Alaska's economy is fueled by its workforce but facing a shortage of 22,000 workers with college and career education. We're doing something about that.

> ANNUAL REPORT FY 2016

Alaska Commission on Postsecondary Education

Alaska Student Loan Corporation As Alaska's economy evolves, our choice is to react to the changes or prepare for the changes. We choose to prepare, redoubling our commitment and responsibility to drive the state's economy forward with a skilled workforce. This year, the Alaska Commission on Postsecondary Education (ACPE) and our funding partner, the Alaska Student Loan Corporation (ASLC), reduced costs to the agency, prioritized developments that reduce costs to students, and worked to develop Alaska's workforce by making college and career training affordable and accessible.

To reduce agency costs, ACPE is enculturing Lean management, which seeks to empower our staff to continuously assess and improve business processes. This innovative approach allowed us to minimize impacts to students while absorbing reductions of \$882,300 in budget and 12 positions over the past two years.

Furthermore, new private funding partners supported mission-centric postsecondary planning services, which ensure that students enter career training or college prepared to succeed.

In its role of funding the lowest-possible-cost loans for Alaska's students, ASLC was gratified to see the Legislature's support of Senator MacKinnon's proposal to reduce student loan interest rates, with no cost to the State's General Fund, by allowing ASLC to fund loans with lower-cost general obligation bonds and pass savings on to students. Although Alaska's voters did not approve the measure, citizen comments remained very supportive of lowering costs for students. It is clear that low-cost student loans are a necessity, and we will continue to pursue innovative options to reduce interest rates, without cost to the State's General Fund. As one example, this year we introduced the Alaska Education Loan Refinance Program (Refi). In the immediate term, Refi is helping Alaskans lower the cost of their existing education debt. In the long term, we anticipate the program may generate servicing cost efficiencies to allow ASLC to set lower interest rates for new borrowers, as well.

Alaska's economy is fueled by having a highly trained workforce – but labor projections reflect a shortage of more than 22,000 workers with postsecondary credentials and certifications in Alaska by 2020. We're doing something about that. ACPE and ASLC are driving growth by providing financial aid and related services to ensure that every Alaskan has the opportunity to contribute to a strong Alaska economy.

Sincerely, Stephanie Butler Executive Officer, ASLC Executive Director, ACPE Randy Weaver, *Chair ASLC* Rebecca Huggins, *Chair ACPE*



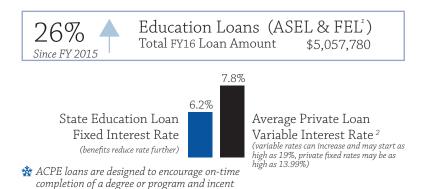
⁶⁶ Every dollar awarded in an ASLC loan or in a grant or scholarship ... to a student at the University of Alaska generates an economic benefit of \$3.25. [...]

The loans, scholarships, and grants administered by ACPE encourage Alaska students to stay in Alaska for postsecondary education and to enter the Alaska workforce after graduation.

> Public Works LLC, Alaska Division of Legislative Audit Performance Review, 2016



ACPE's low-cost student and family loans, funded by ASLC, meet a need in Alaska at no cost to the State's General Fund.



At no cost to the General Fund, ACPE also administers

students to stay in Alaska after graduation.

Alaska Education Grant (AEG) Total FY16 Award Amount \$5,286,667

4 out of 5 students who receive the APS are academically prepared for college or trade school.

Alaska Performance Scholarship (APS) Total FY16 Award Amount \$11,047,616

The Alaska Higher Education Investment Fund (AHEIF) funds the needs-based AEG and merit-based APS awards. These programs successfully encourage students to enroll and persist at Alaska universities and career training centers.

WICHE/WUE *Total* FY16 *Student Savings* \$9,600,000 Participants in these national exchange programs experience tuition savings, and retain ties to Alaska. We're leveraging innovation and technology to provide essential, value-added services to Alaskans with reduced staffing and reduced costs.



Lean Management

~\$200,000 in savings through continuous improvement

Enculturation of Lean management principles throughout the agency is empowering every ACPE employee to contribute to process improvements - large and small - by asking the right questions, identifying opportunities, and taking action to reduce costs and add value to the customer.



Postsecondary Access & Completion Network Building Alaska's non-profit capacity to support education and training attainment

This collaborative strengthens partnerships: postsecondary, secondary, public, private, non-profit, Native, and business organizations united around a shared goal of 65% postsecondary attainment by 2025. The program was conceived and incubated at ACPE, and successfully designed to spin off in FY17 to a private non-profit - not requiring State support - able to attract Outside and other private funding.

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Alaska Career Information System (AKCIS) 127,525 logins in FY16 to Alaska's learning and career planning tool

AKCIS is a cost-effective, interactive, online system used by all 54 school districts and many other entities for comprehensive Alaska-specific career and training planning. With reduced staffing, new video modules are helping deliver essential training to Alaska's teachers and counselors.

1 Alaska Supplemental EducationLoan and Family Education Loan

2 Private Student Loans. Consumer Financial Protection Bureau (2012, August 29). Retrieved from http://files.consumerfinance.gov/f/201207_cfpb_Reports_Private-Student-Loans.pdf



•• ... ASLC [should] be maintained and allowed to

1) engage in activities to increase student loan volume and reduce loan interest rates and

2) fund outreach activities to encourage Alaska students to pursue postsecondary education in Alaska, as these produce net quantifiable benefits for the state and its citizens.

> Public Works LLC, Alaska Division of Legislative Audit Performance Review, 2016

ACPE Commissioners:

Rebecca Huggins (*Chair*), Joey Crum (*Vice Chair*), Dale Anderson, Eric Ash, Jerry Covey, Ray DePriest, Kenneth Fisher, Colby Freel, Rep. Lynn Gattis, Keith Hamilton, Kurt Kuhne, Patricia Jacobson, Sen. Gary Stevens, Randy L. Weaver

ASLC Board Members:

Randy Weaver (*Chair*), Patricia Jacobson (*Vice Chair*), Sheldon Fisher (Designee Ryan Mitchell-Colgan), Chris Hladick (Designee Jim Andersen), Randall Hoffbeck (Designee Jerry Burnett)

Management Team:

Stephanie Butler - *Executive Director*, Kenneth Dodson - *Information Support Services*, Aaron Gelston - *Human Resource*, Rebekah Matrosova - *Outreach & Early Awareness*, Charlene Morrison, CPA - *Chief Finance Officer*, Kerry Thomas - *Operations* "This scholarship was the only reason I was able to go to college. I'm enrolled in the UAA nursing program, I never thought I'd be able to go to college until this scholarship helped me."

Source: APS Recipient Survey. 2015. Prepared by McDowell Group, LLC.

"Loans that are reasonable are very difficult to come by. I'm lucky Alaska has this opportunity for students."

Source: ACPE Borrower Survey. 2016. Prepared by McDowell Group, LLC.

The Alaska Commission on Postsecondary Education, funded by the Alaska Student Loan Corporation, promotes access to and success in education and career training beyond high school.

Service • Quality • Innovation • Empowerment • Accountability

Your workforce is your most valuable asset. The knowledge and skills they have represent the fuel that drives the engine of business.

- Harvey Mackay

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ACPE provides its programs and services to all persons without regard to race, color, religion, national origin, gender, age, political affiliation, or disability. Auxiliary aids and services available upon request to individuals with disabilities.