



ARIZONA COMMISSION FOR POSTSECONDARY EDUCATION

*« expanding access and increasing success
in postsecondary education for Arizonans*

ANNUAL REPORT

FISCAL YEAR 2005-2006

**The Arizona Commission for Postsecondary Education (ACPE)
2005 - 2006 Annual Report**

***Expanding Access and Increasing Success
in Postsecondary Education for Arizonans***

Submitted December 28, 2006
Dr. April L. Osborn, Executive Director

Introduction

The work of the Arizona Commission for Postsecondary Education (ACPE) is

Commissioners 2005 - 2006

Arizona Commission for Postsecondary Education

Michael R. Rooney, Chair
Attorney at Law
Sacks Tierney, P.A.

Dr. Eugene Garcia
Vice President for Education Partnerships
Arizona State University

Dr. Raul Bejarano
Superintendent
Sunnyside Unified School District

Vernon E. Jacobs
Superintendent (Retired)
Glendale Union H.S. District

Dr. Sarah Bickel
Associate Provost for Student Affairs
Northern Arizona University

KC Miller
Founder & Director
Southwest Institute of Healing Arts

Charles Blagg
Director, Truck Driving School
Glendale Community College

Michael A. Smith
Executive Director
Toni & Guy Academy

Dr. Terry Calaway
President
Central Arizona College

Joel Sideman
Executive Director
Arizona Board of Regents

Teri Candelaria
Executive Director
Arizona Board for Private Postsecondary Education

Dr. Anna Solley
President
Phoenix College

Dr. David Curd
President
College of Humanities & Sciences

Steven Corey
Chief Operating Officer/CFO
Prescott College

Vacant Position (1)
(private postsecondary institution with regional accreditation)

Vacant Position (1)
(private postsecondary institution offering vocational ed programs with national accreditation)

Commission Staff

Dr. April L. Osborn
Executive Director

Rosario Segura
AZ 529 College Savings Plan Administrator

Carol Williams
Program and Office Administrator

Marjorie DeRubeis
Student Financial Aid Director

Judi Sloan
Communications Specialist

Mila Zaporteza
Business & Student Financial Assistance Manager

Jennifer Hannon
Assistant Financial Aid Director

Goal 1: Increasing available student financial resources

Core responsibilities of the ACPE are related to postsecondary student financial assistance programs. These responsibilities include (1) administration of Leveraging Educational Assistance Partnership (LEAP), (2) administration of the Private Postsecondary Financial Assistance Program (PFAP), (3) the addition in the 2006 legislative session of planning and administering the new Postsecondary Education Grant (PEG) Program (4) management of grant repayment programs, (5) oversight of the state student loan guarantor, and (6) management of the Arizona Family College Savings Program. In addition, the reader will find a description of a statewide collaborative effort led by the ACPE to seek additional sources of student financial assistance through the work of the Student Financial Aid Task Force in the Goal 3 section of the report.

1.1 Leveraging Educational Assistance Partnership (LEAP)

The LEAP program, formerly known as the State Student Incentive Grant or SSIG program, has been in existence in Arizona since 1972. The LEAP program is a grant that financially assists eligible students with substantial financial need, enabling them to pursue higher education goals. The Arizona Commission for Postsecondary Education

instituted an aggressive marketing effort to promote the program with both community
c

operation. At the fifth year anniversary, an estimated 600 students will go into loan repayment. The number of repayment plans is estimated to grow to more than 6,000 in ten years and then level off as students fulfill their obligation.

In the summer and fall of 2006 the Commission held three stakeholder meetings with the 30 qualifying institutions, three meetings with legislative staff and legislators, two meetings with OSPB, and countless interviews with other state granting agencies, all seeking input and direction on the admin

the Commission has hired a Student Financial Aid Director and an Assistant, developed student eligibility criteria for the institutions to certify, is working with the procurement and PIJ processes necessary to get the application and promissory notes online to allow distribution of funds. A web-based application and promissory note for the forgivable loan is deemed necessary to provide access to rural, disabled, and on-line students. At the time of this report, challenges are yet to be met to make this grant accessible to the students attending the 30 baccalaureate degree granting institutions in late February of 2007.

As soon as the timeline is confirmed, the Commission is developing a marketing plan focusing on the students at eligible institutions for

All funds recouped for the PDTs program are forwarded to the U.S. Department of Education in June of each year, and any monies received for the ATIP program are deposited into the State general fund. PFAP repayment funds received are put back into the PFAP grant fund. Any funds recouped by the Office of the Attorney General are returned to the Commission and disbursed as outlined above, less their 35% recovery fee.

1.5 Arizona Oversight of State Student Loan Guarantor

Through the U.S. Department of Education financial institutions are named and then approved by the Governor to be designated as the state student loan guarantor. In 2004, USA Funds was re-designated to serve as the Arizona State Student Loan Guarantor. The Arizona Commission for Postsecondary Education is named through statute to provide oversight of the designated entity.

As the Arizona State Guarantor for student loans, USA Funds guaranteed \$895 million in new educational loans to more than 101,000 Arizona borrowers – including Federal Stafford loans for 93,455 students and Federal PLUS loans for 7,623 parents and students for the 2006-2007 academic year.

A state-sponsored 529 plan is a tax-advantaged program intended to help individuals and families pay the cost of higher education. The AFCSP is designed to encourage savings for qualified higher education expenses by enabling account owners to invest free of federal and Arizona State income taxes. Qualified expenses include tuition, supplies, equipment, books, room, and board at any accredited public or private college/university, community college, proprietary or vocational/career/technical postsecondary educational institution in the United States as well as eligible foreign institutions.

In August 2006, President Bush signed the Pension Protection Act into law. Among its many provisions, this sweeping legislation made permanent the 529 plan provisions of the 2001 tax act which were scheduled to expire in 2010. These provisions allow federal income tax-free withdrawals from 529 College Savings Plans for qualified higher education expenses.

The [fe)-5(d)-3(e)-3(ral)-20(inc)8(o)-3(m)3(e)-3()-21(ta)-5(x)]TJETBT1 0 tiomtax

to families, (2) to encourage existing providers to reduce fees charged to investors, (3) to update investors about investment options and program enhancements in order to make informed decisions based on their investment goals.

First, in November 2006, Fidelity Investments announced several enhancements to the Fidelity Arizona College Savings Plan which included greater investment choice. College savings investors participating in the AFCSP through Fidelity Investments now have access to the new index Age-Based, Static and Individual Fund Portfolios, as well as an array of popular Actively Managed Age-Based and Static Portfolios. The plan's new index portfolios are among the lowest cost in the 529 industry, capped at 50 basis points.

In addition, Waddell & Reed publicly announced the launch of a new class of shares giving financial advisers access to a range of choices more adaptable to individual needs as they work with their clients. The new E Share class will be available on 22 mutual funds within the Ivy Funds family in the first quarter of 2007, further complementing the current age-based portfolios within the Waddell & Reed plan.

Second, fees charged to investors have been reduced and in some cases eliminated. In order to position the AFCSP as one of the more cost-effective advisor

Goal 2: Implement strategies to help students and families plan, enroll, and succeed in postsecondary education

The Arizona Commission for Postsecondary Education endeavors to expand access and success in postsecondary education for Arizona families. Providing

2.2 Arizona Commission for Postsecondary Education (ACPE) Website

In 2006, the ACPE website was continually updated and improved to provide Arizona families with ever-changing information on student financial assistance, postsecondary education choices, and career exploration. As mentioned earlier in this report, the ACPE was assigned as administrator of the Postsecondary Education Grant (PEG) program and the website was revised to reflect that and give educators and students eligibility requirements for the grant. The website is laden with important information about student financial aid. A measure of the success of our web site is the increase in visits from 96,820 over a 12-month period in 2005 to 104,332 over the same time frame in 2006. The ACPE web site can be viewed at www.azhighered.gov and is the portal to the ACCG Guide, Arizona 529 Plan, AMEPAC reports and College Goal Sunday

2.3 College Goal Sunday (CGS)

The Arizona Commission for Postsecondary Education hosts an important statewide annual event titled College Goal Sunday (CGS). College Goal Sunday has been organized for the past ten years by the ACPE. The 11th annual event is being planned and will be held on February 11, 2007, at 30 sites throughout the state.

The goal is to provide assistance to high school seniors (or adults entering postsecondary education) and their families in completing the Free Application for Federal Student Aid (FAFSA) form. The overall purpose is to help students and families, especially first generation colleg

Another plus in 2006 was that 58% of the CGS sites offered FAFSA on the web. Computer labs were opened to help families complete their FAFSA on-line. In 2007, 90% of the College Goal Sunday sites will offer FAFSA on the web. Additionally, most sites offer Spanish or Navajo interpreters.

As the

raising expectations, and creating a positive attitude among students and their parents about postsecondary education possibilities.

In the past, *Think College* was comprised of three publications and were sponsored by two financial partners as follows: (1) USA Funds sponsors

successful model from which others might learn and to equip community leaders to address the dropout issue in ways that are consistent with the values and realities of their school district, town, or region. This initiative has been owned by the community, has been connected to other resources, and it continues to thrive and serve as a laboratory for learning for the state.

In late 2004, the ACPE connected the *Learning Community Coalition* with the *Leadership for Learning Academy* effort already underway at the Sunnyside School District. Member organizations of the national Learning Communities Coalition include Communities in Schools, USA Funds, Scholarship America, Sallie Mae, U.S. Dream Academy, America's Promise: The Alliance for Youth, Merimar Productions, National Association for College Admission Counseling (NACAC), Paws Incorporated, and the National Mentoring Partnership

In 2005, Sunnyside Unified School District was selected as one of six pilot *Learning Communities* in the nation along with Benning Heights/Benning Terrace neighborhood of Washington, D.C.; the George Washington Community School area of Indianapolis, Indiana; the Washington Shores area of Orlando, Florida; Okolona, Mississippi; and the Wind River Indian Reservation in Wyoming. Sunnyside School District received a total of \$603,900 to be used to support the pilot project over a three-year time frame beginning in 2006.

What was the *Stay in School* pilot project is now the Learning Communities Coalition and it is now funded by private sector sources The STAY in School *Leadership for Learning Academy* served as the foundation for the community development infrastructure that brought the *Learning Communities Coalition* grant to SUHD. In September of 2005, they renamed their leadership group the *Learning Community Leaders*. A

Corporation, Helios Education Foundation, Southwest Gas, Arizona State University, KAET Channel Eight, Greater Phoenix Leadership, The Business Journal and SRP. The purpose of this conference was to draw together policy makers to examine data and consider policy implications of capacity, access, student financial assistance, outreach, and preparation for postsecondary education as it relates to developing Arizona's human capital.

David Brooks,

empirical evidence of success in transitioning the middle-fifty percent of high

research studies. And the second strategy is to establish collaborative action groups or task forces, informed by research, to plan strategies to seize opportunities or solve problems identified by the Commission.

3.1 Arizona Minority Education Po

postsecondary institutions. The goal of the Task Force is to ensure student access to the baccalaureate.

The Task Force members have set five long-term goals for the group including (1) educate others regarding articulation, (2) examine trends in transfer and articulation, (3) recommend guidelines/principles for establishing articulation agreements, (4) recommend the addition of accountability/outcome measures for transfer students, and (5) establish a “clearinghouse” for dissemination of information. The Task Force continued refining its mission and goals in 2006.

On October 27, 2005, the PATTF in conjunction with the Academic Program Articulation Steering Committee (APASC) held the *Next Step: Articulating Private & Public Postsecondary Education in Arizona* Conference aimed at creating an open dialogue of transfer issues and information among the public and private postsecondary institutions in Arizona.

More than 75 individuals attended the Conference including 27 representatives from the community colleges; 7 representatives from the public universities, and 26 representatives from private colleges and universities as well as technical schools. Also attending were two staff members from the Arizona House of Representatives, one from the Governor's office, and three ACPE Commissioners.

The Conference outcomes were presented at the ACPE Developing Arizona's Human Capital: The Challenge Facing Postsecondary Education Conference.

The connections made at the conference and within the Task Force continue to bring results in improved articulation. The Task Force continues to address these issues under the guidance of the ACPE

3.3 Student Financial Aid Task Force

In 2003, members of the ACPE convened a Student Financial Aid Task Force Task Force to work to improve financial access for students entering postsecondary education. Since that time a collaborative group of thirty-five business, community, philanthropic and education leaders have focused on the mission of *raising the awareness of and support for solutions to financial barriers to postsecondary education access and attainment for low-income students.*

In March of 2005, a research study commissioned by the ACPE was released at a forum with over 100 policy makers, state administrators, business, philanthropy, and legislators in attendance. The study, titled Investing in Arizona's Future: College Access, Affordability, and the Impact of Investment in Need-Based Financial Aid was sponsored by USA Funds and authored by Dr. Jamie P. Merisotis of the Institute for Higher Education Policy and Dr. Jose Luis Santos of the University of Arizona Latina/o Research Initiative.

This event heightened awareness of the lack of financial aid available to students in the state. The first goal of the Task Force was to quantify and inform policy makers regarding the issue of student financial assistance in Arizona. This was at least partially accomplished through the publication of Investing in Arizona's Future.

The next goal was to expand the number of stakeholders aware of and committed to providing financial access to postsecondary education for Arizonans. The Student Financial Aid Task Force has been building alliances and has secured the in-kind services of a marketing firm to assist in the development of this message through a Power Point presentation. The leadership and awareness of the financial barriers to higher education provided by the Task Force have been significant. It has been stated by a number of educators that the work of this group was instrumental in decisions to increase the Arizona student financial aid by \$10.2 M in the 2006 legislative session. This work continues to proceed and is being informed each day by legislative and political activity in the state.

Conclusion

Four strategies have been employed during the first two years of the ACPE's five-year plan to meet the goals of (1) increasing available student financial resources, (2) implementing strategies to help students and families, and (3) providing a forum for all sectors of postsecondary education to dialogue, partner, and problem solve issues of mutual interest for the benefit of Arizonans.

First, the ACPE has committed to efficient and effective administration of the core financial assistance programs assigned to the Commission by statute. Significant improvements have been implemented in both the Leveraging Educational Assistance Partnership (LEAP) and in all aspects of administration of the Arizona Family College Savings Program (AFCSP). The Private Postsecondary Education Student Financial Program (PFAP) administration is under review and a plan is in place to improve the measures of administrative efficiency and effectiveness. In addition, the planning and administration of the PEG Program is well underway.

going publications,