

ARIZONA COMMISSION FOR POSTSECONDARY EDUCATION

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

ANNUAL REPORT

FISCAL YEAR 2006 - 2007



Arizona Commission for Postsecondary Education

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December 27, 2007

The Honorable Janet Napolitano, Governor
The Honorable Timothy Bee, President of the Senate
The Honorable James P. Weirs, Speaker of the House of Representatives
Ms. Michelle Reilly, State Documents Librarian, AZ Library, Archives, and Public Records

I have the honor of submitting this annual report on behalf of the Arizona Commission for Postsecondary Education (ACPE). The ACPE Commissioners and staff remain committed to investing themselves in the work of higher education; this report reflects that commitment.

The year 2007 brought both opportunity and challenge to the ACPE in the form of the implementation of the new Postsecondary Education Grant (PEG) Program and the development of the Early Graduation Scholarship Grant (EGSG) Program. The PEG Program is designed to provide financial assistance to both adult-returning and traditional-aged baccalaureate-bound students attending a private postsecondary college or university. This program is also intended to build the Arizona's postsecondary education capacity. The EGS Program is designed to provide an incentive for high school seniors to graduate early and promptly move into community college, university, or vocational training. Both programs endeavor to meet the challenge of supplying an educated workforce for Arizona's economic growth. The administration of these new programs as well as existing ACPE student financial assistance programs presents welcome, yet demanding, responsibilities.

This report outlines the progress made by the ACPE as it relates to the 5-year strategic plan approved in 2004. It also outlines the strategies of the Commissioners to carry out the new programs in the most effective and efficient manner for the benefit of students. The staff members of the ACPE are dedicated to continuous improvement of processes and measurement of outcomes. The reader will note that the limitations of ACPE human and financial resources have been leveraged significantly by fostering collaboration and partnerships.

A copy of the annual report and more detailed information about the Arizona Commission for Postsecondary Education, its administrative functions, initiatives, and its collaboration and partnerships is available from the website www.azhighered.gov or by contacting our office at 602.258.2435.

Respectfully Submitted,

A handwritten signature in cursive script that reads "April L. Osborn".

Dr. April L. Osborn, Executive Director
Arizona Commission for Postsecondary Education

**The Arizona Commission for Postsecondary Education (ACPE)
2006 - 2007 Annual Report**

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

Submitted December 27, 2007
Dr. April L. Osborn, Executive Director

Introduction

The work of the Arizona Commission for Postsecondary Education (ACPE) is guided by a 5-year strategic plan. The purpose of the plan is to provide focus for the activity of this small agency and its eight staff members in order to increase productivity and impact in the areas of its statutory authority. The mission and goals were accepted by Commissioners in late 2004 and this report reflects the third year review of goals, performance, and outcomes as outlined in the plan.

Through this planning process, the 16 Governor-appointed Commissioners identified an agency mission of *expanding access and increasing success in postsecondary education for Arizonans*. Three goals were named to achieve this mission: (1) increase available student financial resources, (2) implement strategies to help students and their families plan, enter, and succeed in postsecondary education, and (3) provide a forum for all sectors of higher education to dialogue, partner, and problem solve issues of mutual interest. A roster of the ACPE Commissioners follows on the next page.

The work of the ACPE has been highly impacted by recent legislative action. The ACPE has been asked by the Arizona State Legislature to develop and implement two new student financial aid programs and to design a program to support foster youth and young adults in postsecondary education.

The Postsecondary Education Grant (PEG) program was established in the 2006 Legislative session and the Early Graduation Scholarship Grant program was established in the 2007 Legislative session. The successful development and launch of these important student financial assistance programs has been the focus of both the Commissioners and the ACPE staff over the past eighteen months. The Foster Youth Postsecondary Education Case Manager Program is still being designed and a pilot program will be launched in early 2008. Progress on each of these legislatively directed initiatives is discussed in more detail within this report.

The Arizona Commission for Postsecondary Education staff has identified efficient and effective administration of the financial assistance programs under their management as the primary strategy to achieve Goal 1. The second and third goals are supported through policy analysis and research, as well as by collaborative action led by ACPE task forces and participation in college access initiatives led by foundations, government, or non-profit entities with similar missions.

The Arizona Commission for Postsecondary Education is a very lean agency. The strategies of efficient and effective administration and leveraging resources through collaboration and partnerships are born of necessity. In terms of human resources, the agency employs 8 FTE. Likewise, the agency uses minimal state financial resources. The FY 2007 ACPE annual budget was \$9.6 M, of that amount \$8.5 M was pass-through money dedicated to postsecondary education students in the form of financial aid. Moreover, the operational budget for the agency was \$491,000 and more than ½ of this amount was supplied through administrative fees, and grants. In addition, the agency generates \$191,000 in donations, sales, and grants to fund college-going programs and publications such as College Goal Sunday, the *Arizona College and Career Guide*, the *Rapid Guide to Financial Aid*, and the Arizona Minority Education Policy Analysis Center.

This ACPE annual report is organized in three sections, each section describes the activities and services related to each of the three goals. The conclusion summarizes how the parts of this report relate to the plan and the future of the Commission.

Commissioners 2006 - 2007

Arizona Commission for Postsecondary Education

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

Dr. Debra Duvall
Superintendent
Mesa Unified School District #4

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

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

Teri Candelaria
Executive Director
Arizona Board for Private Postsecondary Education

Dr. Bill Pepicello
President
University of Phoenix

Steven Corey
Chief Operating Officer/CFO
Prescott College

Joel Sideman
Executive Director
Arizona Board of Regents

Dr. David Curd
President
College of Humanities & Sciences

Dr. Anna Solley
President
Phoenix College

Dr. Timothy Trent
Superintendent
Globe Unified School District

Vacant
Senior Executive from a Community College district
with a population <500,000

Vacant
Senior Executive from a cosmetology school with
national accreditation

Two (2) Vacant Positions
Senior Executive from a private postsecondary
institution offering vocational education programs
with national accreditation

Vacant
Senior executive from an institution offering vocation
education programs that is not qualified under any
other category

Commission Staff

Dr. April L. Osborn
Executive Director

Susan Robinson
AZ 529 College Savings Plan Director

Carol Williams
Program and Office Manager

Lesley Mitchell
Student Financial Aid Director

Judi Sloan
Communications Specialist

Michael Bracken
Assistant Financial Aid Director

Mila Zaporteza
Business & Student Financial Assistance Manager

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) development and implementation of the new Postsecondary Education Grant (PEG) Program which was established in the 2006 legislative session (4) development and launch of the new Early Graduation Scholarship Grant program which was established in the 2007 legislative session (5) management of grant repayment programs, (6) oversight of the state student loan guarantor, and (7) management of the Arizona Family College Savings Program.

In addition, the Commission leads a statewide financial literacy initiative titled *College Goal Sunday*. In 2007, more than 2,800 students and parents were provided assistance in the completion of the critical Free Application for Federal Student Aid or FAFSA through this program. This is important because research has found the FAFSA to be more difficult to complete than the federal IRS form, and it is the single form required for almost all avenues of student financial aid. This initiative is discussed in detail in the Goal 2 section of this report.

1.1 Leveraging Educational Assistance Partnership (LEAP) and Arizona's Federal Funds Increase

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 administers the program, ensuring adherence to all federal regulations and the Arizona Administrative Code.

The U.S. Department of Education assigns allotments based on a state's 1976 postsecondary education enrollment figures; each state, in turn, must match this allotment through appropriated state funds. Eligible postsecondary institutions then provide funds to match those appropriated by the state. Accredited public and private institutions are encouraged to apply to be reviewed by the ACPE for eligibility to receive these funds.

The Arizona Administrative Code requires that the total LEAP award to a student may not be more than \$2,500 or less than \$100 for each program year. If the student withdraws, is expelled, or is reduced below half time status, the institution is to collect the award and return it to the Commission.

A table follows titled *Seven Year Summary of LEAP Awards* illustrating changes in the state LEAP program over time.

**Leveraging Educational Assistance Partnership (LEAP)
Seven Year Summary of LEAP Awards
FY2000-2007**

Year	Total Funds Awarded	Number of Awards	Average Award Amount
2000-2001	\$2,990,497	4,595	\$651
2001-2002	\$2,811,358	3,805	\$739
2002-2003	\$2,838,854	3,700	\$767
2003-2004	\$2,864,937	4,357	\$658
2004-2005	\$2,853,358	3,870	\$737
2005-2006	\$2,808,172	4,131	\$679
2006-2007	\$2,855,382	3,874	\$737

The state of Arizona LEAP administration is decentralized; therefore, the Commission delegates certain functions to participating institutions. The ACPE establishes institutional eligibility and determines a proportional distribution of funds (based on the number of students) to institutions. LEAP recipients are selected by the institutions on the basis of substantial financial need established through federal and state statute.

Therefore, the changes in the size of the award and the number of grants given are partially determined by each postsecondary institution according to their enrollment plan. Decisions are made by each institution, within federal parameters, on how best to use the money for both students and institutions. This decentralized system has been successful for the 47 institutions participating each year.

Compliance with federal guidelines is critical to effective LEAP administration. Detailed reports to the U.S. Department of Education are required to be filed by the ACPE. Furthermore, on-site LEAP program compliance audits are performed every two years by ACPE staff. This cycle of compliance audits started in the fall of 2006.

In 2006 - 2007, three-thousand eight-hundred and seventy-four Leveraging Educational Assistance Partnership (LEAP) awards were provided through 47 postsecondary institutions totaling just under \$2.9 million in leveraged financial aid (state, federal, and institutional) to financially needy students. Institutional distribution of LEAP awards in 2007 resulted in the following distribution percentages: 33% to public universities, 51% to community colleges, 14% to proprietary schools, and 2% to private colleges (as these categories are defined by the federal government).

Significant administrative improvements were planned for LEAP program administration this year. These were guided by the strategic plan and requests from constituent colleges and universities. In the 2006 annual satisfaction survey financial aid administrators made suggestions to the ACPE of ways to reduce the administrative burden of institutions for program administration. A plan to reduce administrative burden of the LEAP program was developed and tested with constituent groups. The new plan is being implemented in the 2007-2008 program administration. Significant changes include:

- Abandonment of the roster submission from the institution to the ACPE for transmission of funds multiple times each year
- Roster submission is being replaced with disbursement of funds to institutions three times each year; 25% in September, 2007; 25% in December, 2007; and the remaining 50% in April, 2008
- Institutions will control the grant initial approval and the record keeping of student applications and awards
- Roster transmission from the institution to ACPE will transpire only in June and the ACPE will certify students as eligible from that single roster
- Institutional audits will be based on the final roster as transmitted

Annual LEAP administration performance measures were collected through anonymous 2006-2007 surveys from institutional financial aid administrators. The 2006 surveys indicated 96% or greater satisfaction with administration of this program by the ACPE. This survey received a 79% return rate of the 47 institutions participating in the LEAP grant, meaning 37 responded.

There continues to be frustration on the part of the student financial aid community regarding the limited resources available to assist students seeking higher education goals. Overall, the financial aid directors of the LEAP institutions expressed grave concern over the low amount of financial aid available for Arizona students and its effect on low-income and lower middle-income students' college-going expectations and enrollment.

The Commission received good news this year regarding increased federal dollars for need-based aid. Arizona joined the ranks of the 45 other states that receive Special LEAP funds. The additional federal LEAP funds awarded to Arizona for 2007-08 are a direct result of the Commission reporting the \$5 million increase in legislatively appropriated Arizona Financial Aid Trust (AFAT) funds in 2007. These new AFAT dollars were counted as additional state matching dollars when the ACPE staff completed their annual application for LEAP funds, allowing Arizona to make application for additional funds. The fruitful 2007-08 Arizona state LEAP application brought to the State an additional \$675,003 in Special LEAP. These federal dollars will be administered following all LEAP procedures as described earlier.

A challenge before the ACPE is receiving and distributing these unplanned funds for student financial aid within the State of Arizona budget guidelines. The federal government notified the ACPE of the additional \$675,003 in LEAP funds on June 29, 2007 and requires that it be disbursed for the benefit of students in the 2007-08 academic year. The ACPE has applied for additional budgetary authority through a Supplemental Budget Request which will go before the Legislature in January of 2008.

The ACPE intends to again apply for Special LEAP funds in the next federal grant cycle and will add as matching funds the \$ 2.9 million of additional AFAT funds appropriated this legislative session. The ACPE staff is therefore hopeful that Arizona will receive an even larger Special LEAP grant next year.

1.2 Private Postsecondary Education Student Financial Assistance (PFAP) a Forgivable Loan

The Arizona Private Postsecondary Education Student Financial Assistance (PFAP) program was initiated in the spring of 1996. This program was designed to encourage community college graduates to enroll in and graduate from baccalaureate degree granting private postsecondary institutions; thereby realizing a savings to the State of Arizona.

By statute (ARS 15-1852) and Arizona Administrative Code rules (R7-3-401 through R7-3-405), the PFAP program provides up to \$2,000 per fiscal year to eligible Arizona community college graduates (i.e., those holding Associate Degrees from an Arizona public community college) who prove financial need and who enroll as a full-time student in a baccalaureate degree program at an accredited, baccalaureate degree-granting private postsecondary educational institution in Arizona. The maximum grant amount allowed to a single student is limited to \$4,000.

The PFAP Program has seen significant changes in funding. Program funding was significantly reduced in 2003 from \$318,000 to \$170,500, resulting in fewer students receiving the grant. It was increased in the 2006 legislative session to \$400,000.

The ACPE welcomes these new funds and has instituted an aggressive marketing effort to promote the program with both community college students and private postsecondary students. In 2006-07, one hundred and one PFAP grants totaling \$150,175 were disbursed. The ACPE continues to try to rebuild the program after its years of reduced funding. The Commission is promoting the PFAP program to all of the 32 eligible private institutions and community colleges.

More than 1,400 students have benefited from the PFAP program since the program inception. Of these grantees 37% were minority students. In 2007, the percentage of students from whom repayment was sought was 10%, with an additional 2% of PFAP grantees yet to be documented as either completers or entered into the repayment program. The program completion rate is based upon the graduation status of students who have passed the three year limitation for graduation. The students from whom repayment is sought received the grant, but did not complete a bachelor's degree within the allowed three years.

Annual performance measures collected through anonymous surveys from postsecondary institution administrators of the PFAP program in FY2006-2007 indicated 96% or greater satisfaction with administration of this program by the ACPE.

The PFAP grant and the new PEG Program are similar in many respects and a single, automated application process is being developed to benefit students in their search for financial assistance. This single and fully automated application and improved internal processes are goals of the ACPE staff.

1.3 Postsecondary Education Grant (PEG) Program (Forgivable Loan)

On Sept 21, 2006, HB 2873 titled “Higher Education; Budget Reconciliation” became law. Within that bill the Postsecondary Education Grant (PEG) program was established. The PEG program was designed as an incentive for students seeking a baccalaureate degree from an accredited private postsecondary institution in Arizona. The PEG program awards to students up to \$2,000 annually for a maximum of four calendar years to be used for tuition, books and fees.

This first annual report to the Arizona State Legislature on the Postsecondary Education Grant program includes both information on the first year of grant development and administration and a progress report on the grant in the first four months of this fiscal year. This was done in order for the reader to more fully understand the potential of this financial aid program.

PEG Program Launched on March 7, 2007

Charged with the administration of this grant (forgivable loan) the Arizona Commission for Postsecondary Education sought out ways to launch the program as quickly as possible with limited personnel and financial resources. The ACPE recognized it had two challenges: (1) the first year administration would be very labor intensive and (2) the Commission could not launch a program of this size without some sort of stop-gap IT infrastructure.

The private colleges and universities were recruited to assist the ACPE in planning and initiating this program. The first step was to identify the institutions whose students would be eligible to participate in the PEG Program. More than thirty private baccalaureate degree granting colleges and universities qualified to participate in this program. Attached to this narrative is a list of the 25 institutions that had students who actually received PEG grants.

The Commission staff asked for support from these private postsecondary institutions in the development of the program. During the process of stakeholder meetings the private colleges provided advice about program elements and also agreed to take on part of the PEG certification responsibilities, as overseen by the ACPE. The first year administration was very labor intensive, but the private colleges and universities willingly shared the burden.

In addition, DeVry University and Collins College provided loaned IT executives to the ACPE. These loaned executives assisted in developing the specifications for a secure, web-based IT system that would support a grant of this size with only 3 personnel. Their planning served as the basis for launch of the PEG program with a stop-gap IT system in March of 2007. The contributions of manpower provided by the private colleges allowed the ACPE to launch the program only 4 months after the funds became available in November of 2006.

In addition, the Commission staff marketed the PEG program to potential applicants to ensure participation in the program. The Commission distributed posters, flyers, and other marketing materials and also participated in TV interviews to inform students about the program.

The PEG program was launched on March 7, 2007. The response from students was remarkable. The Commission received the first PEG application at 12:01a.m. and twenty-three applications were received between midnight and 2:00 a.m. on that first day. Over the first three months (March – June) of the PEG program 1077 grants for a total of \$1,834,777 were disbursed to eligible students. The average award was \$1,703. Attached to this narrative is a chart depicting the distribution of students among the eligible institutions in this first 3-month grant cycle.

Implementation in FY 2007-08:
A Progress Report on the First Four Months of the PEG Program

The Second year of administration for the PEG program brought about new opportunities for the students and postsecondary institutions. In the 2007 Legislative Session S.B. 1069 was passed reducing the restrictive nature of the original bill, thereby allowing for more applicants to qualify for the PEG program.

Technology to administer the PEG program remains a challenge, but a solution is in process. Currently, the ACPE must rely on postsecondary institutions to perform the labor-intensive manual certification of student eligibility for the grant. The receipt of the ACPE Supplemental Budget Request in 2007 has allowed the Commission to hire Gold Bridge Partners Inc. to develop a fully functional web-based system to administer the PEG program. This system is under development and is estimated to be completed by May 2008. A system for loan repayment is scheduled for development in 2008.

This web-based system will provide two critical needs for the PEG program: (1) reduce the manual labor necessary to certify student eligibility and (2) ensure compliance with FERPA regulations by allowing for secure transmission of student personal data. Gold Bridge Partners Inc. is working to develop a system that will both limit the amount of manual tasks required for each grant verification and disbursement of funds and that will provide the security of data transmission through the internet to ensure privacy of personal information.

A challenge yet to be faced is that of loan collection for the PEG Program. Students are required to repay the funds if they do not complete their baccalaureate degree in five years following the first PEG grant disbursement. The ACPE will this year examine the possibility of contracting this function to an outside entity and will address the IT requirements for tracking students over a period of 7-15 years for loan repayment.

The ACPE continues its marketing strategy to inform students about the PEG program. The Commission is marketing the PEG program in the *Rapid Guide*, the *Arizona College and Career Guide*, and in the *Countdown to College* publications. The *Countdown to College* insert will reach over 800,000 households. These publications

coupled with radio interviews and new marketing materials are designed to increase the participation and the awareness of the PEG Program.

During the first four months of FY 2007-08 the Commission awarded 1,707 grants, for a total of \$3,200,750. The average award at this time is \$1,875. A chart depicting the distribution of students across institutions for July – November of 2007 is attached to this narrative.

In conclusion, in the 8 months since the launch of the PEG program, the Commission has disbursed 2,784 grants. A total of \$5,035,527 has been awarded to eligible students and the average grant amount is \$1,809. The Commission has been pleased with the positive response and exceptional cooperation from the private colleges in planning and verifying student eligibility. Moreover, staff commonly report stories of the changes in students' lives and the gratitude they express when receiving the PEG Program funds to pursue a postsecondary education. Most importantly, the 2,784 students applying over this 8 month period of time is evidence of the great need for this program.

Qualifying Schools Attended by Grant Recipients

American Indian College of the Assemblies of God

Anthem College Online

Chaparral College

Collins College

DeVry University

Embry-Riddle Aeronautical University

Grand Canyon University

ITT Technical Institute – Tempe

ITT Technical Institute – Tucson

Midwestern University

Northcentral University

Ottawa University

Prescott College

Remington College

Southwestern College

The Art Center Design College

The Art Institute of Phoenix

Tucson Design College

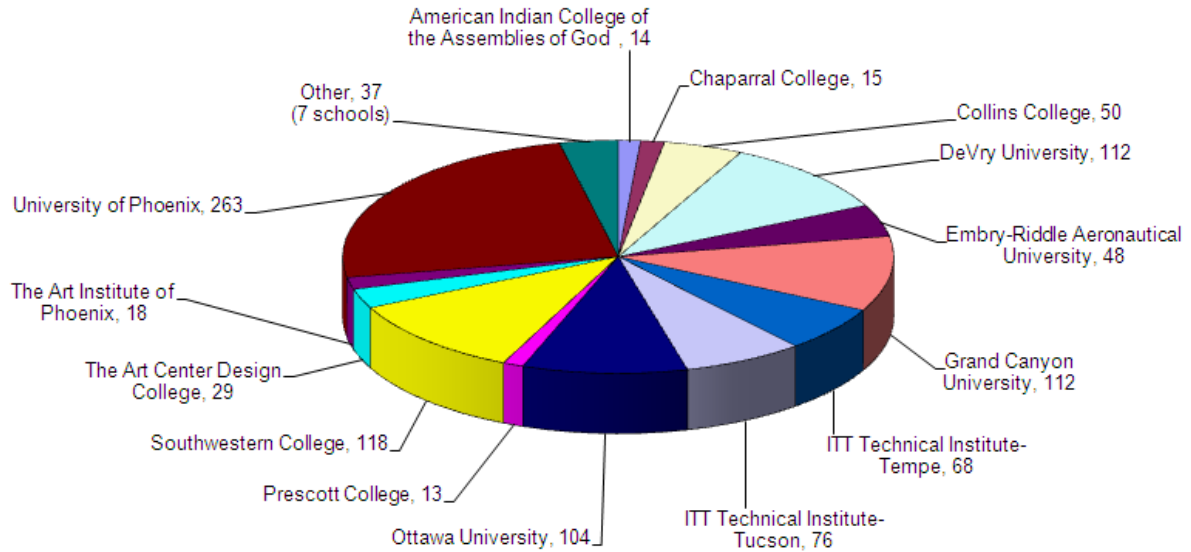
University of Advancing Technology

University of Phoenix

Western International University

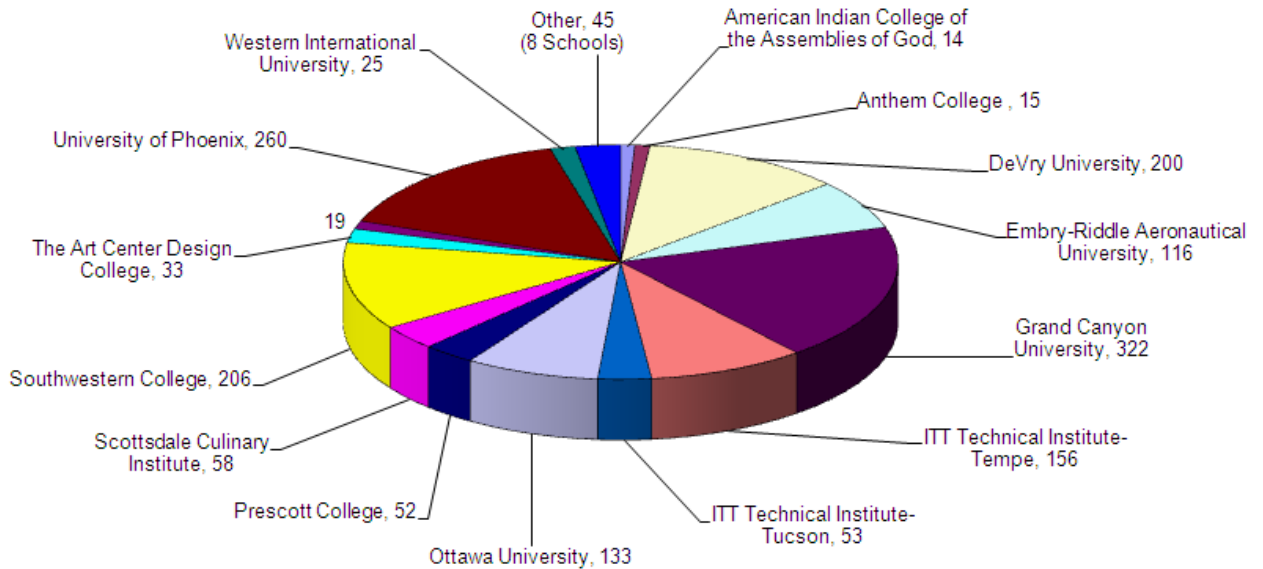
Grant Recipients by Institution

Postsecondary Education Grant Recipients from March through June of 2007
 Number of Students by Institution
 Total Students 1,077



Grant Recipients by Institution

First Semester of Postsecondary Education Grant, July 1, 2007- Dec. 7, 2007
 Number of Students by Institution
 Total Students 1,707



1.4 Early Graduation Scholarship Grant Program (Forgivable Loan)

A new legislative mandate titled the Early Graduation Scholarship Grant (EGSG) program was assigned to the ACPE in the 2007 legislative session. This grant is intended to act as an incentive for high school students to graduate early and promptly transition into a postsecondary education experience. High school students that graduate at least one year early and enroll full-time can receive up to \$1,250 for their first year and up to \$750 for their second year of postsecondary education; those who graduate one semester early and enroll full-time can receive up to \$1,000 their first year and up to \$500 for their second year.

The EGSG program is available to students who enroll in colleges, universities, community colleges, or vocational postsecondary institutions. Students attending 83 Arizona institutions that have met the EGSG criteria will be eligible for these grants.

The Arizona Commission for Postsecondary Education (ACPE) is working in conjunction with the Arizona Department of Education (ADE) to develop the EGSG program. An Intergovernmental Agreement that will specify each agencies' role in the success of the EGSG program has been drafted. Once the Intergovernmental Agreement is signed, the ACPE will have access to the funds to award grants to eligible students. One semester early high school graduates in the 2007-2008 academic year will be the first early graduates eligible to receive the grant.

The administration of the EGSG program has proven to be challenging in many ways. First, the ACPE will need to rely on data transmission from the Local Education Agencies (LEA's) regarding which students are early graduates. The ADE will verify graduation, but their data also relies on LEA data transmission and the time this communication requires. Second, the data required to establish eligibility verification must be provided by students to the Commission including SAIS number, AIMS scores, and proof of graduation and will require students to secure this information from their high school and to transmit this data to the ACPE. The eager student will accomplish this while in high school; it will present a challenge for others. Third, the EGSG is a forgivable loan and requires an adult to sign a promissory note. This will require a parent's signature for students who are not yet eighteen.

To administer program funds in 2008, a technology plan for implementation of the EGSG program is currently being developed. The Commission is working with Gold Bridge Partners Inc. to integrate the EGSG program with the other existing state student financial assistance programs.

As the Commission looks toward the future of this grant, it has potential to serve large numbers of students and encourage increased participation in postsecondary education. The ADE reported 4868 early graduates in 2006. A combination of learning from the first semester administration of the EGS Program and a full year of administration of this grant in 2008-2009 will allow the Commission to assess the potential impact of this new financial assistance program.

1.5 Student Financial Assistance Repayment Programs

The Commission administers repayment programs for the Private Postsecondary Education Student Financial Assistance Program (PFAP), the Paul Douglas Teacher Scholarship (PDTs), and the Arizona Teacher Incentive Program (ATIP). The ACPE provides all former financial assistance program participants three opportunities to comply with the repayment demands placed on them by federal or state guidelines. The Office of the Attorney General is used for collections only when normal investigative means to locate the former student are unsuccessful or when grantees have been contacted three times and refuse to enter the repayment program. A brief summary of each of the repayment programs administered by the ACPE follows.

There have been 1,416 students awarded the PFAP grant. Of those, 878 recipients have fulfilled their obligation by receiving their bachelor's degree in the three year allotted time frame. The remaining 353 award recipients are in the process of completing their bachelor's degree and 185 are currently in repayment program or will be placed in the repayment program once located and their status is determined.

Since the program's inception, there have been 185 former recipients requiring repayment. Of those, 66 are actively making payments to the Commission. Thirty-one grant recipients have been referred to the Office of the Attorney General. Thirty-one grantees have completed their obligation by either making payment directly to the Commission or through the Office of the Attorney General; 14 have been deemed uncollectible by the Attorney General's office, 1 loan has been forgiven due to medical reasons, and 1 has been abated because the former student is deceased. The remaining 41 recipients are in pending status.

Of the 254 former PDTs recipients, 9 are currently making payment to the Commission, 2 are in deferment, and 3 are at the Office of the Attorney General. All others have completed their obligation by fulfilling the teaching requirements of the program, or by repaying their loan in full. There were 100 former ATIP recipients who completed their obligation by fulfilling the teaching requirements of the program, or by repaying their loan in full with the Commission or Attorney General's office. Only one student is still making payments to the Attorney General for the ATIP program.

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.

The Commission has been asked to administer two large grant programs which are actually forgivable loans: Postsecondary Education Grant and Early Graduation Scholarship Grant Programs. The Commission staff will be researching the appropriate manner to deal with these responsibilities. The number of staff at the Commission will not support these large repayment programs. There are two possibilities to examine:

purchasing a fully functional loan repayment IT system or contracting with a loan repayment entity.

1.6 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 \$1,338.5 million in new educational loans to more than 137,397 Arizona borrowers – including Federal Stafford loans for 129,648 students and Federal PLUS loans for 7,749 parents and students for the 2006-2007 academic year. Due to the increasing costs of postsecondary education, loans are becoming a significant source of funding to which students and families turn for higher education costs.

USA Funds has chosen to be a partner with the State of Arizona in increasing the college going rates. USA Funds serves as one of several sponsors for College Goal Sunday, supported the Developing Arizona's Human Capital Conference, and funded both the Investing in Arizona's Future research study and the printing and distribution of the *Rapid Guide to Financial Aid*.

In addition, USA Funds awarded \$501,000 in scholarships to 334 Arizona residents under USA Funds Arizona Silver Anniversary Scholarships™ for the 2006-2007 academic year. An additional \$244,500 in renewable scholarships were awarded to 167 Arizona students who previously had received scholarship awards through USA Funds' national scholarship program. These scholarships assist students in financial need — particularly those who are either members of ethnic-minority groups or are physically disabled — as they finance their higher education.

1.7 Arizona Family College Savings Program (AFCSP)

The Arizona Commission for Postsecondary Education administers the Arizona Family College Savings Program (AFCSP). The AFCSP was established as Arizona's qualified tuition program under section 529 of the Internal Revenue Code (also referred to as a QTP or Qualified Tuition Program) in 1997 and began accepting accounts in 1999. In 2004, State legislation established the Family College Savings Program Trust Fund as a public instrumentality of the State of Arizona, of which the Arizona Commission for Postsecondary Education acts as its sole trustee. At all times the AFCSP accounts are held in trust for its participants and beneficiaries.

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 AFCSP was established as a multiple provider program, ensuring a variety of investment choices in order to appeal to the diverse investment needs of families saving for college. An Oversight Committee, as defined by state statute, is comprised of 10 members with financial, tax and legal expertise. This advisory group is responsible for review of the program rules, statute language revisions, and selection and oversight of financial providers for the AFCSP. The Oversight Committee makes recommendations to the Arizona Commission for Postsecondary Education, the AFCSP Trustee, for final approval of plan oversight decisions. A current roster of the AFCSP Oversight Committee follows.

**Oversight Committee
Arizona Family College Savings Program**

Roger Curley, Chair Attorney with State Bar Cert. in Estates & Trusts Attorney at Law, Curley & Allison LLP	Hope Leibsohn Public Member Attorney at Law, Lewis & Roca, LLP
James Van Houten Individual with investment, asset management & financial related expertise Owner, Stonegate Financial Group, LLC	Laura Palmer Noone State Board for Private Postsecondary Education President Emeritus, University of Phoenix
Gary R. Dokes Public Member Chief Investment Officer, AZ Retirement System	Mark P. Stein Certified Financial Planner CFP, AeGIS Financial Group
Dr. Roy Flores Individual Employed by a CC or Univ. System with Asset Management & Financial Related Experience Chancellor, Pima Community College District	Mark Swenson State Treasurer or Designee Deputy State Treasurer
Vacant	Vacant

Two financial institutions were selected as depositories and managers of the AFCSP in 1999. By 2003, a total of four financial institutions had been approved by the ACPE as AFCSP's providers – College Savings Bank, Securities Management and Research (SM&R), Pacific Life and Waddell & Reed. Fidelity Investments joined the Program as the fifth AFCSP provider in June 2005.

In 2005, the AFCSP Oversight Committee initiated a rigorous provider review process which culminated in the recommendation to the ACPE of the non-renewal of two provider management contracts; the renewal of College Savings Bank's contract for one year; and the pursuit of an individual contract with Waddell & Reed which at the time was being subcontracted through SM&R. Note that Fidelity's contract did not come up for renewal in 2006.

The two non-renewed providers, Pacific Life and Securities Management & Research, entered into an agreement with the ACPE to continue servicing the existing AFCSP accounts for a one year period to allow for a smooth transition of accounts to another AFCSP provider or 529 plan.

The transition of accounts from the non-renewed providers was completed. The Securities Management & Research accounts were converted to Waddell & Reed Financial Services on September 28, 2007. The Pacific Life accounts were converted to Fidelity Investments on October 31, 2007. As a result, the AFCSP currently offers an array of investment choices to meet the participants' specific investment styles and risk tolerance through two distinct direct-sold providers and an advisor-sold provider. The investment options are listed below.

- **College Savings Bank** offers direct-sold Certificates of Deposit indexed to college costs
- **Fidelity Investments** offers direct-sold age-based asset allocation mutual fund portfolios, static mutual fund portfolios, as well as individual portfolios
- **Waddell & Reed Financial Services** offers advisor-sold age-based asset allocation mutual fund portfolio options and individual portfolios

Since its inception 1999, the AFCSP has experienced significant growth, driven by both Arizona residents as well as non-residents who recognize the importance of preparing financially for the rapidly increasing cost of tuition and the quality of the plan. Assets under management in the AFCSP reached \$422 million, a growth rate of 8% from the end of the 2006 fiscal year, and over fifty two thousand accounts have been opened since the Program's inception. The Arizona Family College Savings Program's Annual Report is available to the public on the ACPE's website at www.azhighered.gov.

The costs to oversee the AFCSP are collected from an initial fee of \$13.00 charged one-time to each new account opened.

The restructuring of the AFCSP along with other significant plan enhancements and initiatives described below, were designed to strengthen the program for the benefit of investors. The recent changes and initiatives, guided by the ACPE strategic plan for the Arizona Family College Savings Program, are focused on achieving three goals. These goals are (1) to ensure AFCSP providers offer quality and competitive savings options 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. Several steps have been taken this year to meet these 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.

In addition, Waddell & Reed launched a new class of shares giving financial advisors access to a range of choices more adaptable to individual needs as they work with their clients. The new E Share class with 22 mutual funds within the Ivy Funds family became available in the second 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-sold 529 plans in the country, Waddell & Reed implemented fee reductions in the beginning of 2006 across all its age-based portfolios and converted all mutual funds Class B and Class C shares to the lower-cost Class A shares at no cost to the investor. In addition to Waddell & Reed's fee structure changes, Fidelity Investments eliminated the low-balance annual fee applicable only to non-Arizona residents and reduced the initial investment minimums as well as the monthly contribution amount minimums for those accounts with automatic investment plans. Moreover, the plan's new index portfolios are among the lowest cost in the 529 industry, capped at 50 basis points.

Third, the Commission has sought to inform the public about the importance of college savings. Governor Janet Napolitano proclaimed October as College Savings Month for Arizona. It was a state-wide education initiative to create an increased awareness among Arizona families about saving for a child's college education via the Arizona Family College Savings Program (AFCSP). The marketing firm Moret and Partners coordinated with the three AFCSP providers for a multi-faceted promotion. The promotion consisted of TV and Radio interviews with the ACPE Executive Director, newspaper articles, Westcor Mall Table Visits, College Savings Planner and Bookmark distribution, and "I'm On My Way to College" Writing/Drawing Contest.

Finally, the revision of article 5 of the Arizona Administration Code – Arizona Family College Savings Program, is in progress to reflect the changes made to the AFCSP this year.

The AFCSP Oversight Committee and the Commissioners who serve as Trustees continue to identify improvements and mount initiatives that will lead to the AFSCP mission of *assisting Arizona families to financially prepare for postsecondary education by providing quality college savings choices.*

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

Almost every parent holds the dream of college attendance for their child, and many adults seek higher education for personal/professional development. The Arizona Commission for Postsecondary Education endeavors to expand access and success in postsecondary education for Arizona families. Providing information for college decision-making, initiating programs to assist students and families access student financial assistance, and supporting efforts to increase college-going rates are strategies used to assist Arizona families, adults, and K-12 students.

The ACPE enters into programs and partnerships to assist parents and students as they plan for their dream. It is realistic planning with appropriate and accurate information that will assure the child is academically ready, the family financially prepared, and that student and family expectations are in line with the realities of postsecondary education. Adult and returning students are also an important part of ACPE program planning.

2.1 Arizona College and Career Guide (ACCG)

The Arizona College & Career Guide (ACCG) lists all Arizona public and private postsecondary institutions including proprietary, vocational, and career schools. Each school listing includes course offerings, length of study, costs to attend, financial aid programs available, and the institution's web site, if available, so a prospective student has easy access to information. This document is the single source of this information for the state and is widely used by K-12 counselors, high school students, higher education institutions, and the information seeking public. The ACPE has compiled and disseminated the publication since 1975.

This year 15,000 copies of the ACCG were printed and 13,000 were distributed free of charge to public schools, libraries, state agencies, prisons, vocational rehabilitation counselors, and higher education institutions. In addition, the ACCG is available online at the ACPE web site at <http://accg.azhighered.gov> which had a total of 12,530 hits in FY 07. Publication and distribution costs of the ACCG (\$18,430.00) are financed through paid advertising in the publication and per individual book fees (\$5 each or \$3 each for ten copies or more).

The publication is a favorite of high school and career counselors. In addition, GEAR-UP requested that 2,500 copies of the ACCG 2006-2007 publication be distributed this year to high school seniors. Furthermore, the ACPE has used the College and Career Guide as a promotional tool to increase attendance at College Goal Sunday where families get help completing the Free Application for Federal Student Aid (FAFSA) form, to encourage parents to learn how to financially prepare for college expenses by downloading the *College Savings Planner*, and to provide information to counselors about the ACPE's free college-going literacy materials available for K-12 students.

In FY 08 and FY 09 the ACCG will be undergoing formatting changes which will allow readers to more easily access information and postsecondary institutions the opportunity to economically advertise their programs. Additionally, the ACCG will provide information on the various Arizona grants and the private institutions that qualify for the PEG and PFAP grant programs. Further, the Commission plans to give the important Arizona College and Career Guide web site a face lift so that it is easier to navigate and more attractive and up-to-date for high school and adult re-entry students' use

2.2 Arizona Commission for Postsecondary Education (ACPE) Website

In 2007, 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 Early Graduation Scholarship Grant (EGSG) program and the website was revised to provide educators and students details on the grant. The website is laden with important information about student financial aid. A measure of the success of our web site is the number of visits – 94,523 during FY 2007. The ACPE web site can be viewed at www.azhighered.gov and is the portal to the ACCG Guide, Arizona 529 Plan, AMEPAC reports, Arizona grants, 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 eleven years by the ACPE. The 12th annual event is being planned and will be held on February 10, 2008 at 29 sites throughout the state. Two Phoenix area sites will be holding a Saturday edition in order to accommodate our constituents who are unable to attend on Sunday.

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 college applicants, understand the value of applying for student financial aid, take the important first step of completing the FAFSA, and ultimately access postsecondary education.

The event is offered in partnership with the Arizona Association of Student Financial Aid Administrators (AASFAA). In 2007, College Goal Sunday was held in 30 Arizona communities on February 11th. On this Sunday afternoon, more than 310 volunteer financial aid professionals from Arizona's colleges/universities, as well as high school counselors, mobilized to assist high school seniors and their families in completing the FAFSA form and learn about the financial aid process. In 2007, two thousand eight hundred and eighty-five students and parents attended. Since 1997, almost 29,885 students and their families have been helped by this event.

This event successfully achieves its purpose. The 2007 College Goal Sunday survey reported that for 35% of the students attending neither parent attended any college; an additional 21% indicated a parent had attended some college but neither parent had attained a 2- or 4-year degree. Therefore, the total percentage of first-generation students attending in 2007 was 56%. This is a 4% increase over last year.

Because a high percentage of low-income and minority families are first-generation college-goers, the ACPE was pleased to find that 52% of the participants reported having an annual income of \$40,000 or less. Furthermore, the 2007 event survey also indicated a 35% Hispanic, 11% Native American, and 6% African-American participation rate.

Another plus in 2007, was that 93% of the CGS sites offered FAFSA on the web. Computer labs were opened to help families complete their FAFSA on-line. In 2008, 96% of the College Goal Sunday sites will offer FAFSA on the web. Additionally, most sites offer Spanish or Navajo interpreters.

As the host of this event, the ACPE seeks grants to fund the activities and provides the leadership to implement the event. Grants were secured for the 2006 and 2007 events from Waddell & Reed, USA Funds, and Lumina Foundation. Additionally, College Savings Bank was a sponsor of television advertisements for the 2007 event. The 2008 event is being sponsored by USA Funds, Helios, and the Lumina Foundation.

A new strategy being employed for College Goal Sunday in 2008 is the addition of "College Goal Sunday, Saturday Edition." As mentioned earlier, two of our sites, Estrella Mountain Community College and South Mountain Community College, will host the event on Saturday, February 9th from 2-4 p.m. In this way, the ACPE hopes to serve families in the Greater Phoenix Metropolitan area that cannot attend the event on Sunday.

2.4 “Countdown to College” Sunday Insert

In 2007, a 12-page Sunday insert, entitled “Countdown to College” was published in the Arizona Republic and Tucson Daily Star and distributed to approximately 800,000 households the Sunday before College Goal Sunday. USA Funds underwrote the basic publication cost of this insert and additional pages were paid for with purchased advertising by higher education stakeholders through the newspaper sales staff and letters of introduction from the ACPE.

This postsecondary literacy document is a resource guide to help students and families learn more about financial aid and college access, as well as promotion of the College Goal Sunday statewide event. The 2007 “Countdown to College” included several financial aid success stories, information on federal programs that offer financial help for college, and Arizona state grant and scholarship opportunities such as PFAP, PEG, AFAT and LEAP.

The Countdown to College insert is an example of a collaborative effort between the ACPE, the state guarantor of student loans, and postsecondary institutions that support the effort through advertisements. This publication is scheduled again in 2008 and will be distributed as a special insert in Phoenix, Tucson, and outlying areas to nearly 800,000 households on February 3, 2008. The success of this publication is measured at each College Goal Sunday event by observing the large number of participants who attend with the document in hand.

2.5 College Access Publications

The Arizona Commission for Postsecondary Education is dedicated to strengthening the commitment of children and youth to obtain a higher education. Toward this end, a general education awareness and information campaign for students and their parents titled *Think College* was developed to emphasize the importance of staying in school, 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 *Measuring Your Child's Progress: Preparing Your Child for Higher Education* for middle school through high school parents and (2) Ed Funds sponsors *Carlton Q. Cat: Cool Cats Stay in School* for third and fourth grade students and *The Future 5: The Power of Your Mind* for seventh and eighth grade students. Thanks to the generosity of these partners, these publications were provided to the schools free of charge.

In 2006, a thorough review of these publications, their value to students and families and the time and expense of distribution was evaluated. As a result, the printing of *Carlton Q Cat* and *The Future Five* was discontinued in FY07. However, the Commission has a large supply of these publications, and in FY 07 was able to fill requests for these documents from elementary and middles school administrators so that a total of 18,925 English and 6,525 Spanish documents were distributed statewide.

Conversely, the Commission and USA funds are currently revising *Measuring Your Child's Progress* to continue to appeal to the ever-changing teen community and to update the material within to include more web-sites on financial aid and college-going requirements.

In keeping with the Commission's goal to help students and families plan, enroll, and succeed in postsecondary education, the Commission staff has undertaken a new project for a *College Access* publication. Staff modified the *Rapid Guide to Financial Aid* publication to include Arizona specific information. This *Guide* includes step-by-step instructions for applying for financial aid (both public and private), scholarships, grants, loans and saving for college. USA Funds sponsored the printing of 16,000 of these guides and the Commission notified public high school and charter school counselors that these guides were available. There has been a tremendous response and school counselors have ordered approximately 38,000 copies of the *Guide*. The Commission now has a dilemma on how to distribute the *Guide*, but has decided to fill all small order of less than 100, then to fill all orders in rural areas, then to fill order of Title I schools. This means that many of the more affluent schools will not be able to receive copies of the *Guide*. The Commission hopes to find funding for more *Guides* in FY 08.

And finally, the ACPE provided a fifth year of editorial direction for the *Phoenix Magazine* August edition higher education section. This opportunity provides information to families across the state to learn more about the higher education options within Arizona. *Phoenix Magazine* has 385,500 readers.

2.6 Developing Arizona's Human Capital Conference/Pathways to Education Awards

The Developing Arizona's Human Capital: Addressing Today's Postsecondary Education Challenges Conference was a two-day event held on November 8 - 9, 2007. USA Funds and Harrison Middleton University helped the Commission sponsor the event. Other sponsors included Maricopa Community College District, Arizona Board of Regents, Helios Education Foundation, Southwest Gas, University of Arizona, 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.

Tom Mortenson, Senior Scholar of the Pell Institute for the Study of Postsecondary Education Opportunity, was the keynote speaker for the conference. His presentation centered around a variety of postsecondary education statistics for Arizona and how they compared to other states and the nation as a whole. Reactors to the keynote address included Kathleen Ingley, Editorial Writer for the Arizona Republic; Vince Roig, Chairman and Chief Executive Officer for the Helios Education Foundation, and Dr. Debra Duvall, Superintendent of the Mesa Unified School District and ACPE Commissioner. Additionally, Mr. Mortenson's presentation can be viewed on the Commission's website: www.azhighered.gov.

In addition to the keynote on the first day of the conference, there were four breakout sessions: 1 and 2) Composing a Higher Education Picture Including all Arizona Students: A Focus on Award Winning College Access, Transition, and Success Programs; 3) Focus on Foster Youth and Young Adults and Their Postsecondary Education Success; and 4) A Snapshot of Minority Students and First Generation College Students presented by the Arizona Minority Education Policy Analysis Center (AMEPAC). Later in the afternoon of the first day of the conference Senator Tom O'Halleran and Representative Jennifer Burns presented a preview of the 2008 Postsecondary Education Legislative Agenda. The first day ended with a Student Financial Aid picture presented by Brian Prescott of the Western Interstate Commission for Higher Education (WICHE) and Representative Andrew Tobin.

The second day of the conference started with a breakfast, emceed by Frank Camacho of KTVK Channel 3, where Representatives David Schapira and Pete Rios presented the Pathways to Postsecondary Education awards. These awards recognize efforts by business, community, postsecondary education, and K-12 schools to support students through the K-12 system and into postsecondary education. After the awards were presented, we heard a presentation from Barry Broome, President and CEO of the Greater Phoenix Economic Council; Donald Maxwell, Director of the City of Phoenix Community & Economic Development; and Julia Rosen, Assistant VP for Economic Affairs at ASU on their perspectives of the Postsecondary Education System's contribution to Arizona's economic future. Then Frank Camacho interviewed four college students about their real life college experiences. The conference concluded with lunch and "Shift Happens – A look into the world of You-Tube.

The conference was a great success with approximately 200 individuals participating.

2.7 Foster Youth Postsecondary Education Case Manager Program

In the 2007 legislative session the ACPE was charged with developing a system to support foster youth and young adults in their transition into and success in a postsecondary education institution. A small amount of money, \$100,000, was included in the ACPE budget in order to establish a program that would provide the supports to enhance college success for a group of students who experience additional challenges and barriers in addition to those common to first generation college student.

A relationship has been established with the Department of Economic Security and its staff who are responsible for the administration of the ETV program and have additional funds to support students through high school, preparation for college, and application to postsecondary institutions. In addition, an overview of the national programs that are offered to foster youth in other states has been completed. The ACPE is currently exploring existing agencies and not-for-profits with whom a partnership can be established to initiate a pilot program with the purpose of establishing some of the best practices found within this entity to serve Arizona foster youth in the pursuit of a higher education. The plan is to establish this pilot program near the first of the year.

Goal 3: Addressing common opportunities and problems across all sectors of postsecondary Education

The Arizona Commission for Postsecondary Education provides a unique statewide forum for senior level representatives from universities, community colleges, independent colleges, and private training and career colleges to identify mutual opportunities and problems in postsecondary education. In addition, two superintendents of large districts and a CEO of a charter school provide insight about transition into, preparation for, and awareness of postsecondary education opportunities from the K-12 perspective.

Issues arise from discussion among Commissioners, policy makers, business leaders, at ACPE meetings and events that warrant further investigation and policy analysis. In addition, Commissioners have established a standing Postsecondary Needs Committee that is called upon to identify opportunities for collaborative action. Issues that have been identified as important through these processes include access to and success in postsecondary education of minority populations and low-income families, low high school completion rate, student advancement through the segments of Arizona's higher education system toward a baccalaureate degree, and reduction or elimination of the financial barrier experienced by students and their families to postsecondary education.

Two strategies have been identified to meet Goal 3. The first is to raise awareness and develop a knowledge base for solutions through policy analysis and commissioned 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 Policy Analysis Center (AMEPAC)

The mission of the Arizona Minority Education Policy Analysis Center (AMEPAC) is to stimulate through studies, statewide discussion, and debate constructive improvement of Arizona minority students' early awareness, access and achievement throughout all sectors of education. AMEPAC is funded through donations from postsecondary institutions and non-profit organizations committed to its mission. Since 1996, AMEPAC has addressed numerous issues effecting minority access to and achievement in higher education. Results of this policy analysis are both published research papers and the initiation of forums or roundtable discussions on pressing issues related to the mission.

AMEPAC's most recent major research effort was a commissioned study from two Arizona researchers, Tonya M. Drake, Ph.D. and Nancy L. Osborne, M.Ed. The focus of their research is minority student success. This report is the third in a series also published in 2003 and 2005. The study provides a 'snapshot' of the educational achievement of minority students in Arizona, from kindergarten through college. It is designed to furnish a structure for evaluating progress in minority educational success. The study titled *Minority Student Report 2007: A Snapshot of Arizona's Educational Achievement* was introduced at the Developing Arizona's Human Capital Conference

and one of the authors, Nancy Osborne, compared 2007 statistics to 2003 and 2005. The report was printed courtesy of SRP and 1,300 copies of the report were distributed to legislators, business leaders and educators.

AMEPAC members are currently undertaking a major strategic planning effort to enhance the impact of the Center and its 16 volunteer members over the next several years. In the new strategic plan AMEPAC will shift its research focus to the broad societal consequences of Arizona's low college-going rate. What is the demand for education from the Business, Government and general employment sectors? Can the education system fulfill the needs of the labor market? What happens to the society as a whole (macro) and individual people (micro) if the education system fails to meet the demands of the labor market? AMEPAC is working to find partners to help with this proposed research and policy analysis.

3.2 Postsecondary Articulation/Transfer Task Force (PATTF)

The Postsecondary Articulation/Transfer Task Force (PATTF) is charged by the Commission with identifying potential areas for articulation and encouraging articulation possibilities among postsecondary institutions. The goal of the Task Force is to ensure student access to the baccalaureate. The Task Force was not convened this past academic year, as Commission staff was focused upon developing a new PEG grant program. However, at the November meeting Commissioners requested that the PATTF be reconvened in early 2008 in order to continue to refine its mission and goals and to identify a program of work for the next few years.

The Task Force members 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.

One of the outcomes of the PATTF was a Commission sponsored conference which resulted in numerous articulation agreements between private and public Arizona postsecondary institutions. Held in October of 2005, the ACPE 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.

Proceedings from the conference were presented at the April 2006 Developing Arizona's Human Capital: The Challenge Facing Postsecondary Education Conference. At that time five articulation agreements could be identified as outcomes, and several have been signed since.

The ACPE staff looks forward to working with the new members of the Task Force to refine the existing mission and goals and to plan a new program of work.

Conclusion

Four strategies have been employed during the three 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. This is evidenced operationally in the timely and effective administration of the two new programs assigned to the ACPE in legislation: the Postsecondary Education Grant (PEG) and the Early Graduation Scholarship Grant Programs. Additionally, significant improvements have been implemented in the Leveraging Educational Assistance Partnership (LEAP). In 2006-2007 the ACPE awarded more than 3,874 grants to Arizona students.

Likewise, all aspects of administration of the Arizona Family College Savings Program (AFCSP) have been reviewed and enhanced. The AFCSP has undergone a complete restructure of providers and investments. As a result of a rigorous provider review process, two of five providers' contracts were not renewed and the conversion of those assets was complete on November 1, 2007. Moreover, fees have been reduced and several attractive low-fee options have been added. In 2006-07 the Commission served as Trustee for more than 45,000 college savings accounts.

Furthermore, all financial assistance programs administrative procedures will continue to be evaluated and reviewed annually to ensure that every dollar is available to students and their families for postsecondary attendance when it is needed. The administration of the four state student financial aid programs offers opportunities for a common state grant application to benefit students' ease of accessing funds. This possibility is a top priority for the ACPE staff. Likewise the promotion of all Commission programs including grants, the college savings program, college-going publications, financial literacy programs, and the ACPE website takes place when the Commission communicates to Arizona families

Second, the staff continues to develop strategies to leverage the limited financial and human resources available to the ACPE in order to help Arizonans access postsecondary education. Through development and nurturance of partnerships, access to grant funds and donations, and initiation and participation in collaborative activities the ACPE plans to continue to offer programs such as College Goal Sunday, the Pathways to Higher Education Awards, and the Developing Human Capital Conference.

Likewise, the ACPE will continue to provide pertinent and state specific college awareness and student financial assistance information to Arizonans through the *Rapid Guide to Financial Aid*, Arizona College and Career Guide, Countdown to College Sunday insert, informational college-going publications, and the ACPE website. Each of these programs, resources, and college awareness publications are offered at no expense to the State, but rather are sponsored through private dollars. This year more than 2,800 students and parents received assistance from financial aid professionals in

completing the FAFSA, over 110,000 publications were printed and distributed to families, and more than 94,000 visits were paid to the Commission website.

Third, the forum provided by the Arizona Commission for Postsecondary Education promotes dialogue and identification of common issues among all sectors of higher education. In 2006-2007 the College Goal Sunday Task Force the Postsecondary Education Grant stakeholder groups, and the Developing Arizona's Human Capital Conference involved more than 300 individual stakeholders in postsecondary education collaborations for the benefit of students and families. Likewise, the ACPE staff has established relationships with the ADE and DES staff to plan and initiate the Early Graduation Scholarship Grant program and the Foster Youth Case Manager Program. Also, a research paper commissioned by AMEPAC was published and promoted that contributed to the knowledge base of student access and success in Arizona higher education. The ACPE plans to continue to initiate and support collaborative groups comprised of stakeholders, develop research studies, and convene conferences or roundtable discussions that can identify postsecondary education opportunities and seek solutions to problems.

And finally, in an effort to fulfill the ACPE mission, the Executive Director serves and supports a number of related task forces and initiatives such as the City of Phoenix College Depot, Arizona College Scholarship Foundation, and the GEAR-UP Programs. The ACPE works in collaboration with these groups and many others to improve the opportunities for students to move within postsecondary education in a seamless manner.

The Arizona Commission for Postsecondary Education has identified a mission of *expanding access and increasing success in postsecondary education for Arizonans*. The Commissioners and staff will continue vigorously to seek avenues for partnerships and/or collaboration that contribute to this mission.