

**MINUTES OF THE
COMMISSION MEETING
OF THE
ALASKA COMMISSION ON POSTSECONDARY EDUCATION**

January 7, 2016

A meeting of the Alaska Commission on Postsecondary Education was held Thursday, January 7, 2016 in the offices of the Commission, 800 East Dimond Boulevard, Suite 200, Anchorage, Alaska.

CONVENE

Chair Randy Weaver called the meeting to order at 9:01 a.m.

ATTENDEES

Commission members present for all or portions of the meeting were Chair Randy Weaver, Vice Chair Rebecca Huggins, Dale Anderson, Jerry Covey, Joey Crum, Kenneth Fisher, Colby Freel, Keith Hamilton, Kurt Kuhne, and Sue Linford.

Commission members absent: Ray DePriest, Lynn Gattis, and Gary Stevens.

Commission staff present for all or portions of the meeting were Diane Barrans, Executive Director; Stephanie Butler, Director of Program Operations; Charlene Morrison, Chief Finance Officer; Aaron Gelston, Human Resource Officer; Kerry Thomas, Internal Auditor/ANSWERS Project Manager; Kenneth Dodson, Director of Information Support Services; Rebekah Matrosova, Director of Outreach and Early Awareness; Mary Ellen Beardsley, Assistant Attorney General, Department of Law; Joann Rieselbach, Financial Aid Manager; Kierke Kussart, Institutional Authorization Program Coordinator; Benjamin Shier, Assistant Director/ANSWERS Program Director; Liz LaPierre, ANSWERS Business Analyst; Jolene Smith, Executive Administrative Assistant; Julia Renfro, AKCIS Partnership Coordinator; and, Rochelle Rogers, Executive Assistant/Commission Secretary.

Others Present: Dr. Domenico "Mimmo" Parisi, Executive Director, Mississippi State University National Strategic Planning and Analysis Research Center (NSPARC); Jeff Hoffman, Program Manager, Association of Village Council Presidents; Mark Stemp, Vice President of Business Enterprises, Association of Village Council Presidents; Dr. Tracy Stewart, Academic Dean, Alaska Pacific University; Dr. Leslie Cornick, Chair of Environmental Science Department, Alaska Pacific University; Michael Dawson, President and CEO, Prospect Education, LLC; Vickey Cook, Vice President of Student Finance and Compliance, Prospect Education, LLC; Alison Roope, Associate Director of Compliance, Prospect Education, LLC; Brenda Young, President, Charter College Alaska; Randy Reynolds, Owner, Mane Place Academy; Amanda Lyon, Program Director; Spirit Path Yoga and Wellness, LLC; and Jennifer Dietz, President, Alaska Career College.

ADOPTION OF AGENDA

Commissioner Huggins moved to adopt the agenda of the January 7, 2016 Commission meeting. The motion was seconded by Commissioner Fisher. There being no objection, the motion carried.

WELCOME NEW MEMBER

Chair Weaver welcomed new member Kurt Kuhne. Commissioner Kuhne, of Bethel, AK, was appointed as a representative of the Alaska Workforce Investment Board. He is executive director of Yuut Elitnaurviat, a Yukon-Kuskokwim Delta regional training and education provider.

ETHICS DISCLOSURE RELATIVE TO ADOPTED AGENDA

Commissioner Hamilton disclosed that as President of Alaska Christian College he would abstain from deliberation and voting on matters relating to the institution. Commissioner Linford disclosed that as a member of the Alaska Pacific University board she would abstain from deliberation and voting on matters relating to the institution.

APPROVAL OF MINUTES

Commissioner Anderson moved to adopt the minutes of the October 22, 2015 regular meeting. The motion was seconded by Commissioner Crum. There being no objection, the motion carried.

INSTITUTIONAL STANDARDS & EVALUATION

Kierke Kussart, Institutional Authorization Program Coordinator, reported on compliance activities as summarized in the written meeting materials.

Initial Authorization

Anchorage Yoga – Commissioner Covey moved to approve the initial authorization of Anchorage Yoga for one year, January 31, 2017. The motion was seconded by Commissioner Anderson. There being no objection, the motion carried.

Association of Village Council Presidents Regional Aviation Maintenance School – Commissioner Fisher moved to approve the initial authorization of the Association of Village Council Presidents Regional Aviation Maintenance School for two years through January 31, 2018, with a site visit after one year of operation to review student records. The motion was seconded by Commissioner Anderson. By roll call vote, all members present voted Aye. The motion carried.

Renewal of Authorization

Alaska Pacific University – Commissioner Hamilton moved to approve the renewal of authorization of Alaska Pacific University for five years, through January 31, 2021, and approval of the consolidation of the Bachelor of Science degrees in Marine Biology, Environmental Science, and Earth Science into the BS in Marine and Environmental Science. The motion was seconded by Commissioner Crum. Commissioner Linford abstained. By roll call vote, all other members present voted Aye. The motion carried.

Charter College – Commissioner Fisher moved to approve the renewal of authorization of Charter College for three years, through January 31, 2019, with financial statements to be provided annually. The motion was seconded by Commissioner Huggins. By roll call vote, all members present voted Aye. The motion carried.

Mane Place Academy – Commissioner Covey moved to approve the renewal of authorization of Mane Place Academy for three years, through January 31, 2019. The motion was seconded by Commissioner Huggins. Commissioner Linford voted Nay. By roll call vote, all other members present voted Aye. The motion carried.

Spirit Path Yoga and Wellness LLC – Commissioner Freel moved to approve the renewal of authorization of Spirit Path Yoga and Wellness LLC for three years, through January 31, 2019, with internal financial statements to be provided annually. The motion was seconded by Commissioner Huggins. Commissioner Anderson voted Nay. By roll call vote, all other members present voted Aye. The motion carried.

Extension of Authorization

Alaska Christian College – During the July 2015 Commission meeting, renewal of Alaska Christian College's (ACC) authorization was approved for one year, due to the unresolved matter of ACC's potential financial obligation to the United States Department of Education. The Department has yet to communicate further on this matter. ACPE staff recognize the time and resources it takes to apply for reauthorization and the application is due on April 15, 2016. Since there are no other concerns about ACC's authorization, staff recommend extending the current authorization period for an additional year.

Commissioner Crum moved to approve the extension of authorization of Alaska Christian College for one year, through July 31, 2017. The motion was seconded by Commissioner Fisher. Commissioner Hamilton abstained. By roll call vote, all other members present voted Aye. The motion carried.

EXECUTIVE DIRECTOR REPORT

Ms. Barrans presented her written Executive Director Report which contained a look-back at 2015 agency activities and accomplishments which were focused on either increasing positive program impacts or expanding ACPE mission-related services. She also described the

efficiency measures which had enabled the organization to absorb the FY16 budget reductions imposed during the last legislative session.

Looking forward, with the statewide call to reduce the dependence on general funds, the implementation of Lean principles and practices could not have been better timed. All State funding will be scrutinized and managers need to ensure any expenses are moving the organization forward and are prudent investments. The Lean practices will help do that both at a macro and micro level within the organization.

Ms. Barrans proposed a list of items that she feels are the best use of her remaining time with the agency:

- The Legislative Budget and Audit Committee performance review for the Department of Education begins this month. Senior Managers will be meeting with the performance review contractors for an initial engagement discussion. A complete timeframe has not been established but progress should be made before the transition in leadership.
- This year, there are two existing legislative items directly related to ACPE. SJR2, currently pending in a House committee, would provide a pathway for GO bonding authority to fund education loans. HB202 by Representative Seaton would allow DOL&WD to share wage and income data with the ANSWERS system. Currently pending, preliminary discussions with Representative Seaton indicate he still wants to move forward with advocacy efforts.
- FY17 operating budget request was covered under Charlene Morrison's report and advocating for approval of that will be a priority.
- Implementation of a general outline and plan for the ASLC refinancing program. This would be a new loan product for current borrowers that will need to be competitive in terms of reducing their borrowing costs. ASLC is also working with the Education Finance Council (EFC) and peer organizations around the country in designing this opportunity to assist borrowers with high-cost loans. This effort was greatly assisted by recent clarification from the United States Department of Treasury that tax exempt bond proceeds can be used for refinancing and consolidation of otherwise eligible education loans.
- Lean practice integration will continue as a priority. ACPE has gotten a good start on it but any new initiative needs continued attention to ensure continuing momentum.

Rochelle Rogers, Commission/Corporation Secretary, has had an opportunity in the private sector to pursue her interest in human resource management. As of this weekend she will be leaving ACPE for her new position.

Governor Walker recently issued hiring and travel restrictions. General fund spending reduction is the primary focus but all State funds need to be considered to help reduce overall costs. We will work with Chair Weaver on possible methods to reduce meeting-related costs while maintaining effective communication. With respect to the hiring curtailment, agencies described as quasi-independent were encouraged to exercise discretion when hiring. Commissioner Hanley

was consulted and as practice has been in the past, ACPE's travel and hiring decision authority will remain with the executive director.

PRESENTATION: EFFECTIVE USE OF P-20W STATEWIDE LONGITUDINAL DATA SYSTEMS (SLDS)

Dr. Domenico "Mimmo" Parisi, Executive Director, Mississippi State University National Strategic Planning and Analysis Research Center, presented the work he's doing in Mississippi. Dr. Parisi presented on the various ways their state is putting SLDS data to use.

Mississippi's system, LifeTracks, incorporates available data into a data ecosystem. The system brings together multiple stakeholders with a focus on education, workforce, and economic development. It's used to promote performance-based management and strategic planning in those areas and provides timely and important information when it's needed.

Dr. Parisi discussed the relevant data for the program as educational development information coming from early childhood, K-12, adult education, community colleges, universities, and currently in the process of getting private colleges as well. The SLDS has been critical to understanding what happens to students once they leave school and has options to track students and inform the universities on what happened to their students in the workforce after receiving a degree. This information can also emphasize a universities focus. SLDS can also help to determine the clearest market value for particular degree or certificate fields.

LifeTracks data has been used to attract businesses into the state. Information collected can show and demonstrate there is a baseline for the workforce that is critical to attract companies. All the data is produced in real time. SLDS can become a critical marketing tool for the state's economic development.

Dr. Parisi shared their annual report from January 2015-November. LifeTracks has become one of the most valuable assets of the state.

PRESENTATION: ANSWERS' PROOF OF CONCEPT DEMONSTRATION

Kerry Thomas, ANSWERS Project Manager played an ANSWERS video released this week. It was a collaborative effort of ANSWERS partners EED Commissioner Hanley, UA President Jim Johnsen, and Cathy LeCompte. The video is available on the ANSWERS website at <http://answersresults.alaska.gov/>

Stephanie Butler, ANSWERS Project Director discussed the new changes to the ANSWERS program in the wake of significant budget cuts. Ben Shier will not be transitioning to the full-time ANSWERS director and instead will continue in his current role while devoting approximately 30 percent of his time to ANSWERS activities. The funds are not currently available to hire researcher technical staff, so ACPE staff will be providing those kinds of services as in-kind. There is good opportunity right now with the budget retraction to really highlight the potential for ANSWERS.

Ms. Butler indicated the priority going forward will be to look for opportunities to demonstrate the proof of concept for ANSWERS. Passage of House Bill 202 will allow DOL&WD to share employment data with ANSWERS is also a priority; staff have been working closely with Rep. Seaton and his office to prepare for the 2016 session.

Ms. Thomas navigated the ANSWERS test website. Once the site has gone live, a notification will be sent to the listserv, approximately 300 individuals. Many states take different approaches of how they match, link, and store data. But Alaska is completely de-identified. ANSWERS makes the process much more efficient and accessible to others. Parties share the data once in the central de-identified and secure repository and it can be used many times in this secure environment.

In the last 3.5 years a lot has been accomplished on the project – established a governance structure, analyzed data systems, developed the business and technical requirements, designed and developed the system, and launched the website. The model for project sustainability continues to be refined based on the budget cuts to maintain the system beyond the grant.

Mr. Shier pointed to some additional resources on the website and discussed the broad policy questions that helped guide the development of ANSWERS. They consulted with many Alaska stakeholders: parents, the public, Parent Teacher Association, Legislature, and various State departments to determine what the right questions were. Questions relate to return on public investment, how aligned or not is Alaska's education system with the workforce needs of today and tomorrow, workforce outcomes for those that participated in the Alaska education pipeline, and the impacts of various financial aid programs leading to education outcomes. ANSWERS isn't built to answer every question, it needs to relate to education outcomes and movement to workforce.

Sample questions include: What are postsecondary completion rates for the Alaska Performance Scholarship (APS) as compared to non-APS recipients? What are APS eligibility and usage rates in different areas of the state? Do cohorts of students who receive specific interventions or complete a specific program graduate at higher rates?

The information requests and publishing of information is tightly controlled through the governance structure. The governance structure includes the chief executives of DOL&WD, Department of Education and Early Development, President of the University of Alaska, and the Executive Director of ACPE. As a group, they determine whether the request is appropriate, if it relates to the broad policy areas, and whether the report is appropriate to publish. It operates in a consensus model.

The budget reductions have diminished the capacity to produce all the information products but using existing federal funds we are looking at what reports ACPE can publish. Using existing APS data, there is a new tool called Tableau, which allows users to interact with the data. It looks at data over time and geographic region. Stakeholders will be very interested in this. It's a very new but powerful tool to visualize this information.

Ms. Butler commented that ACPE feels challenged but excited for the potential ANSWERS has to inform the State during this time of fiscal austerity.

MANAGEMENT TEAM REPORTS

Finance: Ms. Morrison referenced her written report. There are significant changes in the proposed operating budget. The CACG will come to an end in August 2016 so there was a reduction in the federal budget that still leaves a little funding authority to take advantage of any opportunities that may arise for federal grants. The funding sources for IA fees are being reclassified. In the past they've been considered statutory designated program receipts, but after receiving guidance from the Department of Administration, Division of Finance they should be classified as General Fund program receipts. ACPE's statutory designated receipt authority has increased to accommodate private funding in order to help fund outreach and research activities. Interagency funding is available in case another State agency would like to partner on a project. There are seven non-permanent positions funded by CACG being. The remaining positions were transferred back to positions funded by Alaska Student Loan Corporation receipts.

The Alaska Student Loan Corporation board met October 29th. The board reviewed the audited financial statements and did not declare a dividend because the net income didn't exceed the base set in statute of \$2 million. No dividend action was taken. Approval was given to defease the outstanding bonds under the 2002 trust. Those bonds were defeased on November 12th. That allowed the release about \$90 million of performing loans from that trust. The trust is now gone. Loans are now consider non-pledged and the Corporation can now use receipts for corporate purposes.

No update on IRS examination. Conversations continue through December. The last piece of information given was in early December and we continue to wait for the next communication from the IRS.

No change in loan funding status. Still in a good position to meet loan demand for the rest of this fiscal year and next. Starting to look at a refinancing program so there's continued work with the financial advisor to get an idea of how long the non-pledged assets can support the Corporation's operating budget as well as new loan activity.

The Corporation reviews their Investment Policy on an annual basis and elected to make some minor changes as recommended by staff.

Program Operations: Ms. Butler presented her written report. The focus on reducing costs by increased reliance on technology-based communications continues to be successful. As a financial institution, there's also a strong focus on federal and state law compliance. There's also a lot of activity at the federal level right now. They are seeing a turnaround in dollar amount on new lending. Currently, 17 percent of borrowers have taken out larger loans for enrolling in more credits and therefore are on track to graduate in four years.

Outreach & Early Awareness: Ms. Matrosova presented her written report. Much of the quarter's activity centered around partnership planning. The annual APS interagency planning

meeting focused on the upcoming changes to the SAT that may impact student awareness about their qualification for the APS. University of Alaska/ACPE College Access and Success working group also met and had some planning around the upcoming changes to the FAFSA. The Alaska Postsecondary Access and Completion Network continues to have intense planning activity. The federal funding for this initiative is coming to an end, they prioritized initiatives to get the maximum use out of the remaining funding.

The Anchorage ACPE office continues to engage in Lean. This quarter's report include an AY15 review and analysis of outreach activities. The regional distribution of service delivery remains fairly well balanced and the unit has increased reach while decreasing cost. There has been a decline in the number of service recipients who took action steps after receiving services and understanding and address this outcome remains a priority.

Ms. Matrosova's report also contains an update on *I Know I Can*, they were able to implement an online application system that increased efficiency.

Information Support Services: Mr. Dodson presented his written report and discussed the past quarter's activity. Report focused on ANSWERS, student loan servicing system, and continuing support after moving the system off the mainframe less than a year ago. Extensive testing is done to ensure when changes are implemented into the production environment, they don't break something that's already working. His group is also working to improve and enhance the security system and through their working relationship with the State Security Office, are working on a few initiatives to utilize those resources to the best of their ability.

ANSWERS/Internal Audit: Ms. Thomas referenced her written report and noted her dual role with the Commission as ANSWERS Project Manager and Internal Auditor. She continues to serve as a member of the Lean implementation team looking at process improvement to bring efficiencies and cost savings to the agency. Also as member of the senior management team she's been working through many of the Lean activities and the business line maps, customer delivery maps, and talking through the information about ACPE and its goals, objectives, and that plays into the business lines. That work will continue indefinitely, once the high-level work is done, they will cascade into the details over the next quarters. Ms. Thomas has also been designated by the Executive Director as the single point of contact for the 2016 Legislative performance review mandated in statute. That work is underway and expect auditors onsite at the end of this month.

Human Resources: Mr. Gelston referenced his written report. ACPE will continue to work under the new restrictions to ensure appropriate staffing and have been able to fill some positions under the new guidelines. The primary initiative moving forward will be identifying a suitable successor for the executive director position before her departure in late FY16.

PUBLIC TESTIMONY

No members of the public offered testimony.

EXECUTIVE DIRECTOR RECRUITMENT UPDATE

Mr. Gelston discussed recruitment activity as a major initiative for the first quarter of 2016. Prior to the departure of Human Resources Officer Barthel, there was significant planning for the task of recruiting for the Executive Director position. The tasks and target dates are largely an outgrowth of the October executive session. Two main accomplishments since that meeting: identifying a search committee (Commission members Weaver, Huggins, Anderson, Hamilton, Crum, Freel, and Kerry Thomas), and a current and accurate position description has been finalized. It will facilitate development and advertising of job posting language that will convey the knowledge, skills, and abilities needed for the position. Due to the transition of Mr. Barthel, the timeline slowed through the holidays but efforts will be reinvigorated in January and expect recruitment efforts to be active within the next two weeks.

COMMISSIONER REPORTS

Alaska Student Loan Corporation – Chair Weaver announced the Alaska Student Loan Corporation did have a meeting October 29, 2015 as reported under Chief Finance Officer Morrison’s report item.

Student Representative – Commissioner Freel noted student government in Fairbanks met with Governor Walker. Among discussion topics was the Alaska Performance Scholarship and identifying ways to better serve students, particularly CTE students who don’t utilize their APS. Some students feel the APS will help those students who already plan on attending college and may not be a strong enough incentive for students who would not normally attend. Looking at finding better ways to serve students.

UA Board of Regents – Early in December, Ed Rasmuson and Aaron Schutt hosted the first Alaska Public Higher Education Roundtable. A conversation among State leaders to discuss the state’s top priorities for the University. Rising to the top of the list for higher education needs were: continuing to lead in Arctic research, improving access and opportunity for all Alaskans, operating more cost effectively, improving and meeting the state’s workforce needs, and creating an education culture from kindergarten to professional. The roundtable will convene again in May of this year to review University progress toward meeting those needs. Also in December the University Foundation Board of Trustees approved funding of a marketing campaign to raise the general public’s awareness of the University and value of public higher education. Coming up this month the Board of Regents will conduct the annual strategic planning retreat. In the context of tough budget times the Regents will consider how the University should maximize its service to the state while reducing costs. Among other topics will be e-learning, developmental education, general education requirements, and teacher education. As of the end of the year all campuses are now smoke-free. ACPE and the University partnered together to get students to the University and the University is eager to promote this partnership.

State Board of Education – Commissioner Hamilton reported on three items. It was reported that Alaska Measures of Progress (AMP) was rolled out in October, there was a lot of difficulty getting that out on time. There are still ongoing issues and there is a contract for another year for rolling out testing. This spring it will be used again in schools across the state,

but there is conversation about what needs to be done to repair some of the loss from last year as well as moving ahead toward the possibility of new contracts.

The President did sign the Every Student Succeeds Act back in December. It was a good thing to have since Alaska has been under waiver for a long time. Now looking at thousand page document. Will be a good thing, support for the State's making decisions and less restrictions.

Strategic planning continues on EED 2.0; the three strategies are: empowering local control of education decisions, modernizing state education systems, and ensuring high-quality educators for Alaska's children. The first year of cuts took 27 percent reduction in overall cost.

Alaska Workforce Investment Board – Commissioner Kuhne is new to the AWIB, only been to one meeting. Meeting focused on efforts of the Department of Labor and Workforce Development (DOL&WD) and the new Workforce Investment Act. DOL&WD has workforce development plans in numerous industry sectors: oil and gas, maritime, construction, and health. A new board chair was elected. There are big changes in board with more involvement from the new Commissioner.

Proprietary Education – Commissioner Crum reported they've been working with companies in Louisiana and Mississippi to target workforce development needs that specifically utilize military veterans. In Alaska, between 2013 and 2014 there's an average of 268 per month that are exiting and 2015 is anticipated to be much higher. Exiting soldiers from Fort Wainwright who have indicated they would like to stay in Alaska are in the single digits. Commissioner Crum reported they were contacted because of their AWS accreditation and are looking to set up a pipeline for those soldiers to get trained here before their exit and have opportunities and jobs available to them. Now they are working to get them into the CTE training and disseminate programs available part time and on time to colleges in the Gulf to further their professional development.

WINTER 2017 MEETING DATE

Commissioner Huggins moved to schedule the winter 2017 Commission meeting for Wednesday, January 11, 2017. Commissioner Hamilton proposed to schedule the meeting for Thursday, January 12, 2017. The motion was seconded by Commissioner Huggins. There being no objection, the motion carried.

ADJOURN

There being no further business to discuss Commissioner Fisher moved to adjourn the winter 2016 Commission meeting. The motion was seconded by Commissioner Huggins. There being no objection, the motion carried. The meeting adjourned at approximately 12:45 p.m.

Randy Weaver, Chair