

Alaska Commission on Postsecondary Education Alaska Student Loan Corporation

2019 Legislative Presentation



Alaska Student
Loan Corporation

The Mission

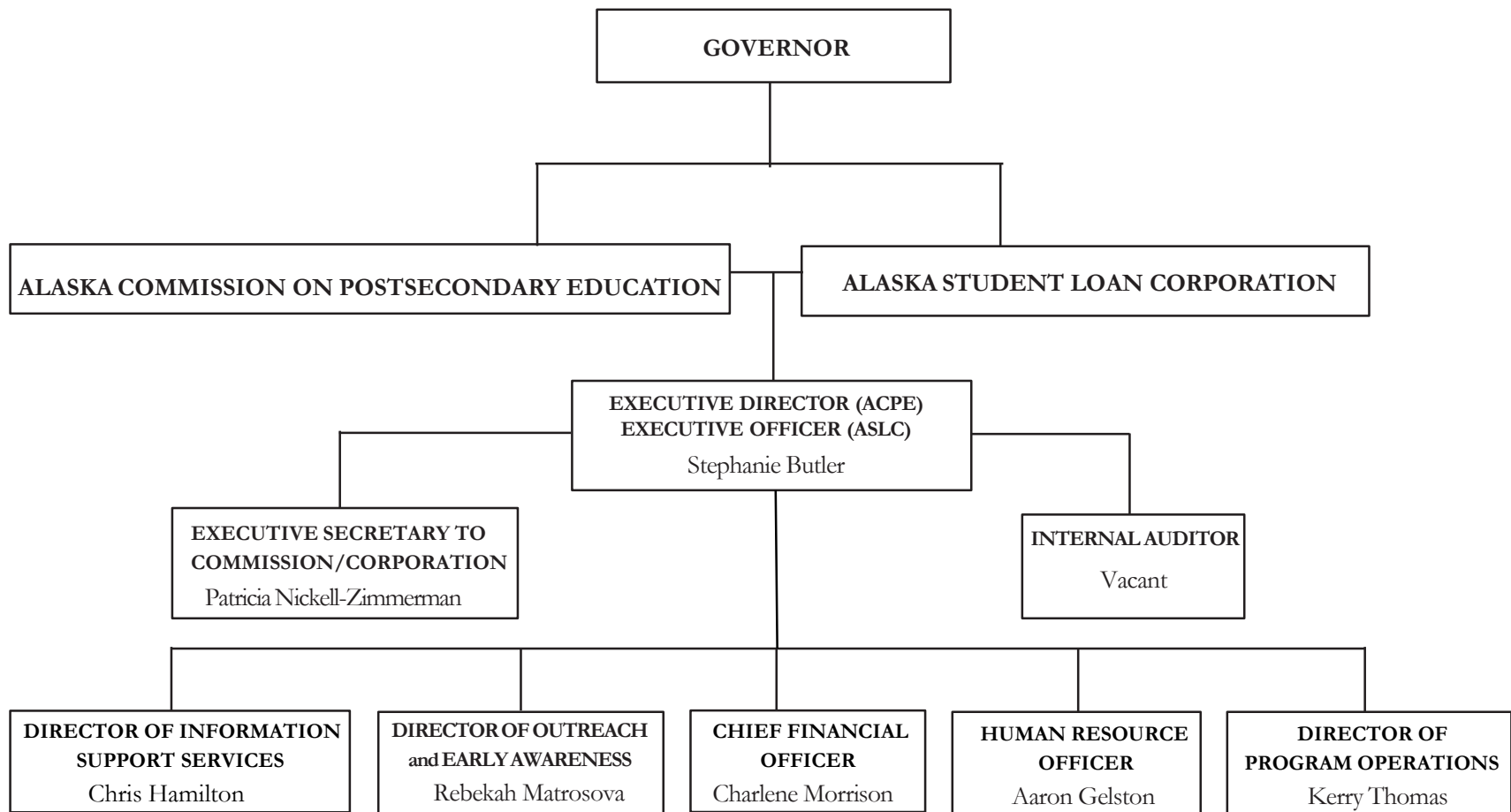
Alaska Commission on Postsecondary Education (ACPE)

Promote access to and success in education and
career training beyond high school

Alaska Student Loan Corporation (ASLC)

Operate as an enterprise agency of the State of Alaska to finance the
Alaska Student Loan Program

ACPE Organizational Governance



Agency PCNs	
Anchorage	16
Juneau	<u>65</u>
Total	81

Commission History

1968: Alaska Legislature establishes the State's first scholarship loan program to help educate its citizenry

1974: Legislature creates the Alaska Commission on Postsecondary Education to manage financial aid programs, coordinate the development of educational programs, and regulate postsecondary institutions in the State for the well being of all Alaskans

1987: Declining oil prices and state revenues result in lack of funding for state programs, and the legislature preserves citizen access to programs through creation of the Alaska Student Loan Corporation to raise alternative financing through revenue bond issuance

Present: ACPE manages state financial aid programs, citizen education access programs, institutional regulation, and support services for Alaska school districts and the University of Alaska, without draw on the state's general fund

Commission Structure Overview

By statute 14-member Commission:

University of Alaska Board of Regents (2)

Private higher education (1)

Proprietary postsecondary education (1)

State Senate (1)

State House of Representatives (1)

General Public (4)

Student (1)

Alaska Workforce Investment Board (1)

Community College (1)

Board of Education and Early Development (1)

Composition of the Commission is set out in statute and members are appointed by the governor or, in the case of organizational constituencies, by the body they are representing.

Commission Roles, Authorities, and Responsibilities

- Functions, duties and powers set out in AS 14.42.030, including:
 - Advisory body to Governor and Legislature, relative to planning for higher education in the state,
 - Administer financial aid programs and interstate compacts,
 - Administer state institutional authorization under AS 14.48,
 - Serve as state agency required by federal Higher Education Act.
- Meets quarterly (supplemented as needed).
- Commission guides the Executive Director and staff to develop and implement programs and policies to increase access to higher education in Alaska, including both collegiate and vocational education.
- Has broad authority to adopt regulations, set fees, and take related actions to successfully deliver programs and services.

ACPE Operational Structure Overview

1. Executive Office/Administrative Support/Personnel

- Program and policy development, internal audit, institutional authorization, human resource management, legislative liaison, and Commission and Corporation board support

2. Program Operations

- Scholarship and grant administration, loan origination and servicing, exchange program administration, quality assurance and compliance oversight, outcomes reporting, and records management

3. Finance

- Procurement, payment processing, budget management, bond trust administration and compliance, financial reporting and compliance

4. Information Support Services

- Loan servicing system management, internet-based services, database management, business analysis, network support, information security compliance, and website development and maintenance

5. Postsecondary Planning and Outreach

- Alaska Career Information System (AKCIS), early awareness programs, higher education and financial aid programs promotion, support services for school districts and the University, and publications

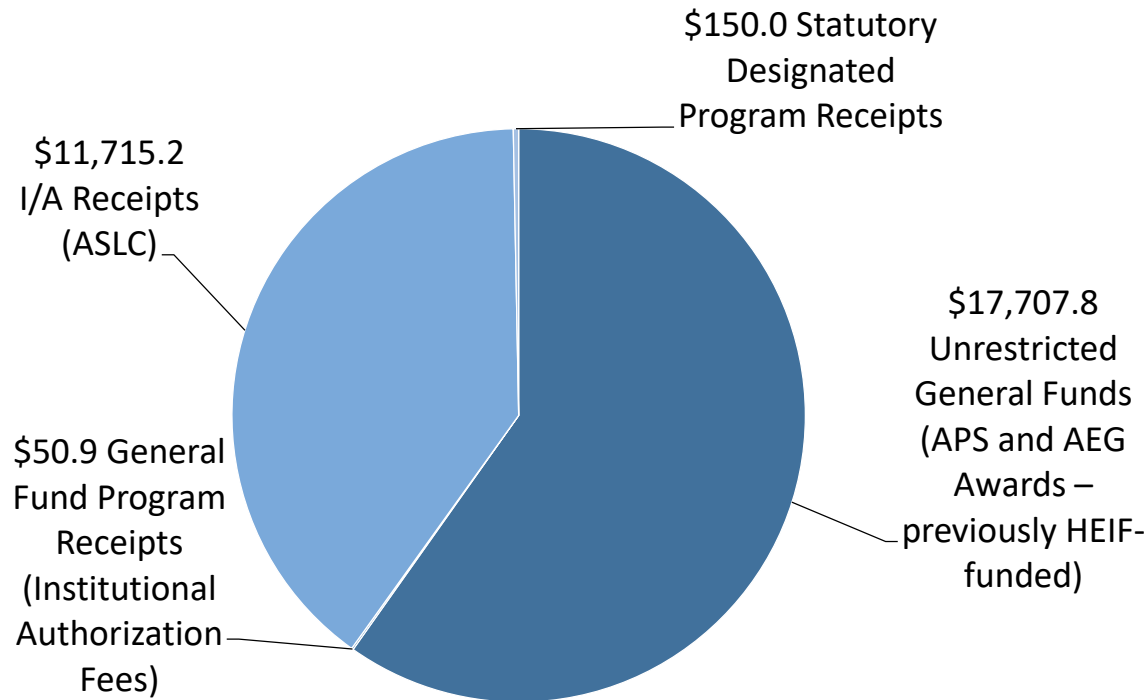
ACPE Historical Staffing

	FT	PT	NP	Total	% Change
FY2016 Management Plan	95	0	11	106	0%
FY2017 Management Plan	88	0	4	92	-13.2% (deleted 14 PCNs)
FY2018 Management Plan	83	0	3	86	-6.5% (deleted 6 PCNs)
FY2019 Management Plan	80	0	1	81	-6.0% (deleted 5 PCNs)
FY2020 Governor	80	0	1	81	0%

ACPE Budget Reductions

	FY20 Governor Amended		FY19		FY18		FY15	Overall Change From FY15		
Budget (by source)	\$	PCNs	\$	PCNs	\$	PCNs	\$	PCNs	\$	PCNs
Interagency Receipts (ASLC)	11,715.2	80.74	11,742.8	80.74	12,144.0	85.52	13,274.5	87	(1,559.3)	(6.26)
Federal	0	0	0	0	100.0	0	1,987.1	15	(1,987.1)	(15)
Unrestricted GF	17,707.8	0	0	0	0.0	0	2,964.8	0	14,743	0
GF Program Receipts	50.9	0.26	50.9	0.26	50.9	0.38	0.0	0	50.9	0.26
AHEIF (DGF)	0	0	20,804.2	0	20,722.6	0	16,582.8	0	(16,582.8)	0
Statutory Designated Program Receipts	150.0	0	150.0	0	515.7	0.1	100.0	0	50.0	0
Other Inter-agency	0	0	0	0	100.0	0	1,409.5	4	(1,409.5)	(4)
	29,623.9	81	32,747.9	81	33,633.2	86	36,318.7	106	(6,694.8)	(25)

ACPE FY2020 Budget Request by Fund Source



ASLC Organizational Governance

ASLC Structure Overview

Five-member Board

- Commissioner of Administration; Designee Dave Donley
- Commissioner of Commerce, Community and Economic Development; Designee Shawn Williams
- Commissioner of Revenue; Designee Greg Samorajski
- Two ACPE members
Randy Weaver and Pat Jacobson

General Corporation responsibilities:

- Generate loan program funding by issuing asset-backed debt
- Oversee investments, trusts, and indentures
- Set loan terms and benefits

Board meetings are scheduled as needed, generally twice a year (supplemented as needed)

Corporation History

The Corporation was established by the Alaska State Legislature in 1987 to provide an alternative to using State funds to finance education loans to its residents and students attending Alaska postsecondary institutions.

The statute creating the Corporation is codified at Alaska Statutes 14.42.100 through 14.42.990, as amended (the “Authorizing Act”), pursuant to which the Corporation is defined as *“a public corporation and government instrumentality within the Department of Education and Early Development, but having a legal existence independent of and separate from the State”*

ASLC Capitalization

The State of Alaska transferred a \$260 million loan portfolio to the Corporation and provided \$46.7 million in cash for operations during the first five years of existence.

The Corporation owns all Alaska Student Loans, Alaska Supplemental Education Loans, Family Education Loans, Teacher Education Loans, Federal Family Education Loans, Alternative Consolidated, Refinanced and WICHE/Professional Student Exchange Program loans.

The State of Alaska retained ownership of WWAMI loans, and fiduciary responsibility for Winn Brindle and Memorial Scholarship loans.

History of Alaska Education Loan Programs

ACPE began *originating* loans on behalf of the State in 1974, under a program created by the State in 1968. ASLC began *financing* loans directly in 1988, using the proceeds of its first bond issue and entered into an agreement with ACPE for loan servicing.

ASLC originated federally guaranteed (FFELP) loans from 2002 until the program was terminated in 2010, using proceeds of several debt transactions.

Since its creation in 1987, ASLC has issued debt of approximately \$1.6 billion to finance its education loan activities.

Organizational Relationship to ACPE

The Corporation does not have the authority to hire staff and does not have PCNs assigned to it. The administration of the Corporation is delegated to the Executive Officer of the Corporation, who is also the Executive Director of the Commission.

ACPE services the ASLC loan portfolio from application to repayment completion. ASLC pays ACPE for these services. This is the operational budget funding source for ACPE.

ASLC Relationship to the State of Alaska

ACPE and ASLC are housed within the Department of Education and Early Development (DEED) for budgetary/administrative purposes only, and ACPE pays DEED for that support. ACPE and ASLC are not operational divisions of DEED, nor subject to the direction of the Commissioner of DEED or the state Board of Education (AS 14.42.040(b)).

ASLC operating costs are subject to the Executive Budget Act. However, the State has certain covenants to consider relative to ensuring adequate loan servicing capacity. Under AS 14.42.270, the State has agreed not to take action to compromise ASLC's capacity to repay principal and interest on bonds outstanding.

The State's agreement is incorporated into ASLC-related financing documents. Approval of any legislation causing an impairment of loan servicing may constitute default under existing financing agreements, resulting in a variety of impacts including outstanding bonds becoming immediately due and payable.

Alaska Education Loan Financing

ASLC currently has two outstanding bond issues:

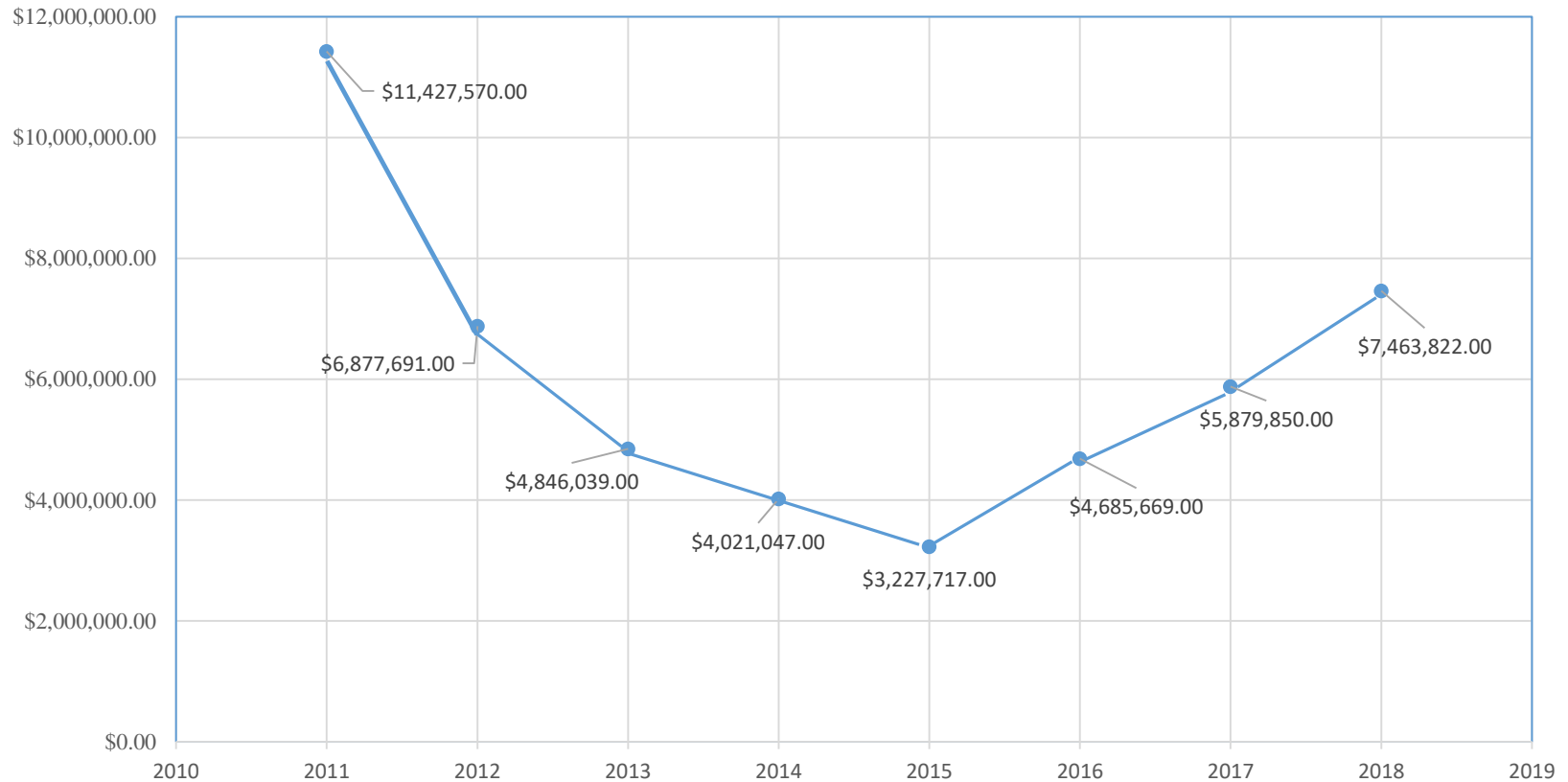
- 2012B Education Loan Revenue Refunding Bonds, due 2043 (original issue \$78.4 million~\$2.9 million outstanding)
- 2013 Education Loan Revenue Refunding Note, due 2031 (original issue \$144.7 million and ~\$49.0 million outstanding)

ACPE services ASLC's portfolio of ~\$52 million in FFELP and ~\$185 million in state loans

As required by the 2013 debt documents, ASLC has a contract with the Pennsylvania Higher Education Assistance Agency for back-up servicing of the FFELP portfolio in the event ACPE is not able to adequately service those loans

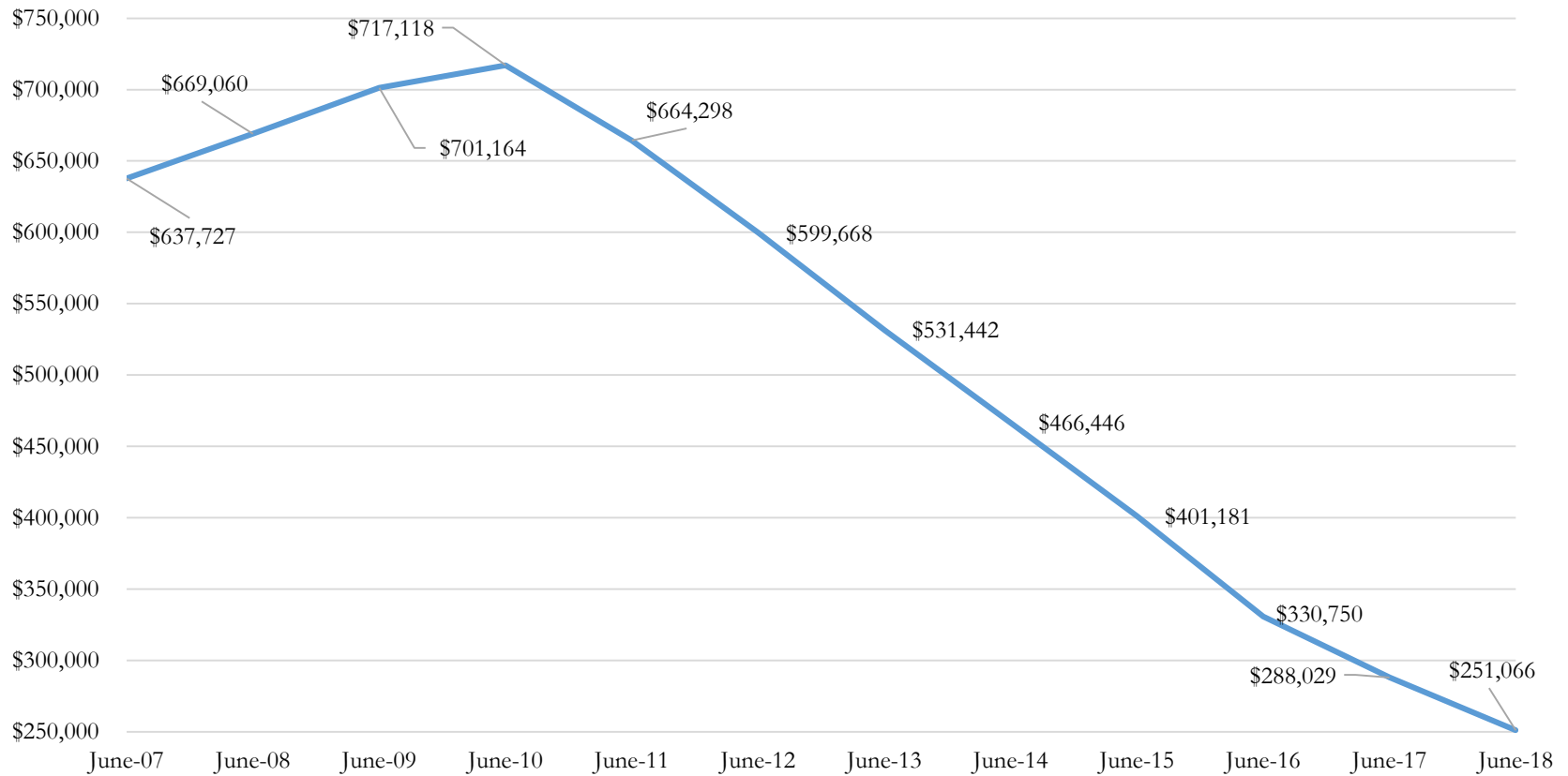
Alaska Supplemental Education Loan Annual Originations

ASEL Annual Originations



Loan Portfolio Run Off

(principal in thousands)



Capital Provided to the State

AS 14.42.295 gives the ASLC board authority to pay the state a dividend, for each base fiscal year that the corporation's net income equals or exceeds \$2,000,000. The payment may not be less than 10 percent nor more than 35 percent of the corporation's net income, and is subject to the provisions of bond indentures of the Corporation.

Annual Dividends paid by Fiscal Year

2001	\$ 2,200,000
2002	4,000,000
2003	5,250,000
2004	5,000,000
2005	5,600,000
2006	3,100,000
2007	1,900,000
2008	1,200,000
2009	4,100,000
2018	1,200,000
Total Dividends paid	<u>33,550,000</u>

ACPE Programs and Services

Student Financial Aid: Alaska Education Loans, Scholarships, and Exchange Programs

Alaska State Education Loan Programs

Alaska Supplemental Education Loans

- Alaska's primary state alternative education loan
- ACPE currently servicing approximately \$102.6 million in loans
- Currently offered at fixed rates between 5.4% and 8.5%
- Eligibility requires borrower or cosigner with a FICO of at least 650

Alaska Family Education Loans

- Alaska's alternative to the federal PLUS loan which permits family members to borrow to help pay a student's educational costs
- ACPE currently servicing approximately \$2.0 million in loans
- Currently offered at a fixed rate of 6.90%
- Eligibility requires residency of borrower and student and an absence of adverse credit history

Federal Family Education Loans

- ASLC Program Lender from 2002-2009
- ACPE currently servicing approximately \$52.5 million in loans

Alaska State Education Loan Programs (continued)

Alaska Education Loan Refinancing Program

- Alaska residents can refinance qualified state, federal, and private loans into one low-cost loan, serviced in Alaska by ACPE
- ACPE currently servicing approximately \$15.6 million in loans
- Currently offered at fixed rates between 4.6% and 5.3%
- Eligibility requires borrower or cosigner have a FICO of at least 720

Other Smaller or Discontinued Loan Programs

- Alaska Student Loans
 - Program replaced with Alaska Supplemental Education Loans
 - ACPE currently servicing approximately \$41.7 million in loans
- ALT Consolidated Loans
 - Program replaced with Alaska Education Loan Refinancing Program
 - ACPE currently servicing approximately \$17.6 million in loans
- Teacher Education Loans
 - Program being phased out; no new borrowers since academic year 2016
 - ACPE currently servicing approximately \$3.7 million in loans

Other Smaller or Discontinued Loan Programs (continued)

- A. W. Winn Brindle Memorial Education Loan Program
 - Fisheries related program funded with business donations
 - Donor tax credit repealed in 2018; no new donations since then
 - ACPE currently servicing approximately \$2.8 million in loans
 - Loans are eligible for up to 50% forgiveness for qualifying borrowers
- WWAMI loans
 - The State of Alaska contracts with the University of Washington School of Medicine to accommodate 80 participants pursuing a medical education degree
 - Participants receive loans for a portion of state-paid support costs
 - ACPE currently servicing approximately \$12.3 million in loans
- Professional Student Exchange Program
 - ACPE currently servicing approximately \$1.9 million in loans

2018-2019 Interest Rates and Benefits

The rates for the fixed rate Alaska Supplemental Education Loans (ASEL) are as follows:

FICO ¹ Range	650-679 ²		680-749		750+	
School Location	In-State	Out-of-State	In-State	Out-of-State	In-State	Out-of-State
Base Rate	8.00%	8.50%	6.40%	6.90%	5.40%	5.90%
Interest Rate Reduction ³	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Lowest Rate	7.75%	8.25%	6.15%	6.65%	5.15%	5.65%

Rates for all other programs are outlined below:

Program	Variable Rate ASEL ⁴	Fixed Rate PSEP ⁵	Fixed Rate REFI		Fixed Rate FEL
Underwriting Criteria	No Adverse Credit	No Adverse Credit ⁶	FICO ¹ 720-779	FICO ¹ 780+	No Adverse Credit ⁶
Base Rate	4.50% 4.60%	6.90%	5.30%	4.60%	6.90%
Interest Rate Reduction	0.25%	0.25%			0.25%
Lowest Rate	4.25% 4.35% ⁷	6.65%	5.30%	4.60%	6.65%

1. Fair Isaac & Company score (FICO) is the score used to secure the loan and can be either the borrower's score or the cosigner's score. In the event both the borrower and the cosigner have qualifying scores, the highest score will be used to determine the loan rate.
2. Borrower or cosigner must also have an absence of adverse credit in order to qualify for loan.
3. Rate reduction is available to borrowers making recurring \$50 monthly payments on loans not in repayment, deferment or forbearance, or borrowers making recurring payments on loans current on their repayment schedule.
4. No longer originated but rate is reset annually for existing loans.
5. Professional Student Exchange Program
6. Underwriting criteria is set in regulation
7. Applicable in-school interest rate

Interest Rate Comparison

2018 Rates	Lowest Fixed Rate APR	Highest Fixed Rate APR
ACPE/ASLC	4.93%	7.93%
Sallie Mae	5.74%	11.85%
Wells Fargo	5.94%	11.26%
Discover	5.99%	13.99%

- **National average fixed interest rate is 9.66%**
- **ASLC rates lower than federal PLUS loan which has a stated rate of 7.6% with a 4.248% loan fee causing the APR to be approximately 8.54% (source: Sallie Mae)**
- **\$14.4 Million in aggregate savings for Alaskans** who borrowed from ASLC for the 2017/18 school year compared to those who borrowed elsewhere.
- **\$17,551 saved by each borrower** over the life of the loan for Alaska Supplemental Education Loan borrowers compared to those who borrowed at the national average fixed rate.

In Development: Industry Loan Repayment Assistance Program

- **Project goal**

- Employer-sponsored student loan repayment assistance programs are beneficial to both Alaskan employers and Alaskan borrowers
- Presently seeking feedback from Alaskan industry groups on how to best assist with implementing loan repayment assistance programs

- **Relationship building**

- Shared our efforts with the Alaska Process Industry Careers Contortionism (APICC) and presented at their monthly Business Education Compact meeting
- Working closely with the Alaska SHRM (Society for Human Resources) State Council in joint survey effort

- **ACPE & AK SHRM State Council survey**

- Developed survey with the AK SHRM State Council, and sent out using official SHRM channels to Alaskan employers in multiple industries
- The AK SHRM State Council will share results of the survey with Alaska's congressional delegation on an upcoming visit to Washington D.C.

Industry loan repayment assistance infographic

Hire Faster Retain Longer

How student loan repayment attracts top talent

Recruitment



Hire 13% Faster¹

Retention

Retain 36% longer¹



86% of Millennials say they will commit to work 5 years for a company helping to pay their loans²



almost **half** have student loans



57% say student loans are a major problem³

* Estimated savings are based on a \$50,000 student loan balance at 6% APR, under a 10-year repayment plan with a \$150 monthly employer contribution plus regular monthly payments made by the borrower.

Sources:
1 Peanut Butter, Millennial Benefit Preferences Study, 2017.
2 American Student Assistance, 2017.
3 Harvard Institute of Politics, 2018.

Hire the best employees and keep them.

Contributing to your employee's monthly student loan payment gets your company ahead. An investment as little as \$150/month puts you at a competitive advantage in attracting top performers, and keeping them on your team.

Student loan repayment assistance is a win-win.

You save recruitment and training costs – and your employees save money by paying off their loans faster, reducing total borrowing costs: \$150 per month can add up to 2.5 years faster repayment and savings of \$17,900*.



ACPE seeks to support employer efforts to create and maintain employer-sponsored student loan repayment programs to attract and retain skilled workers and strengthen Alaska's workforce.

Alaska Performance Scholarship

- The Alaska Performance Scholarship (APS) is an opportunity for qualifying Alaska students to earn up to \$4,755 to use at qualifying in-state colleges, universities, and/or vocational and technical programs.
- To date, 19,492 Alaskans have qualified to receive the APS.
- Funding for the scholarship awards previously came from the Alaska Higher Education Investment Fund (AHEIF), and in FY20 is proposed to come from general funds.
- Expect to award \$11,750,000 in FY19
- ACPE absorbs costs of managing the APS (no draw on GF)
- ACPE publishes an annual [APS Outcomes Report](#) per AS 14.43.840 and reports specific data on the program outcomes.

Alaska Education Grant

- The Alaska Education Grant (AEG) provides needs-based financial aid to eligible Alaskan students who attend qualifying postsecondary schools in-state.
- Funding for the AEG awards previously came from the Alaska Higher Education Investment Fund (AHEIF), and in FY20 is proposed to come from general funds.
- A statutory formula requires that annual appropriations for APS and AEG awards be allocated to APS and AEG awards on a 2/3 to 1/3 ratio (AS 14.43.915(c))
- Expect to award \$5,875,000 in FY19
- ACPE absorbs costs of managing program

WICHE Exchange Programs

Alaska has participated in the Western Interstate Commission for Higher Education (WICHE) since 1955. The compact is codified in statute at AS 14.44.010

As a member of the West's regional compact (one of five nationally), Alaska residents can participate in any of three student exchange programs

- **Western Undergraduate Exchange**
- **Western Regional Graduate Exchange**
- **Professional Student Exchange**

Membership also provides Alaska with research and policy analysis, access to consortia and reciprocity agreements, and behavioral health support

ASLC absorbs costs of Alaska WICHE participation at no cost to the General Fund

Alaska's WICHE Commissioners: Susan Anderson, Jim Johnsen, Stephanie Butler

Western Undergraduate Exchange

Western Regional Graduate Exchange

Professional Student Exchange

WUE

Western Undergraduate Exchange

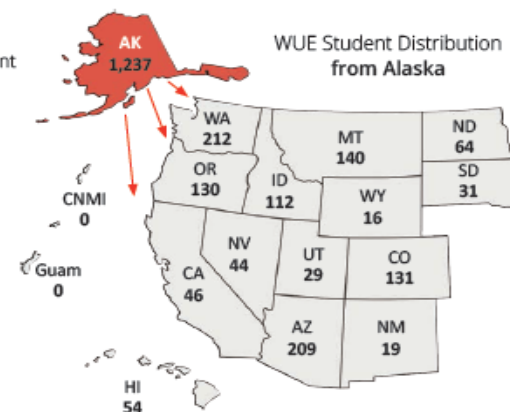
- 1,237 Alaska undergraduates paid 150% or less of resident tuition to save \$12 million.
- Most popular schools: Northern Arizona U. (147 Alaska residents) and Washington State U. (89 Alaska residents)
- Alaska residents have saved \$233 million since 1988.

Alaska institutions enrolled 396 WUE students from other WICHE states and territories

U. of Alaska, Anchorage (all UAA campuses and Prince William Sound Community College)	144
U. of Alaska, Fairbanks	207
U. of Alaska, Southeast	45

Residents saved **\$13 million** through WICHE's Student Access Programs in 2018-19

WUE \$12,077,828	+	WRGP \$521,390	+	PSEP \$408,900	=	8,502% Return on Investment
\$153,000 (FY 2019 WICHE Dues)						



WRGP

Western Regional Graduate Program

- 34 Alaska students paid resident tuition in other Western states and saved \$521,390.
- Alaska universities enrolled 53 WRGP students from other WICHE states.

PSEP

Professional Student Exchange Program

- 19 students paid reduced tuition for health care studies not offered by public institutions in the home state and saved \$408,900.
- 70% of Alaska's PSEP graduates (2007-16) returned home to practice. The state does not contractually require them to do so.

Field	# of Alaska students	Support fees paid
Dentistry	11	\$287,925
Occupational Therapy	1	13,700
Optometry	3	54,075
Pharmacy	1	7,975
Physical Therapy	3	45,225
TOTAL	19	\$408,900

Alaska also supports residents studying as physician assistants and in podiatry.



"While my parents have made substantial contributions towards my education, without WUE I would not be able to study out-of-state. For the many students whose parents are unable to contribute to their college education, WUE makes an even greater difference."

— Alice, Alaska resident
Political Science, University of Utah

WICHE Exchange Programs

Western Undergraduate Exchange (WUE)

- Residents of WICHE states are eligible to request a reduced tuition rate of 150 percent of resident tuition at participating two- and four-year college programs outside of their home state
- 1,237 Alaska undergraduates saved \$13 million in out-of-state tuition in 2018-19, and
- 396 undergraduates from other states to attend the University of Alaska

Western Regional Graduate Program

- Master's, graduate certificate, and Ph.D. students who are residents of the WICHE member states may enroll in 380 high-quality programs at 60 participating institutions outside of their home state and pay resident tuition
- 34 Alaska students used this program in 2018-19
- Alaska enrolled 53 out-of-state students

Professional Student Exchange Program (PSEP)

- Provides Alaska students with access and potential cost reduction in graduate healthcare programs not available in Alaska
- 19 Alaska students participated in 2018-19, in dentistry, occupational therapy, optometry, pharmacy, physical therapy
 - Alaska also supports: physician assistant, and podiatry
- Overall 70 percent (2007-16) have returned home to Alaska to practice.

WWAMI

WWAMI provides medical education to 20 new Alaska students each year, delivered at the University of Alaska Anchorage via the University of Washington School of Medicine.

- WWAMI stands for Washington, Wyoming, Alaska, Montana, and Idaho – the partner states for the program
- Participants receive loans for a portion of state-paid support costs
- Graduates who practice medicine in Alaska may qualify for loan forgiveness
- The State funds WWAMI loans and ACPE absorbs operating costs
- ACPE services approximately \$12.3 million or 633 WWAMI loans (226 borrowers)
- 55 percent of WWAMI borrowers are licensed physicians practicing medicine in Alaska

Institutional Regulation

Program Integrity and Consumer Protection

- Approval and oversight of non-public postsecondary education institutions in Alaska
- Investigation of student complaints
- Audit of institutions administering Alaska financial aid
- Supervision of institutional closures
- Retention of closed school academic records
- Liaison with accrediting bodies and the United States Department of Education
- State portal agency for Alaska participation in the State Authorization Reciprocity Agreement network (SARA)
 - Process for accredited, degree-granting institutions approved in their home state to offer distance education across state lines
 - Enhances student access to online courses from out-of-state institutions
 - Enables Alaska institutions to offer distance education to students in other states

Higher Education Planning & Success Programs/ Support for Alaska School Districts and Higher Education Institutions

Why Is Planning Important?

- 65% of Alaska's good jobs in 2025 will require a postsecondary credential, and there is a 28% gap between where Alaska is now and where we need to be in order for those jobs to go to Alaskans
- Alaska's has a low high school graduation rate, compared to the national average
- Alaska has the lowest rates in the nation of high school graduates' college enrollment, persistence, and completion
- Alaska's younger population is less educated than the aging and retiring workforce

Postsecondary Planning Programs/ Support for Alaska School Districts & Higher Education Institutions

Increases Alaskans' awareness of the need for workforce education, and prepares students for cost-effective access to and success in that education

- Build knowledge of higher education and training access
 - Approximately 15,000 individuals served in FY18
 - Distance delivery and training of 600+ local volunteers reduces costs and need for travel
- Provide AKCIS to all 54 school districts and 364 sites
 - Interactive online Learning and Career Plan Development
 - Cost-effective online comprehensive career, education, and financial aid information curriculum
- Educate Alaskans on federal and state financial aid
 - 34.5 percent increase in Alaska FAFSAs filed from FY07 to FY18
 - In FY18, students at Alaska institutions received \$23.8 million in federal Pell grants
- On-site assistance at UAA Enrollment Services

Successes, Challenges, and Opportunities

Successes Summary

- Almost 50 years of low-cost financial aid for Alaska students with no cost to the General Fund
- Operate Alaska's financial aid and higher education access and success programs at no cost to the General Fund
- Attract significant federal and private grant dollars to the benefit of Alaska students
- 2016 ACPE/ASLC Legislative Performance Review findings
- Created the Alaska Postsecondary Access and Completion Network through grant funding, with transition to a private non-profit
- Lean continuous improvement savings, efficient/effective outsourcing, and high performing work culture

Challenges

- Federal financial aid does not fully meet Alaska students' needs
- Offering low-cost state supplemental programs
 - Ensuring access to low-cost funding for loan programs
 - Responsibly growing loan volume to leverage fixed costs associated with servicing loans
 - Preventing/managing loan default
- Operating state's financial aid and education planning programs at no cost to the General Fund
- Addressing growing culture of fear that student loans are inherently bad and ensuring borrowers understand costs and benefits of student loans BEFORE they borrow

Strategic Plans to Address Challenges

Focus has been to ensure a cost-efficient, sustainable organization

- **Completed:**

- Develop and deploy refinancing program to lower Alaskans' repayment costs and attract new high-quality loans to portfolio
- Develop and deploy program changes to responsibly serve borrowers not currently being served
 - Rate reduction for high-FICO borrowers
 - Options for young borrowers with limited credit histories

- **Ongoing:**

- Lean continuous improvement (savings of over \$750,000)
- Outsourcing when efficient (collections, letter generation, third party payer functionality)

- **In Development:**

- RFP to outsource FFELP portfolio servicing
- RFI to identify lower cost servicing system for supplemental loans

Cost Containment and Continuous Improvement

Cost Containment and Continuous Improvement Activities

- Budget decreased by \$3.5 million (from FY15 to FY19)
- 25 fewer staff positions (from FY15 thru FY19)
- Identified opportunities to outsource administrative functions when there is an opportunity to reduce operating costs, realizing over \$750,000 in savings
- Implemented agency-wide Lean continuous improvement initiative, with savings of:
 - FY 2016: \$500,000+
 - FY 2017: \$212,000
 - FY 2018: \$68,000
 - FY 2019: (Through Jan. 2019): \$35,000
- Actively fostering an agency culture of continuous improvement

Alaska Commission on Postsecondary Education

Alaska Student Loan Corporation

- Commission statutory authority: AS 14.42.010-055 (est. 1974)
- Corporation statutory authority: AS 14.42.100-990 (est. 1987)
- Financial aid programs and services: AS 14.43.091-990 and AS 14.44.010-060 (est. 1971)
- Regulation of postsecondary education institutions: AS 14.48.010-210 (est. 1976)
- Outreach and Early Awareness: Sec. 1 ch 85, Temporary And Special Acts and Resolves (est. 2001)

Thank you

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Alaska Student
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