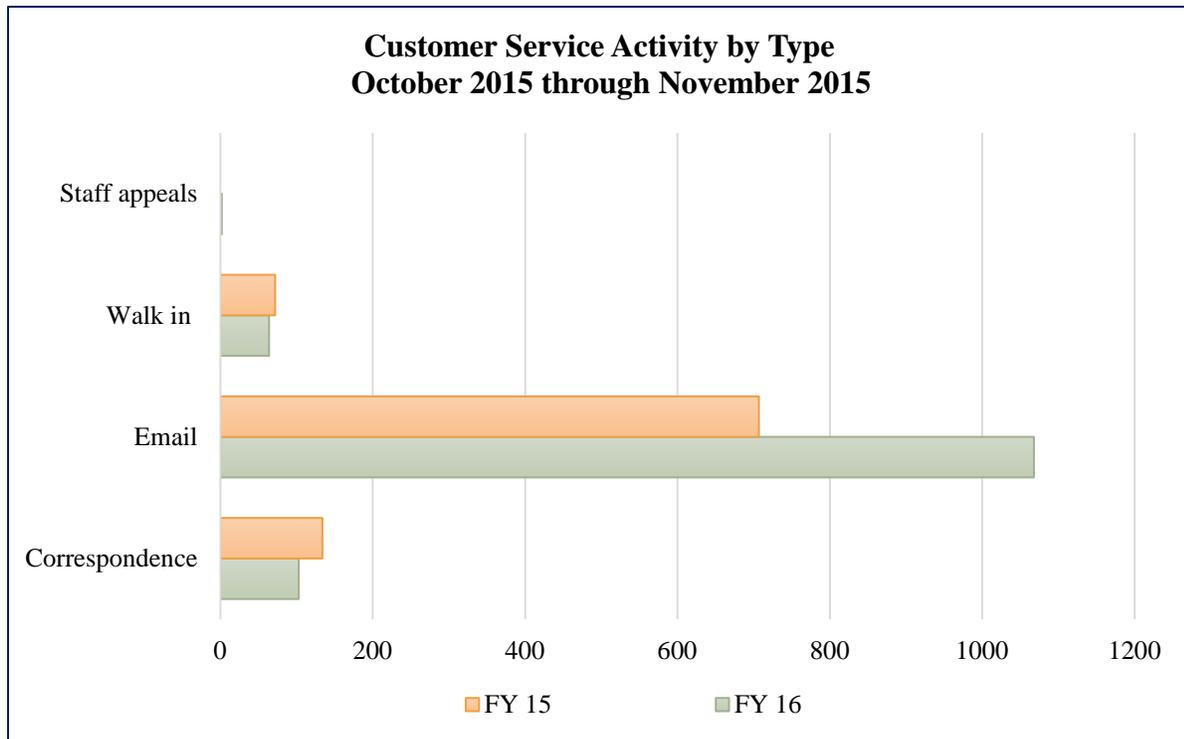
*Participation in the APS program only.

**Schools that participate in AEG and/or APS that currently have no student receiving funding include Ahead of Time Design, AK Technical Center, Amundsen Education Center, Embry Riddle, Galena City School District and Glenda's Training Center.

CUSTOMER SERVICE

Call Center Activity – October 2015 through November 2015

	FY16	FY15	% Change
Calls Received in IVR	9,269	10,518	-11.87%
Calls Received in CS Queue	4,846	5,488	-11.70%
Calls Answered by CS	4,638	5,308	-12.62%
Hold Time in CS Queue	71 sec	75 sec	-5.33%
Calls Placed	9,166	11,831	-22.52%



PAYMENT INFORMATION

Method	# of Borrowers	Amount Received	% of Total Dollars
WebPay/IVR	21,844	\$6,149,081	37.80%
PFD Garnishments	2,088	\$4,051,596	24.91%
TelPay	2,320	\$1,332,610	8.19%
Claim Payments	76	\$1,147,707	7.06%
Consolidation	48	\$767,046	4.72%
Premiere Payments	1,921	\$613,782	3.77%
Coupon Checks	1,938	\$605,530	3.72%
BillPay	2,504	\$598,079	3.68%
AWG	1,492	\$510,993	3.14%
Local Payments - US Bank	643	\$461,730	2.84%
Direct Pay	152	\$27,563	0.17%
Payroll Deduction	0	\$0	0.00%
Total	35,026	\$16,265,717	

QUALITY ASSURANCE

Compliance Activity – October 2015 through November 2015

Type of Compliance Referral	Number
Compliance Question/Topic	1
Document Review	0
Industry Resource Update	0
Potential Breach Investigation	2
Total	3

ACPE WEB ACTIVITY

October 2015 through November 2015

Viewer Information	Total Unique Visitors	64,180
	Total Page Views	262,881
	Average # of Pages/Views	4
	Length of time on site (avg.)	4 min 59 sec
Returning vs. New Visitors	Returning	56.90%
	New	43.10%
Visits by Device Type	Desktop	50,946
	Mobile	13,234
Traffic Sources	Google	22,679
	Direct (acpe.alaska.gov)	18,615
	Akcis.org	8,497
	Bing	7,766
Top Content (Page views)	Home	40,072
	AKCIS	38,172
	Online Payments	32,026
	My Accounts	24,641
ANSWERS Site	Total Views	314
	Total Unique Views	214
	Average Time on Site	1 minute 2 seconds

Alaska Student Loan Corporation Federal Loan Cohort Default Rate

	FFY 2012	FFY 2011	FFY 2010
Originator	9.0%*	11.3%*	6.6%*
Holder	11.3%*	12.2%*	13.6%*

The federal cohort default rate is the percentage of loans entering repayment during a particular federal fiscal year (FFY), October 1 to September 30, and defaulting prior to the end of the next fiscal year.

*Starting in FFY 2011, cohort default rates are calculated using a 3-year cohort. Prior years calculated a 2-year cohort and are therefore not comparable.



Alaska Commission on Postsecondary Education

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MEMORANDUM

TO: Members, Alaska Commission on Postsecondary Education
THROUGH: Diane Barrans, Executive Director
FROM: Brian Rae, Principal Researcher, Research & Analysis
DATE: December 21, 2015
SUBJECT: Research unit activities

The past quarter's work focused mainly on extracting and analyzing data for the 2016 APS Outcomes Report. By law the report is due to the legislature ten days after it convenes. Other effort has been on creating interactive displays of information – data visualizations – for the ANSWERS website.

With the APS now in its fifth year we are finally able to look at a nearly complete picture of the postsecondary performance of the first APS-eligible class – graduates from the 2011 high school class. APS-eligible graduates who began using the scholarship in AY12 have continued their postsecondary pursuits at rates higher than non-APS eligible students in every year thereafter. Early indications this year show that a large percentage of these students, over one-third, had used their full eight semesters of benefits by this fall semester. Since most recipients were attending full-time and pursuing a bachelor's degree, our assumption is that these students likely obtained their degree. (We are awaiting supporting data from the University of Alaska.) Over one-half of the students who received APS funds in AY12 have received at least six payments, putting them well on their way to degree completion as well.

The ANSWERS website rollout provided a platform to present data representative of that available through the ANSWERS database. Three data visualizations were created. One focused on the same population as above – the inaugural class of APS-eligible graduates and their subsequent postsecondary performance compared to ineligible graduates. The two other visualizations mapped eligibility and usage rates for graduates from the 54 districts and five economic regions of the state. The visualizations are at <https://answersresults.alaska.gov/reports>. We continue to work on additional visualizations to add to the ANSWERS website in the near future.

I also continued working on the new grant/scholarship and management system as well as with Education Northwest staff in designing research products which could be produced using the ANSWERS database, and for inclusion in the ANSWERS website.



MEMORANDUM

TO: Members, Alaska Commission on Postsecondary Education

THROUGH: Diane Barrans, Executive Director

FROM: Lean Implementation Team

DATE: December 8, 2015

SUBJECT: Lean implementation activities

The end of 2015 concludes a busy first year in the agency's Lean transformation. ACPE began investigating Lean late in 2014 and began its efforts to gain expertise in Lean principles and practices in earnest in July 2015. As you may recall, Lean is a process improvement methodology, with the general idea being to maximize customer value while minimizing waste or inefficiency. The Lean approach creates more value for the agency's customers with fewer resources by shifting the focus from optimizing separate technologies, assets, and vertical departments to optimizing the flow of products and services horizontally across the agency, focusing on the value each product or service delivers to the customer and its journey from beginning to end and the related people, technology, and assets involved in its delivery. Lean was chosen as ACPE's primary continuous improvement tool based on its fit with the organization's culture and its relatively low cost of implementation.

While the Lean term is new to many and may engender images of complex project or organizational management, Lean at its core is a rather simple set of common-sense principles for what a healthy and effective organization should look like. These guiding principles are:

- **Customer-Focused Results** – Do those things that create value for the customer
- **Enterprise Alignment** – Think systematically and create constancy of purpose
- **Continuous Improvement** – Assure quality at the source and embrace scientific thinking
- **Cultural Enablers** – Lead with humility; respect every individual

All Lean transformation activities at ACPE relate to one of these principles, and the goal of the Lean transformation is integrate them into agency culture and make them synonymous with how we go about the agency's work.

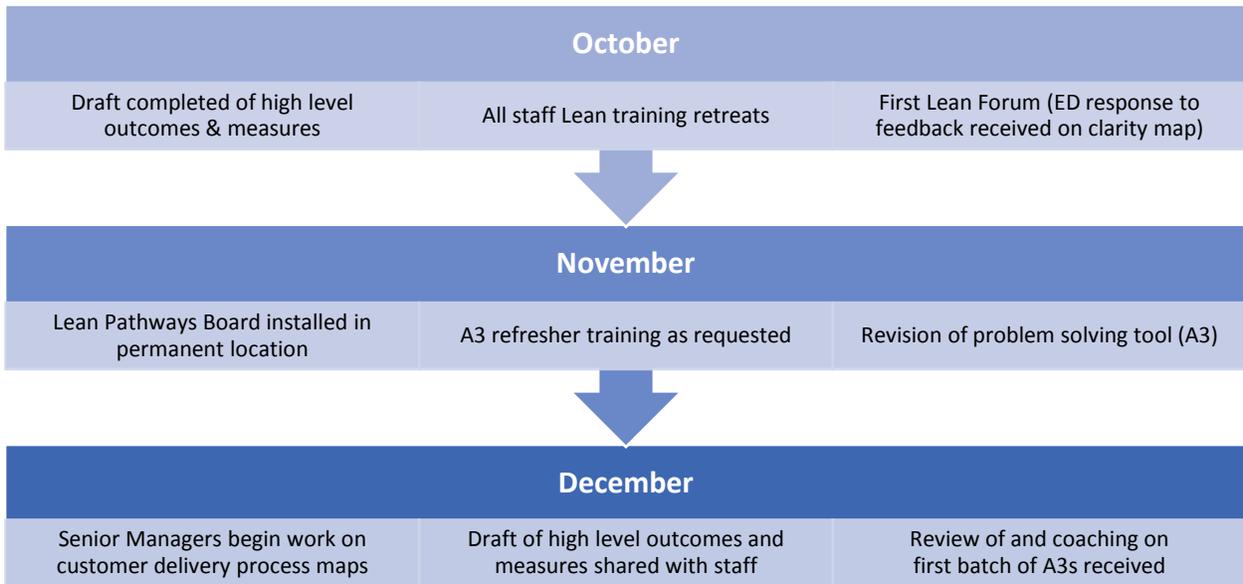
In July 2015, ACPE contracted with Integris Performance Advisors to provide training on Lean and advise on the agency's implementation plans. Since that time, the Lean implementation team and senior managers have been working to develop internal knowledge and capacity as they relate to the guiding principles. Specifically:

- **Enterprise Alignment** – The Lean implementation team and senior managers continued development of a clarity map articulating mission, vision, and values as well as six high-level goals, which was shared with staff for input. Next senior managers further defined the organization's high-level goals and key measures for each of those goals. Senior managers are now engaged in mapping the organization's key products and services and related measures. This work is expected to continue through the first quarter of 2016. From this work, units will identify goals and measures related to the work they do, and they will be tasked with identifying how they measure their work towards the goals.
- **Continuous Improvement** – The Lean implementation team has focused the past six months on developing and delivering continuous improvement resources and trainings. Topics covered include identifying and removing waste in your work and workspace, analyzing and solving process improvement challenges, and building trust and healthy conflict in teams in order to bring out the best ideas and improvements. As part of the fostering of continuous improvement, feedback was collected from staff after many of these activities. Based on feedback, current efforts are focused on developing an improved problem-solving tool as well as developing additional training for managers to build their skills to coach staff through the revised tool.
- **Cultural Enablers** – Much of the work in this area has related to work done in the other areas. As components of the Lean transformation have been developed, these have been shared with staff and their feedback sought. Training on trust and healthy conflict in teams focused on how every staff contribution is valued and considered. Additionally, Lean updates are being incorporated into various agency meetings and those who have expressed interest in Lean have been asked to advise the implementation team on various components. Currently the implementation team is exploring resources related to developing lean leadership behaviors managers should practice to encourage and empower staff.

Lean Transformation Plan



This Past Quarter:



First Quarter 2016:

