

**ARIZONA COMMISSION FOR  
POSTSECONDARY EDUCATION**

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

**ANNUAL REPORT**

**FISCAL YEAR 2011 - 2012**



## Arizona Commission for Postsecondary Education

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December 28, 2012

The Honorable Janice K. Brewer, Governor  
The Honorable Ken Bennett, Secretary of State  
The Honorable Steve Pierce, President of the Senate  
The Honorable Andy Tobin, Speaker of the House of Representatives  
Mr. Vincent Alascia, State Documents Librarian, AZ Library, Archives, & Public Records

I respectfully submit the enclosed FY 2011 annual report on behalf of the Arizona Commission for Postsecondary Education (ACPE). Through a planning process the 16 Commissioners identified an agency mission of *expanding access and increasing success in postsecondary education for Arizonans*. In spite of the continued economic challenges facing the state, Commissioners and ACPE staff members remain committed to investing themselves in the work of higher education. This report reflects that commitment.

FY 2012 brought continuing challenges and additional opportunities to the ACPE. Challenges faced by the Commission include a continued 81% reduction in the ACPE general funds appropriation as compared to FY 2008, as well as a reduction in agency staff from 13 appropriated FTE to 8 full time employees.

Sadly, the lives of nearly 20,000 students who in years past would have received financial assistance through ACPE grants/scholarships this year will also be affected. The loss for students results from the elimination of state funding for the Postsecondary Education Grant (PEG), the Private Postsecondary Financial Assistance (PFAP), and the Early Graduation Scholarship programs; but also is due to the elimination of \$1.3M in federal funding for the Leveraging Educational Assistance Partnership (LEAP) and the Special Leveraging Educational Partnership (SLEAP) programs in FY 2012.

In contrast, 2012 presented the opportunity of a second year of more than \$1M student financial assistance through the College Access Challenge Last Stretch Scholarship. The College Access Challenge Grant is administered through the Governor's Office of Education Innovation; however, the state must meet the required Maintenance of Effort to receive funding for the remaining 2 years of the CACG. This is in jeopardy due to state grant reductions related to Maintenance of Effort as explained in Sections 1.1 and 1.2 of this report.

The Arizona Family College Savings (529) Program or AFCSP, Arizona's Qualified Tuition program, also provides a bright spot – an opportunity for families to save for

college in a tax-advantaged way. As of June 30, 2011 the AFSCP held more than \$659M in assets and more than 64,000 accounts were in place to pay for college expenses. It is evident that the AFSCP is meeting the needs of families because the number of accounts continued to increase throughout the worst of the economic recession and thereafter.

The Commission is also pleased to administer the Arizona College Access Network for the Governor's Office of Education Innovation. In just under two years, the membership has grown to over 143 member organizations. Membership is comprised of 111 college access programs, 32 supporting organizations, and 302 individual members. Other successes included providing families and students free print publications that assist in college planning and understanding financial aid processes and deadlines such as the *Rapid Guide to Financial Aid* and the *Arizona College and Career Guide*.

The College Goal Sunday Financial Literacy Initiative continues to help thousands of families take the first steps to financial aid each year. Moreover, more than 138,500 unique visits were made to ACPE websites where helpful financial aid and college going information can be found. These Commission programs, initiatives, and publications represent collaborative efforts and are examples of leveraging the funding and impact of this small agency in order to provide additional tools to assist Arizona's first-generation, low-income students and families succeed in postsecondary education.

This annual report describes the details of these and other challenges and opportunities encountered, within the framework of the Commission's strategic plan. Questions regarding this report and detailed information regarding ACPE programs and publications are available on [www.azhighered.gov](http://www.azhighered.gov) or by contacting our office at 602.258.2435.

Respectfully Submitted,



Dr. April L. Osborn, Executive Director

cc: Tom Ritland, JLBC Fiscal Analyst  
Illya Riske, OSPB Budget Analyst  
Reed Spangler, Senate Education Research Analyst  
Brook White, House Education Committee Research Analyst

# The Arizona Commission for Postsecondary Education (ACPE) 2011 - 2012 Annual Report

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

Submitted December 28, 2012  
Dr. April L. Osborn, Executive Director

## Introduction

The work of the Arizona Commission for Postsecondary Education (ACPE) is guided by a 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 and this report reflects a review of goals, performance, and outcomes as outlined in the plan.

Through a planning process, the 16 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) maximize available student financial assistance to students and families, (2) provide accurate and timely information and support from knowledgeable professionals to help students and their families plan for, enter, and succeed in postsecondary education, and (3) provide a forum for all sectors of postsecondary education to dialogue, partner, and problem solve issues of mutual interest. A roster of the ACPE Commissioners follows this introduction.

The work of the ACPE has been highly impacted over the past five years both by assignment of new responsibilities and by the recent economic downturn. These changes include:

- establishment of the Postsecondary Education Grant (PEG) program in 2006, suspended in 2010;
- initiation of Early Graduation Scholarship Grant in 2008, suspended in 2010;
- establishment of the two-year Arizona College Access Aid Program (ACAAP) in 2009; transformation into the College Access Challenge Last Stretch Scholarship in 2011, both initiatives of the College Access Challenge Grant are administered through the Governor's Office of Education Innovation;
- administration of the Arizona College Access Network (AzCAN) in FY 2011; and
- transfer of the Math, Science, Special Education Teacher Loan Forgiveness program from the Arizona Board of Regents (ABOR) to the ACPE in 2012.

Progress on each of these legislatively directed initiatives is discussed in more detail within this report.

Overall, Arizona’s students have lost financial assistance due to budget reductions. In excess of 76% of the \$4.6M Commission budget in FY 2012 represents flow-through funds dedicated to student grants and scholarships, in FY 2008 the budget was nearly \$15 million. Thus, the ACPE budget reductions resulted in student grant/scholarship programs being severely curtailed as demonstrated below.

#### **Historical Review of ACPE Student Aid Programs**

<b>Fiscal Year</b>	<b>2007-2008</b>	<b>2008-2009</b>	<b>2009-2010</b>	<b>2010-2011</b>	<b>2011-2012</b>
<b>Total Aid Disbursed</b>	<b>\$ 7,551,700</b>	<b>\$ 6,813,184</b>	<b>\$ 6,825,388</b>	<b>\$3,711,781</b>	<b>\$3,511,920</b>
<b>% Decrease compared to FY 2007-08</b>		<b>-10%</b>	<b>-10%</b>	<b>-51%</b>	<b>-53%</b>

The loss of these grant dollars affects the lives of nearly 20,000 students who in previous years would have applied to the ACPE for grants/scholarships. In FY 2011 the funding for the Postsecondary Education Grant (PEG), the Private Postsecondary Financial Assistance Program (PFAP), and the Early Graduation Scholarship was eliminated and the programs were placed on suspension. At the close of FY 2010 even when these grants were available, the ACPE had a waiting list of an additional 8,799 students who were seeking financial aid.

The Commission goals of (2) helping students plan for, enter, and succeed in postsecondary education and (3) providing a forum for all sectors of higher education to dialogue, partner, and problem solve issues of mutual interest remain important to Commissioners and staff members. These goals are forwarded through policy analysis and research, collaborative action led by ACPE Commissioners and staff members, and participation in college access initiatives led by foundations, government, or non-profit entities with similar missions.

This 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 2011 – 2012

## Arizona Commission for Postsecondary Education

### Commissioners

**Dr. Tom Anderes**

Board President  
Arizona Board of Regents

**Dr. Eldon Hastings**

Founding Director  
American Institute of Dental Assisting

**Michael Hawksworth**

President/CEO  
MSS Technologies, INC

**Jody Johnson**

Superintendent  
Pointe Schools

**Catherine Koluch**

President/Founder  
The Studio Academy of Beauty

**Dr. Suzanne Menges**

Director of Educational Support Systems  
Thatcher Unified School District

**Teena Olszewski**

Director of Arizona GEAR UP  
Northern Arizona University

**Dr. Bill Pepicello**

President  
University of Phoenix

**Dr. Kathy Player, Commission Chair**

Associate Provost  
Grand Canyon University

**Dr. Anna Solley**

President  
Phoenix College

**Teri Stanfill**

Executive Director  
Arizona Board for Private Postsecondary Education

**Dr. Manuel Valenzuela**

Superintendent  
Sahuarita Unified Schools

**Chuck Wilson**

Director  
ITT – Tempe

### Commission Staff

**Dr. April L. Osborn**

Executive Director

**John Garcia**

Arizona College Access Network Director (AzCAN)

**Daniel Helm**

Associate Director State Student Financial Aid

**Javier Herrera**

Business & Financial Services Coordinator

**Kathaerine Johnson**

Director of Programs & Agency Operations

**Grace Smith**

Director, Arizona Family College Savings Program

**Judi Sloan**

Office & Communications Coordinator

**Mila Zaporteza**

Business Manager

## **Goal 1: Maximize student financial assistance available to students and families**

Core responsibilities of the ACPE are related to postsecondary student financial assistance programs. Therefore, the Commission is the named entity representing the Arizona in the National Association of State Student Grant and Aid Programs (NASSGAP). The Commission has been responsible for the administration of ten financial assistance programs over the past five years including:

- 1) Private Postsecondary Education Student Financial Assistance Program (PFAP),
- 2) Postsecondary Education Grant (PEG),
- 3) Early Graduation Scholarship Grant,
- 4) College Access Challenge Grant financial assistance programs titled (a) Arizona College Access Aid Program and (b) the College Access Challenge Last Stretch Scholarship,
- 5) Leveraging Educational Assistance Partnership (LEAP),
- 6) Special LEAP,
- 7) Arizona Leveraging Educational Assistance Partnership (AzLEAP),
- 8) Math, Science, Special Education Teacher Loan Forgiveness Program,
- 9) PFAP, PEG, MSSE, ATIP, PDTS student forgivable loan repayment programs, and the
- 10) Arizona Family College Savings Program.

Dramatic changes have occurred in student financial assistance both at the state and federal levels over the past five years. Most notable are the elimination of several successful financial aid programs administered by the Commission and as well as the restructuring of several programs.

Regarding the first three programs listed, the Postsecondary Education Grant (PEG), the Private Postsecondary Financial Assistance Program (PFAP), and the Early Graduation Scholarship Grant (EGSG) Program, the funding for student grants has been eliminated and the programs are on suspension. PFAP and PEG programs were very successful and resulted in important outcomes including (1) strengthening the private sector of postsecondary education in Arizona, (2) reducing the tax burden of Arizona higher education by incentivizing students to attend private institutions, and (3) providing financial aid to adult students (the average age of PFAP recipients was 31 and 28 years of age for PEG) to increase persistence and motivation to complete a baccalaureate degree.

Good news at the state level came when the Governor's Office determined to double the student financial assistance dollars provided through the second cycle of federal formula-based College Access Challenge Grant (CACG). The ACPE was asked in the second iteration of the CAC Grant to administer more than \$1M in student scholarships to low-income students with 60 or more credit hours to sustain their attendance for the

final years of degree preparation. Three years of funding for CACG have been secured, but the Maintenance of Effort (MOE) requirement may be problematic in years four and five.

Fortunately, the impact on low-income students was somewhat mitigated when the federal matching funds for the three-part (federal, state, institutional) Leveraging Educational Assistance Partnership was eliminated. The program was re-structured and re-titled the Arizona Leveraging Educational Assistance Partnership (AzLEAP) and in its new form continues to serve low-income students with matching dollars from the state and postsecondary institutions. Sadly, no solution was found to offset the loss of federal funding for the Special Leveraging Educational Assistance Partnership which was eliminated in FY 2012 and the program was terminated.

The Math, Science, and Special Education Teacher Loan Forgiveness Program (MSSE) was established in FY 2007 and loan administration, borrower service tracking, and loan repayment responsibilities were transferred to the Commission in FY 2012. Unfortunately, funding for the program was reduced from \$2M to \$176,000 prior to the transfer, drastically limiting the number of students served by this popular forgivable loan for teachers.

A detailed description of the execution of and outcomes of each of these and the other student financial assistance programs under administration of the ACPE are outlined by program in the following section.

### **1.1 Private Postsecondary Education Student Financial Assistance (PFAP), A Forgivable Loan - Suspended**

The Arizona Private Postsecondary Education Student Financial Assistance (PFAP) program was initiated in the spring of 1996. This student-centered program was designed to encourage Arizona community college graduates who have financial need to enroll as a full-time student and graduate from a baccalaureate degree granting private postsecondary institution; thereby realizing a savings to the State of Arizona. Students who fail to achieve a baccalaureate degree within three years from the first disbursement of funds or do not enroll for a period of time greater than twelve months, enter into a repayment program.

After several years of repeated reductions, in FY 2011 the Private Postsecondary Education Student Financial Assistance Program (PFAP) was placed on suspension. FY 2010 represents the last year forgivable loans were awarded in this program. The ACPE awarded 161 students for a total of \$275,000. The table below provides an illustration of the students who benefited from this forgivable loan program in the last year it was available.

### Description of PFAP Recipients in FY 2009-2010

Total Recipients	Initial Recipients	Returning Recipients	Total Disbursement	Average Age of Recipients	Average Family Income	Average Grant Amount
161	117	44	\$275,000	31	\$43,664	\$1,709

More than 1,600 students have benefited from the PFAP Program since its inception. The PFAP program has assisted in the goal of increasing the number of baccalaureate degrees awarded in the State by producing a total of 1,298 private college and university graduates, and has an impressive graduation rate of 85%. Notable also is that the average age of the recipients is 31 years, indicating that this grant is contributing substantially to the adult college completion to help meet the 2020 state goals.

The Commission now must focus on the more than 200 promissory note holders in the PFAP program who were reported as not enrolled or attending the institution on file at the time of their last disbursement. The Commission is currently attempting to locate these students for inquiry regarding their enrollment and/or graduation status. Additional information on repayments can be found in section 1.6 titled *Student Forgivable Loan Repayment Programs*.

The Commissioners remain hopeful that the PFAP funding will be restored in the future. Additionally, this program along with the Postsecondary Education Grant (PEG) is a factor in order for the State to meet the required Maintenance of Effort (MOE) for the College Access Challenge Grant (CACG). Criterion 2 for the CACG requires that a state maintain a sustained funding stream of financial aid for students attending private Arizona postsecondary institutions. With the suspension of the funding for the PEG and PFAP programs the future CACG funding for Arizona is in jeopardy. A return of funding for the PFAP program would allow Arizona to meet Criterion 2 to achieve the Maintenance of Effort (MOE) for the College Access Challenge Grant.

#### **1.2 Postsecondary Education Grant (PEG), A Forgivable Loan**

The Postsecondary Education Grant (PEG) program, created in the 2006 legislative session, is a student-centered, non-need based forgivable loan designed to financially support and encourage Arizona resident students to attend a private postsecondary baccalaureate degree granting institution in Arizona. The maximum grant is \$2,000 per year for up to four academic years (eight semesters/terms). These funds must be used for tuition, books and fee expenses. Students must obtain a bachelor's degree within five years after the first PEG disbursement. Should a student not obtain a bachelor's degree within five years or not enroll for a period of time greater than twelve months, the grant becomes a loan that the student must repay.

The PEG program was patterned after the successful student-centered Private Postsecondary Education Student Financial Assistance (PFAP) program. Goals for the PEG program include (1) strengthening the private higher education sector, (2) providing cost savings to the State by encouraging residents to attend private colleges and universities over publically funded universities, and (3) increasing the number of baccalaureate degrees in the State of Arizona, thus increasing the tax revenues from a more readily available educated and higher wage-earning workforce.

FY 2010 was the last year forgivable loans were awarded in this program. The ACPE awarded 1,400 students for a total of \$2,242,678. When funds were exhausted there were an additional 2,627 students on the PEG waiting list. The table below provides a description of the students who benefited from this forgivable loan program.

**Description of PEG Recipients in FY 2009-2010**

<b>Total Recipients</b>	<b>Students on Waiting List</b>	<b>Initial Recipients</b>	<b>Returning Recipients</b>	<b>Total Disbursement</b>
<b>1,400</b>	<b>2,627</b>	<b>792</b>	<b>608</b>	<b>\$2,242,678</b>
<b>Average Age of Recipients</b>		<b>Average Family Income</b>		<b>Average Grant Amount</b>
<b>28</b>		<b>\$55,408</b>		<b>\$1,602</b>

More than 4,000 recipients benefited from the PEG program during its short existence (FY 2006 – FY 2010). The Commission has confirmed that over 2,300 recipients have already graduated from a private college or university and had their loan forgiven. The Commission continues to focus on the more than 1,100 promissory note holders in the PEG program who were reported as not enrolled or attending the institution on file at the time of their last disbursement. The Commission is currently attempting to locate these students for inquiry regarding their enrollment and/or graduation status.

The PEG program is an important state student financial aid program. This innovative program provides accountability and also acts as an incentive for students to persist to a degree in a private college or university, thus saving the taxpayers money. Ironically, the loss of this program occurs at a time when Arizona is focused on doubling the number of college graduates by 2020. It is evident from our state demographics that this goal cannot be achieved without a significant increase in the number of adult students (25 and older) who earn a degree. According to 2010 Census data, only 35.12% of Arizona’s 3.3 million adults have obtained at least a two year degree. This is lower than the national average of 39.3%. Additionally, 26% of all adults in Arizona have completed some college but did not persist to a college degree. The PEG program is one of the few student aid programs that serve the adult student. When fully funded the PEG program has the potential to assist over 2,400 students annually to achieve a bachelor’s degree.

The Commissioners remain hopeful that the PEG funding will be restored in the future. Additionally, this program along with PFAP is a factor in order for the State to meet the required Maintenance of Effort (MOE) for the College Access Challenge Grant (CACG). Criterion 2 of the CACG requires that a state maintain a sustained funding stream of financial aid for students attending private postsecondary institutions. With the suspension of the funding for the PEG and PFAP programs future CACG funding for Arizona is in jeopardy. A return of funding for the PEG program would allow Arizona to meet Criterion 2 to achieve the Maintenance of Effort (MOE) for the College Access Challenge Grant.

### **1.3 College Access Challenge Grant Last Stretch Scholarship**

The College Access Challenge Grant (CACG) is a formula grant that is designed to foster partnerships among federal, state and local government entities and philanthropic organizations to significantly increase the number of underrepresented students who enter and persist in postsecondary education.

A second cycle of the federal College Access Challenge Grant (CACG) with a five year renewal potential, was secured for Arizona students and provided a new opportunity for student financial assistance in the 2011-2012 academic year. The Arizona Commission for Postsecondary Education (ACPE) was asked by the Governor's Office to administer a total of \$1.1M in student scholarship funds for the 2011-12 academic year with the possibility of continuing the scholarship program in future years if federal CACG funds are secured.

A slightly different approach to student aid from that used in the first CACG 2-year cycle was developed and titled the Arizona College Access Challenge Last Stretch Scholarship. The Arizona College Access Challenge Last Stretch Scholarship program was designed to increase the number of underrepresented students who enter and persist in postsecondary education. Three specific goals were developed: (1) increase retention of low-income students (2) increase baccalaureate degree completion rates of low-income students, and (3) provide a report on the outcomes of the College Access Challenge Last Stretch Scholarship to policy makers.

The Last Stretch Scholarship was planned and programmed to use the AZ Grants website. The website provides for a single application for all grants administered by the state. The scholarship was patterned after a successful Texas initiative. It is a need-based scholarship designed to assist low-income college students who have completed over 60 college credit hours achieve their baccalaureate degree at any regionally or nationally accredited institution. Eligible students must have substantial financial need as determined by the Free Application for Federal Student Aid (FAFSA). Students can receive the scholarship for a maximum of three academic years or until they receive their first baccalaureate degree. Funds were limited and awarded on a first-come, first-served basis at the time of application completion.

One half of the available program funds were awarded to eligible students seeking a bachelor's degree in any program of study; the other half was awarded to students enrolled in a STEM Program (Science, Technology, Engineering and Math). The maximum grant award for the academic year was \$2,000 based on full-time enrollment. Scholarship funds could be applied toward any educational expenses documented in the student's Cost of Attendance (COA) at their institution.

All funding was exhausted in the scholarship program for the 2011-2012 academic year and a waiting list of 2,911 students remained. The table and charts below illustrate the characteristics of the 580 students, only 17% of the total applicants, who benefited from this scholarship program in 2011-2012.

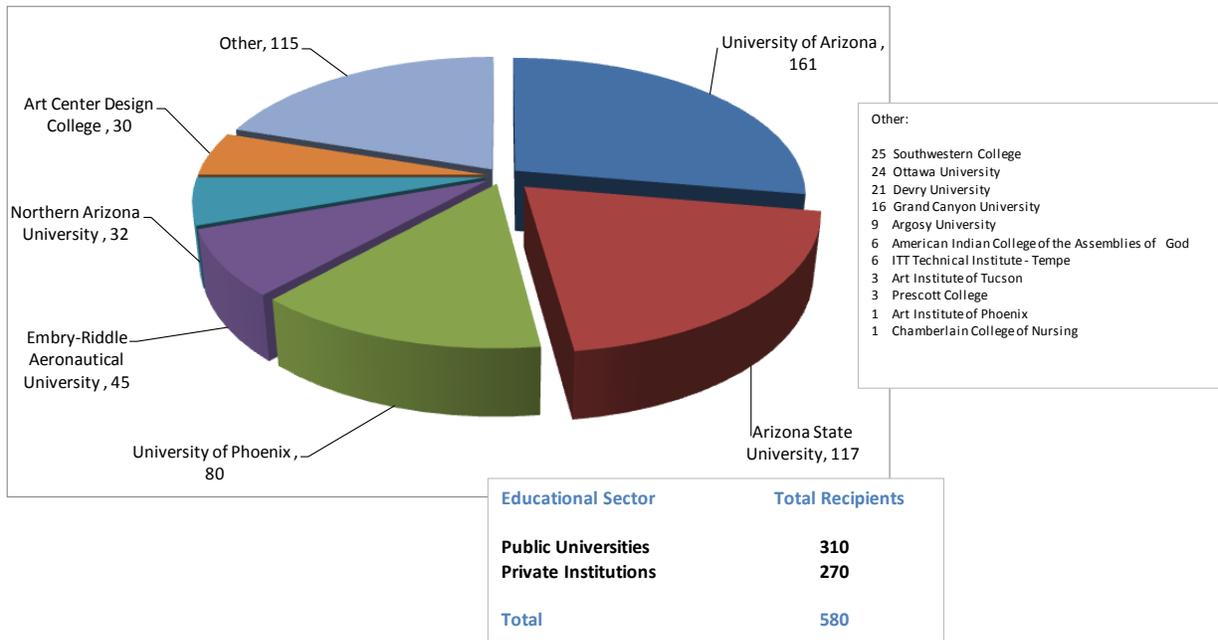
**Description of Last Stretch Scholarship Recipients in FY 2011-2012**

<b>Total Recipients</b>	<b>Students on Waiting List</b>	<b>Dependent Recipients</b>	<b>Independent Recipients</b>	<b>Average Age</b>	<b>Total Disbursement</b>	<b>Average Grant Amount</b>
<b>580</b>	<b>2,911</b>	<b>222</b>	<b>358</b>	<b>28</b>	<b>\$1,034,000</b>	<b>\$1,783</b>
<b>Recipients w/Income Less than \$19,000</b>		<b>Recipients w/Income Between \$20,000 &amp; \$39,999</b>		<b>Recipients w/Income Over \$40,000</b>		
<b>305</b>		<b>159</b>		<b>116</b>		

The table above page illustrates that 53% of the recipients had an annual income of less than \$20,000 and 27% had income levels between \$20,000 and \$40,000. Also of interest is the average age of 28 years which indicates that a large number of adult students are receiving these funds. Additionally, there is a student waiting list five times greater than those awarded indicating the great need of financial assistance for Arizona students.

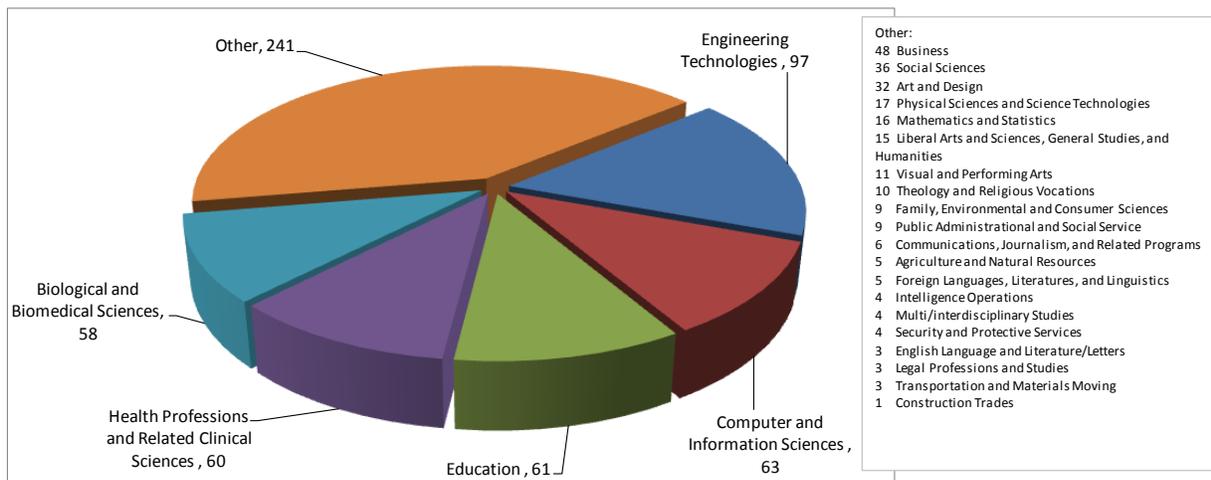
Another way to identify the population of students in Arizona who qualify and could benefit from the Last Stretch Scholarship is to compare the number of students receiving the Last Stretch Scholarship to the estimated Arizona population for the Federal Supplemental Education Opportunity Grant Program (FSEOG). FSEOG is awarded only to undergraduate students with exceptional financial need. The Federal funds obligated for Arizona's FSEOG program this year is estimated to serve 27,076 students. The total low-income students receiving CACG funds is only 2% of those estimated to receive FSEOG this year. This shows the critical need for the CACG program. Over time the CAC Last Stretch Scholarship will increase the retention and increase baccalaureate degree completion rates of Arizona's low-income students.

### Distribution of Last Stretch Scholarship Recipients by Institutions in FY 2012



The pie chart above illustrates the institutions the Last Stretch Scholarship recipients attended and outline their major/program of study. Institutional distribution of CACG awards in 2011-2012 resulted in the following distribution percentages: 53% to public schools and 47% to private institutions.

### Distribution of Last Stretch Scholarship Recipients by Degree Program in FY 2012



The second pie chart (above) illustrates the degree programs of recipients including 17% enrolled in Engineering Technologies, 11% in Computer and Information Sciences, 10% in Education, 10% in Health Professions and Related Clinical Sciences, 10% Biological and Biomedical Sciences, and 42% enrolled in Other degrees.

ACPE staff members are looking forward to reviewing data in the second year of administration to determine how many of the students persisted and earned a baccalaureate degree and if the scholarship funds the recipient received helped to achieve that goal. In addition, ACPE staff developed a survey regarding persistence and degree completion which will be available next year. Over the next years of the scholarship cycle this data will be analyzed and the summary data made available to policy makers to inform statewide financial aid policy decisions regarding the effects of increased student financial aid on retention and graduation rates for students seeking an Arizona baccalaureate degree.

#### **1.4 Arizona Leveraging Educational Assistance Partnership (AzLEAP)**

The Leveraging Educational Assistance Partnership (LEAP) has been in existence in Arizona since 1972 and has served as Arizona's "primary" low-income student grant program. LEAP was first offered in the 1970's to encourage states to establish their own primary low-income student grant, and was always considered a temporary incentive program offered by the federal government. Arizona and approximately four other states never progressed beyond the initial contribution and therefore LEAP remained as Arizona's "primary grant" because it served low-income students across all sectors of public and private education. A unique aspect of the Arizona LEAP program was that it leveraged the federal dollars more than twice. This occurred by requiring each institution to match the state funds in order to participate in the Arizona LEAP program. The Arizona Commission for Postsecondary Education has administered the program, ensuring adherence to all federal regulations and the Arizona Administrative Code.

The Commission was notified in the spring of 2011 that the federal grant funding for LEAP and the companion grant SLEAP was eliminated beginning in FY 2012 and thereafter. This represented a \$1.3M reduction in available grant aid for low-income Arizona students. An ACPE survey of participating institutions indicated that they had a strong desire to continue the program and were willing to continue to provide institutional matching funds. Institutions also agreed to allow the administrative fees for this program to be taken out of the institutional match. Therefore, the program was continued using the \$1.2M state funding for LEAP and the institutional match of the same amount. The restructured Arizona Leveraging Educational Assistance Partnership (AzLEAP) program is based from the former Leveraging Educational Assistance Partnership (LEAP) program.

FY 2012 was the first year the Commission administered the restructured AzLEAP program. Private and public higher education institutions applied to the ACPE and the ACPE certified institutional eligibility and determined a proportional distribution of funds (based on the number of Arizona resident students) to institutions. AzLEAP recipients were selected by the institutions on the basis of financial need established through federal methodology and state administrative rules. At the end of the fiscal year the institutions provide reports to the Commission on the students awarded. The Commission reviewed the students awarded to assure compliance.

In FY 2011- 2012, three thousand one hundred and eighty three (3,183) Arizona Leveraging Educational Assistance Partnership (AzLEAP) awards were provided through 40 postsecondary institutions totaling over \$2.3 million in leveraged financial aid (state and institutional) to low-income students.

The table below provides a description for those who received awards in FY 2012.

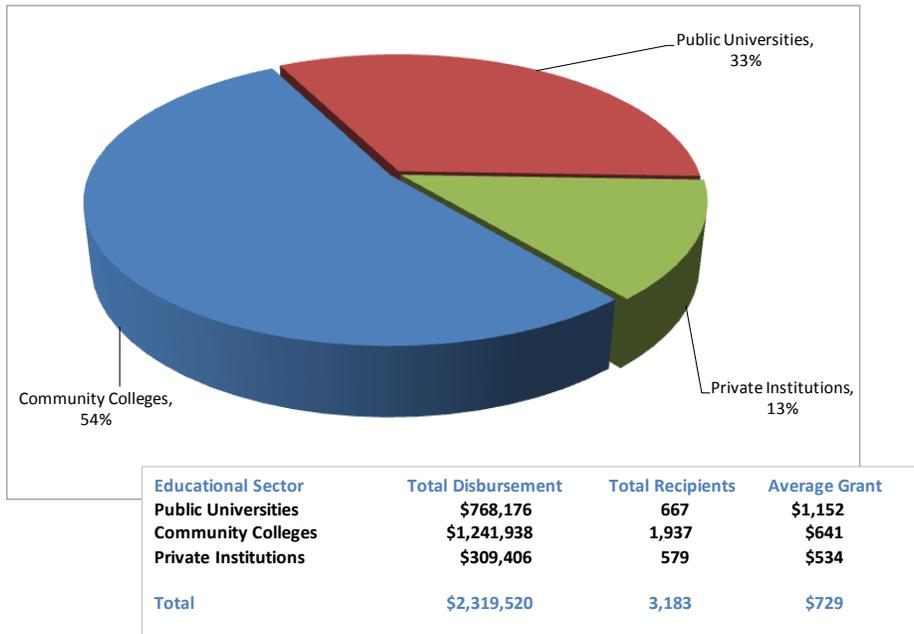
**Description of AzLEAP Recipients in FY 2011-2012**

<b>Total Recipients</b>	<b>Total Disbursement</b>	<b>Dependent Recipients</b>	<b>Independent Recipients</b>	<b>Recipients w/Income Less than \$19,999</b>	<b>Recipients w/Income Between \$20,000 &amp; 39,999</b>	<b>Recipients w/Income Over \$40,000</b>
3,183	\$2,319,520	1,167	2,016	1,810	861	512

It is important to note that 84% of the recipients had incomes below \$40,000 with over half of the total recipients reporting incomes under \$20,000. The percentage of students whose incomes reported were less than \$19,999 stayed the same compared to the last academic year, illustrating the need is still present for this financial aid program.

Institutional distribution of AzLEAP awards in FY 2012 resulted in the following distribution percentages: 33% to public universities, 54% to community colleges and 13% to private institutions as illustrated in the pie chart below.

## Distribution of AzLEAP Recipients by Institution in FY 2012



Annual AzLEAP administration performance measures were collected through surveys from institutional financial aid administrators and reviewed by ACPE staff. Based on the 2011-12 surveys, 97% of financial aid administrators indicated that they agreed or strongly agreed that they were satisfied with administration of this program by the Commission. This survey received a 97% return rate of the 40 institutions participating in the AzLEAP grant or 39 responses.

The survey also revealed that 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 40 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 Commissioners are pleased that the State recognizes the need to continue this important financial aid program. With the rising tuition costs and limited or reduced financial aid available, the Commission is pleased to be able to partner with the participating institutions to offer this much needed aid to low-income students.

## **1.5 Arizona Math, Science, and Special Education Teacher Loan Forgiveness Program (MSSE)**

The Math, Science, and Special Education Teacher Loan Forgiveness Program (MSSE) was created in 2007. This student-centered, need-based forgivable loan was designed to increase the number of math, science and special education teachers in the public K-12 system in Arizona by financially supporting and encouraging Arizona resident college students to pursue a teaching career in identified high need fields and to remain in the State after graduation.

Forgivable loans are granted to eligible students attending a qualifying public university or private college/university in the State to help defray the cost of tuition, fees and instructional materials. To have the loan forgiven, students must sign a promissory note each year agreeing to teach in these subject areas in a public K-12 school in Arizona for the number of years they received the loan funding plus one year. Students who do not meet the forgiveness criteria must repay the loan funds plus any interest.

Statutory modifications were made to the MSSE Program in the 2010 legislative session. Two significant changes were made. First, eligibility was extended to students attending any regionally or nationally accredited private institution. Second, the administration of the MSSE program was moved to the Commission in FY 2012. This administrative transfer included all elements of the program including the awarding of forgivable loans as well as the administration of all promissory notes/contracts between the Arizona Board of Regents (ABOR) and the loan recipients since the inception of the program. Additional legislative changes included:

- Capping the annual loan amount at \$7,000,
- Setting the interest rate at 7%,
- Requiring that all applicants have a Free Application for Federal Student Aid (FAFSA) on file,
- Adding the teaching shortage area of elementary education in a specified geographic area.

Due to the limited funding in FY 2012 of \$176,000, the Commission added additional administrative requirements:

- Loan eligibility was reduced to three years,
- Applications were to junior or senior students (completed at least 60 college credit hours) at the time of application,
- The Federal Pell Grant must be a part of their financial aid package.

In FY 2012 thirty-three MSSE loans were disbursed, 13 loans to initial recipients and 20 loans to continuing recipients. The loan recipients attended both public and private postsecondary institutions for a total disbursement of \$159,068.

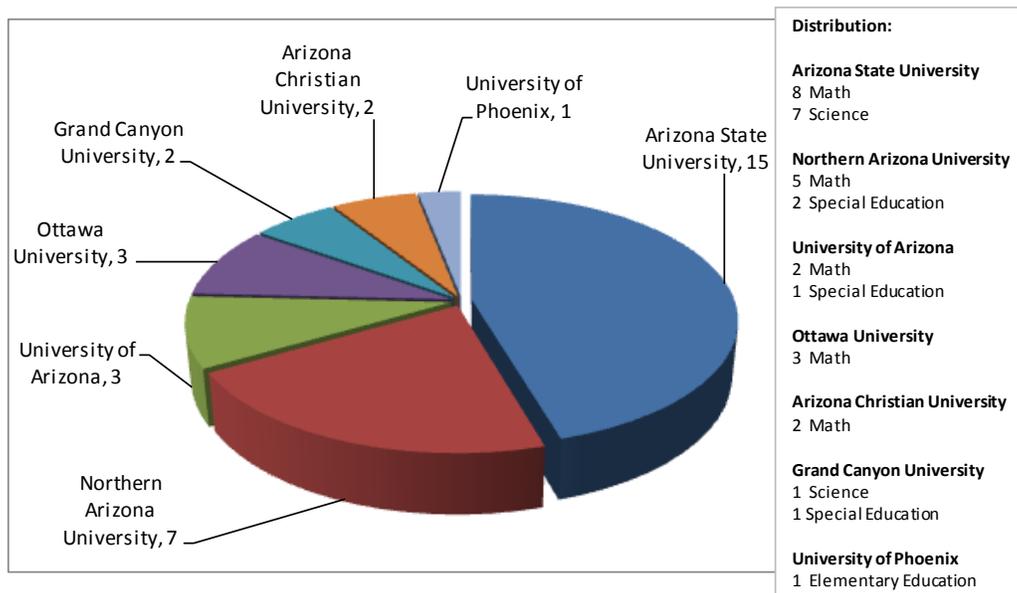
The table below provides a description of those who received loans in FY 2011-2012.

### Description of MSSE Recipients in FY 2011- 2012

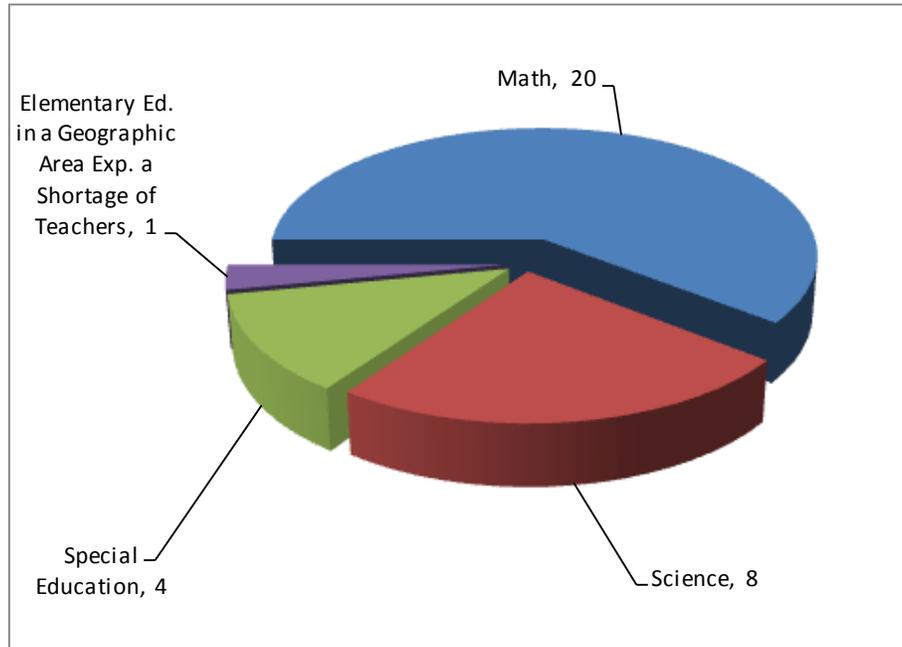
Total Applicants	Total Recipients	Initial Recipients	Returning Recipients	Total Disbursement	Average Loan Amount	Average Age of Recipients
36	33	13	20	\$159,068	\$4,820	28

In FY 2012 nearly a quarter of the MSSE recipients attended private postsecondary institutions, this is remarkable because it is the first year that the private sector was included in the program. The following pie charts represent the distribution of MSSE recipients by institution the thirty-three loan recipients attended and the distribution of recipients by their degree programs.

### Distribution of MSSE Recipients by Institution in FY 2012



## Distribution of MSSE Recipients by Degree Program in FY 2011-2012



Tracking responsibilities are significant for the MSSE Program because each loan recipient is required to be tracked after degree completion for seven to eleven years. For students who enter into repayment, the relationship can increase to 15 years. With the conclusion of FY 2012, 195 students have participated in the MSSE Program.

Below is a listing of the current status of the recipients.

- 19 are still enrolled in a postsecondary institution
- 19 are in their twelve month grace period (allowed by statute)
- 103 are currently teaching in a public K-12 school in Arizona
- 30 have had their loan forgiven for completing their teaching service
- 10 are currently in repayment
- 3 have paid their loan balance in full
- 11 may potentially be placed in repayment

Although allowed by statute, in FY 2012 the Commission did not receive any requests for good cause exceptions to student loan repayments; therefore, none were granted. FY 2013 will be the first year the Commission begins collecting the five year teacher retention data for the 30 individuals whose loans have been forgiven through teaching. The Commission believes the MSSE program provides a vehicle to shape student choices in order to meet Arizona's needs in teacher shortage areas. Additionally, the

Commission is enthused to provide financial aid to this cadre of teachers who are critical to the success of the Common Core Standards and Arizona's focus on Science, Technology, Engineering and Math (STEM) programs.

The State of Arizona is still facing a shortage of teachers in the areas of mathematics, science, and special education according to the Arizona Department of Education. This was confirmed by a recent poll undertaken in November of 2012 by the Arizona School Administrators. One hundred and nine districts responded to this poll and some districts indicated multiple shortage areas. The results indicate the following teacher shortages.

- 55 indicated a shortage of Math, Science, and Special Education teachers
- 22 indicated a shortage of Math teachers
- 11 indicated a shortage of Science teachers
- 12 indicated a shortage of Special Education teachers
- 12 indicated no shortage of teachers in any of the three subjects

Unfortunately, the current level of appropriations for the MSSE program will not solve the shortage nor will it support the Arizona Ready Education Reform Plan goals. Therefore, the Commission has requested the restoration of \$2M in FY 2014 for the MSSE program. Full funding will allow 71 students to be supported through four years of their teaching education.

Furthermore, the addition of the private postsecondary institutions will help the State reach a goal of doubling the number of students receiving a baccalaureate degree by 2020. The inclusion of private postsecondary institutions has the potential to make a major contribution to the State's workforce.

The Commissioners and staff look forward to helping increase the number of teachers in Arizona. The return of full funding for this program will aid the State meet both the goals of the Arizona Ready Education Reform Plan and the Common Core Standards.

## **1.6 Student Forgivable Loan Repayment Programs**

Currently the Commission administers five repayment programs: (1) the Private Postsecondary Education Student Financial Assistance Program (PFAP); (2) Postsecondary Education Grant (PEG); (3) the Paul Douglas Teacher Scholarship (PDTS); (4) the Arizona Teacher Incentive Program (ATIP); and the Arizona Math, Science and Special Education Teacher Loan Forgiveness Program (MSSE).

Recently, the ACPE staff worked with Gold Bridge Partners, Inc. to develop and implement a semi-automated online loan repayment software on the AzGrants.gov website. This software is designed to allow the small ACPE staff to handle the increased volume of the Postsecondary Education Grant (PEG) forgivable loans as well as the Private Postsecondary Education Student Financial Assistance Program (PFAP)

forgivable loans. This web-based software is currently being modified to accommodate the MSSE loan repayments including interest and the tracking requirements for loan compliance and retention in the field of preparation.

The web-based software will automate some of these processes by tracking the borrowers' repayments or, lack of repayments, and generating the appropriate emails or letters to be sent to them. The Office of the Attorney General is used by ACPE for collections 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. The Attorney General's office performs this service for a variable fee on every dollar collected.

A brief summary of the status of each of the repayment programs administered by the ACPE follows.

The Private Postsecondary Education Student Financial Assistance Program (PFAP), a forgivable loan program, is a need-based program designed to financially support Arizona community college graduates to continue their education at a private postsecondary baccalaureate degree granting institution in Arizona. The program requires that the student achieve a bachelor's degree within three years or they must repay the loan. There have been 1,678 students awarded PFAP forgivable loans since its inception in 1996, and 242 borrowers are currently being tracked in the repayment program or will be placed in repayment once located. Of the 242 borrowers being tracked 57 have had their loan forgiven due to on-time graduation, 2 have had their loan forgiven due to completed payment obligation, 20 have been deemed uncollectible by the Office of the Attorney General, 5 have had their repayments forgiven due to medical reasons, 3 have been abated because the grantee is now deceased, and 20 are currently making payments. The remaining 135 borrowers are still being tracked or are not responding to initial requests for their status.

The Postsecondary Education Grant (PEG), a forgivable loan program created in the 2006 legislative session, is a non need-based program designed to financially support and encourage students to attend a private postsecondary baccalaureate degree granting institution in Arizona. The program requires that the student achieve a bachelor's degree within five years from the initial disbursement date or they must repay the loan. Since the program's FY 2007 inception, 4,084 students received the forgivable loan. Of those recipients, 2,300 have already graduated with a baccalaureate degree within the required five year time frame and 640 are currently enrolled and working on completing their degree. The remaining 1,144 promissory note holders are reported as not enrolled or attending the last institution on file at the time of their last grant award. ACPE is currently searching to locate these students for inquiry regarding their enrollment or graduation status. Promissory note holders who fail to meet the requirements of the forgivable loan must enter into the repayment program.

In addition to these state loans, the ACPE is responsible for the collection of two small federal loan repayment programs: Paul Douglas Teacher Scholarship (PDTs) and

Arizona Teacher Incentive Program (ATIP). Of the 254 former Paul Douglas Teacher Scholarship (PDTs) forgivable loan recipients, 4 currently are required to make payments and all are remitting to the Commission. All others have completed their obligation by fulfilling the teaching requirements of the program or repaying their loan in full. There were 102 former Arizona Teacher Incentive Program (ATIP) forgivable loan recipients. Only one remaining former ATIP program student is required to make payments and is actively remitting to the Attorney General's office.

All funds recouped for the PDTs and ATIP programs are forwarded to the U.S. Department of Education in December of each year. Any funds recouped by the Attorney General's office are returned, less their recovery fee, to the Commission and disbursed to the U.S. Department of Education.

As previously mentioned, the Arizona Math, Science and Special Education Teacher Loan Forgiveness Program (MSSE) brought to the ACPE the responsibility of awarding forgivable loans to continuing and new students. In addition, the ACPE acquired responsibility for the required compliance and retention tracking of the 195 students who have been granted MSSE forgivable loans since the program's inception, plus the collection of repayments, including interest, from those who fail to meet the requirements of the program. Of those students, 3 have paid their loan balance in full, 10 are currently in repayment and remaining 182 will require tracking for up to 15 years. The tracking requirements of MSSE students are two-fold: (1) tracking for compliance to meet the promissory note obligation (up to six years) and (2) tracking for an additional five years to determine retention rates. The MSSE program is described in its entirety in section 1.5 of this report.

The ACPE responsibilities for the tracking and collection of forgivable loans are projected to dramatically increase. In FY 2013 the initial group of PEG borrowers enters potential repayment status, the tracking responsibilities of up to 11 years for the MSSE program must be fulfilled, and number of borrowers entering the repayment program will burgeon. The ACPE staff has been working to complete the software online at [AzGrants.gov](http://AzGrants.gov) website to assist in handling these payments and the tracking requirements.

### **1.7 A Single Web Portal with Information for Families and Students Regarding Arizona Grants, Scholarships, Forgivable Loans, Student Loan Repayments, and Links to Financial Aid Resources**

The Arizona Commission for Postsecondary Education offers a single, secure web portal, [AzGrants.gov](http://AzGrants.gov), which provides to students and families information and one single application portal for all grants, scholarships, forgivable loans, as well as loan repayments. The portal accepts applications and provides the back office administrative processes necessary to award and disburse student financial aid.

Additionally, the website provides financial aid professionals at postsecondary institutions a user-friendly portal to verify attendance, certify Satisfactory Academic Progress (SAP), and verify other eligibility requirements.

AzGrants.gov also provides information about additional sources of financial aid beyond the state aid; thereby linking students and families to important funding resources. More information about the portal is included in Section 2.2.C of this report.

Currently, this web portal is being developed to provide a single place for students in repayment of Arizona student loans to view account information. As with the grants the website will provide the back-end administrative processes to manage loan repayment operations.

## **1.8 Arizona Family College Savings Program (AFCSP)**

The Arizona Commission for Postsecondary Education administers the Arizona Family College Savings (529) Program (AFCSP). In 1997, 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) 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. All 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 by allowing 529 plan earnings to grow tax-deferred and distributions to be withdrawn tax-free if used for qualified higher education expenses. Qualified expenses include tuition, supplies, room and board, books, and required equipment 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, the Pension Protection Act passed and made permanent the 529 plan provisions allowing federal income tax-free withdrawals from 529 College Savings Plans for qualified higher education expenses. An additional tax benefit was added in January 1, 2008, when a state income tax deduction was extended to Arizona residents for up to \$750 per individual or \$1,500 per married couple for annual contributions made to a 529 plan. This incentive was set to expire on December 30, 2012 but State legislative action extended the tax incentive into perpetuity. The goal is to encourage more Arizona families to participate in college savings.

The AFCSP was established as a multiple provider or vendor program, ensuring a variety of investment choices for diverse investment needs and risk tolerances of families saving for college. Today, three well-respected financial institutions offer a

diverse array of investment options for families saving for college. A brief description of the providers and their investment offerings follows.

<b>AFCSP Investment Offerings <sup>1</sup></b>	
<b>College Savings Bank (direct-sold, FDIC Insured)</b>	
<ul style="list-style-type: none"> <li>• CollegeSure CD:                      variable rate CD indexed to college costs</li> <li>• InvestorSure CD:                    variable rate CD indexed to the Standard &amp; Poor's 500 Composite Index</li> <li>• Fixed Rate CD:                      fixed rate CD with principle and interest guaranteed</li> <li>• Savings Account:                    holds matured certificate of deposit (CD) funds greater than \$250 when the expected withdrawal to pay qualified higher education expenses is sooner than one year after the maturity date of the CD</li> <li>• Honors Savings Account:        high yield, tax-advantaged savings account. No fees, no penalties, no fixed term</li> <li>• Accumulator Account:            holds contributions until sufficient funds are accrued to purchase a CD</li> </ul>	
<b>Fidelity Investments (direct-sold)</b>	
<ul style="list-style-type: none"> <li>• Three (3) age-based strategies in the mutual fund portfolios: actively managed, indexed, and new multi-firm.</li> <li>• Six (6) static mutual fund portfolios</li> <li>• Six (6) individual portfolios</li> <li>• Bank Deposit Portfolio, FDIC – Insured interest-bearing account</li> </ul>	
<b>IVY Funds InvestED: Waddell &amp; Reed (advisor-sold)</b>	
<ul style="list-style-type: none"> <li>• Three (3) age-based asset allocation and static mutual fund portfolio options</li> <li>• Sixteen (16) individual portfolios</li> </ul>	
<small>1 Details of individual offerings can be found at <a href="http://www.az529.gov">www.az529.gov</a></small>	

Critical to the success of the Arizona Family College Savings (529) Program (ASFCP) is the expertise and advice from the AFSCP Oversight Committee. The AFCSP Oversight Committee, as defined by state statute, is comprised of 10 members with financial, tax and legal expertise. The Oversight Committee's main responsibility is to make recommendations to the Arizona Commission for Postsecondary Education, the AFCSP Trustee, of providers and operational oversight procedures. This advisory group also assists in reviewing the program rules and statute language revisions. The current roster of the AFCSP Oversight Committee follows this section.

## Arizona Family College Saving Program Oversight Committee

### Member Roster

**Roger D. Curley**  
Attorney at Law  
Curley & Allison LLP

**James DiCello**  
CPA

**Kevin Donnellan**  
Director of Communications  
State Treasurer Office

**Hope Leibsohn**  
Attorney at Law  
Sherman & Howard, LLC

**Steven Matthews**  
Actuary  
Matthews, Gold, Kennedy and Snow, Inc.

**Laura Palmer Noone**  
Private Consultant  
AZ State Board for Private Postsecondary Ed

**Jeff Ratje**  
Director of Finance, College of Law  
University of Arizona

**Michael Rooney**  
Attorney  
Sacks Tierney, PA

**Mark P. Stein**  
CFP  
Galvin, Gaustad and Stein, LLC

**James Van Houten**  
CFP  
Stonegate Financial Group, LLC

### Commission Staff

**Dr. April L. Osborn**  
Executive Director

**John Garcia**  
Director, Arizona College Access Network (AzCAN)

**Daniel Helm**  
Associate Director for State Student Financial Assistance

**Javier Herrera**  
Business & Financial Services Coordinator

**Kathaerine Johnson**  
Director of Programs & Agency Operations

**Grace Smith**  
Director, AZ Family College Savings Program

**Judi Sloan**  
Office & Communications Coordinator

**Mila Zaporteza**  
Business Manager

The report titled *Accounts and Assets Under Management* following this section summarizes data at the close of FY 2011-2012 regarding AFCSP funded accounts, Assets Under Management (AUM), as well as the contributions of each of the three providers to the total Program.

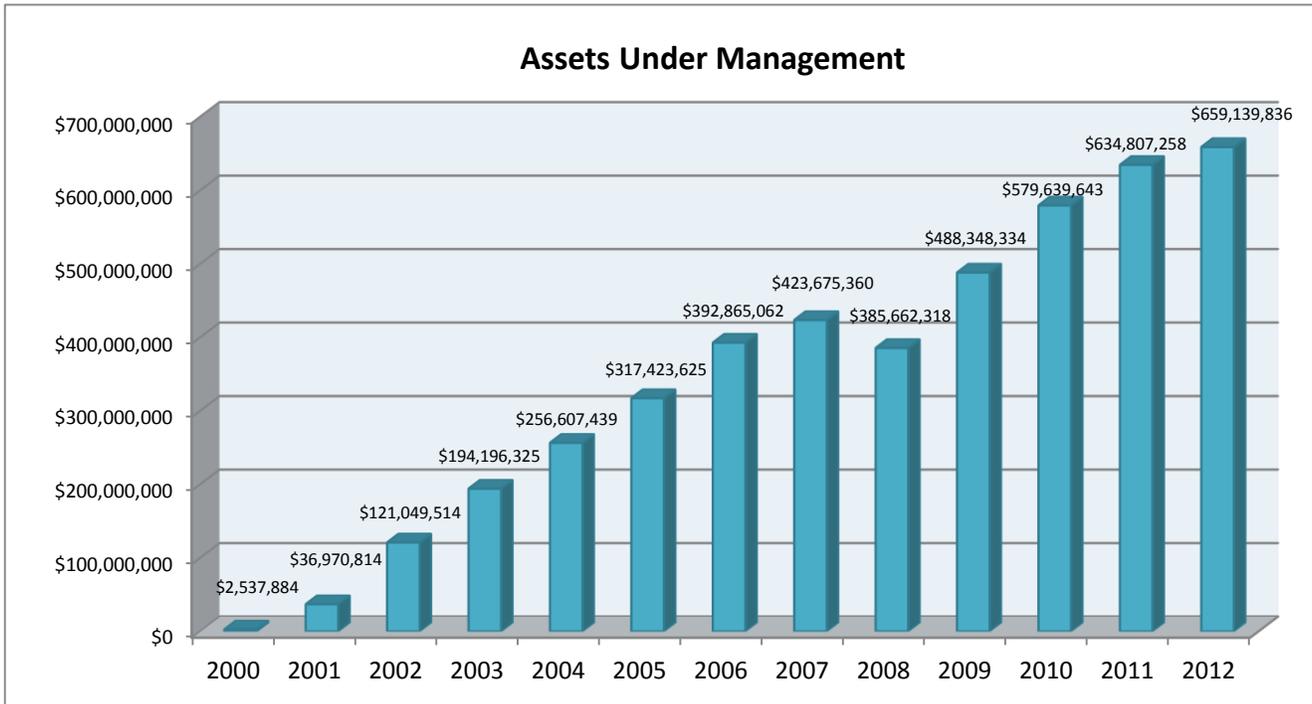
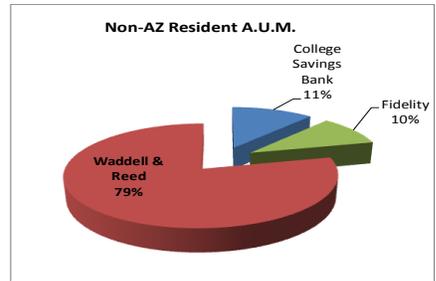
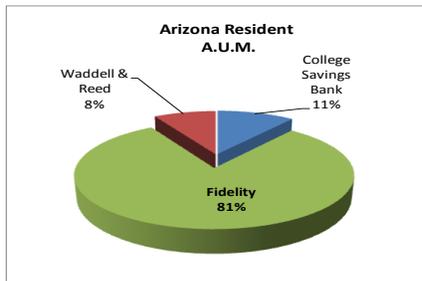
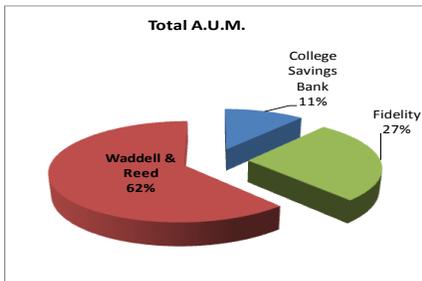
The table in the figure indicates that as of June 30, 2012, there were 64,171 AFCSP funded accounts. This represents a 6% increase in the number of accounts over June 30, 2011. The healthy growth in new accounts is driven by both Arizona residents as well as residents of other states, indicating that the AFCSP provides attractive investments to both those inside and outside of Arizona.

The bar chart in this report titled *Accounts and Assets Under Management* illustrates the growth of AFCSP Assets Under Management (AUM) since inception, by year. Since its 1999 launch the Arizona 529 plan has grown steadily, with the exception of FY 2007-08, the height of the Great Recession. As of June 30, 2012, total AUM were more than \$659 million, an increase of \$25 million from the \$634 million under management on June 30, 2011. This reflects a combination of new money deposited in accounts, as well as investment performance. As the AFCSP continues to mature, more families have taken advantage of distributions to pay college expenses. These distributions denote the success of the program in helping families meet their postsecondary education financial goals.

**ARIZONA FAMILY COLLEGE SAVINGS PROGRAM (AFCSP)**  
**Reports as of 06/30/2012 (2<sup>ND</sup> Quarter)**  
**Accounts and Assets Under Management (A.U.M)**  
 As reported by providers

Program Manager	Total A.U.M.	% of Total A.U.M.	Average Balance	A.U.M. Held by AZ Residents			A.U.M. Held by Non-AZ Residents		
				Total A.U.M.	% of A.U.M. by Provider	% of Total A.U.M.	Total A.U.M.	% of A.U.M. by Provider	% of Total A.U.M.
College Savings Bank	74,236,895	11%	\$ 21,072	16,814,121	23%	11%	57,422,774	77%	11%
Fidelity	178,116,288	27%	\$ 8,891	128,984,358	72%	81%	49,131,930	28%	10%
Waddell & Reed	406,786,653	62%	\$ 10,016	13,494,942	3%	8%	393,291,711	97%	79%
	<b>659,139,836</b>			<b>159,293,421</b>	<b>24%</b>		<b>499,846,415</b>	<b>76%</b>	

Program Manager	Total Accounts	% of Total Accounts	Accounts Held by AZ Residents			Accounts Held by Non-AZ Residents		
			Total Accounts	% of Accounts by Provider	% of Total Accounts	Total Accounts	% of Accounts by Provider	% of Total Accounts
College Savings Bank	3,523	5.5%	1,354	38%	8.5%	2,169	62%	4.5%
Fidelity	20,034	31.2%	13,015	65%	81.7%	7,019	35%	14.5%
Waddell & Reed	40,614	63.3%	1,555	4%	9.8%	39,059	96%	81.0%
	<b>64,171</b>		<b>15,924</b>	<b>25%</b>		<b>48,247</b>	<b>75%</b>	



Balances in thousands as of June 30, 2012

In 2012, the ACPE took measures to strengthen the Program for the benefit of investors. These initiatives included solidifying long term relationships with all three program providers, a continued focus on reducing plan expenses, and increased investment offerings.

Investment options were strengthened with the addition of more conservative fund choices through College Savings Bank and the addition of new open architecture portfolios. The expected result is long term performance results should be enhanced by broadened exposure toward international funds. Also, the recent Oversight Committee appointments ensure the committee is well positioned to effectively oversee the program over the upcoming years. These Program enhancements are designed to enhance the Arizona Family College Savings Program and ensure it remains a highly desirable plan.

Fidelity Investments seeks information regarding college savings behavior and graciously share Arizona's results with the Commission. Arizona families surveyed by Fidelity Investments in June 2012 reported taking positive steps toward savings for their children's college education despite ongoing economic challenges. In fact, 57% of those surveyed said they are saving for their children's college education. Twenty-seven percent of these Arizona parents are investing in a dedicated college savings account, such as a 529 plan, up from 24% in 2011. In addition, familiarity with tax-advantaged 529 plans this year among Arizona parents is slightly higher at 41% versus 37% in 2011.

In conclusion, this June 30, 2012 review reflects continued account growth and performance recovery; nevertheless, the program still experiences fluctuation from the current market conditions and an unsettled economy. The stability of the program has been insured for the upcoming years with the signing of longer term provider agreements (5 year contract with 2 year renewal option) with Fidelity Investments, the College Savings Bank, and Waddell & Reed.

The AFCSP Oversight Committee and the Commissioners who serve as Trustees continue to identify improvements and initiatives that will lead to the AFSCP mission of *assisting Arizona families to financially prepare for postsecondary education by providing quality college savings choices*. For a copy of the Arizona Family College Savings Program's Annual Report which will be issued in March and provides analysis by calendar year, please visit [www.azhighered.gov](http://www.azhighered.gov).

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

Research indicates that almost every parent holds the dream of college attendance for their child. In addition, workforce data shows that large numbers of Arizona adults are under-employed and seeking higher education for personal/professional development. Moreover, twenty-six percent of Arizona adults, according to 2010 census data, have earned some college credit yet do not hold a degree. Therefore, the Arizona Commission for Postsecondary Education engages in leading, strengthening, and supporting college access and success initiatives for both high school students and adults.

It is realistic planning with appropriate and accurate information that will assure a potential student is academically ready, the family is financially prepared, and that student and family expectations are in line with the realities of postsecondary education. Two specific strategies are employed by the ACPE to engender realistic planning. First, the Commission (1) supports the development of knowledgeable professionals and seeks to ensure effective college access programs are available to assist first generation and low-income students as they plan, prepare and enroll in postsecondary education. The Arizona College Access Network and the College Sunday Financial Literacy Initiative are designed to improve the knowledge base and provide professional guidance to low-income students and families.

Second, the Commission provides current and relevant print- and web-based information for college planning and decision-making to students and their families. Two methods are employed to provide this information. More than 40,000 publications are disseminated statewide to provide current and appropriate college-going information. In addition, the Commission hosts seven websites which attracted 138,578 unique visits in FY 2012. Each website is designed to provide specific and timely college-going information to the public including financial literacy, FAFSA completion, a web-based compilation of postsecondary opportunities statewide, as well as a web-based learning community and professional development for professionals.

All strategies under Goal 2 are funded through grants, fees, donations, and sales secured by ACPE staff; no general funds are used to support these college access tools and programs. A description of the work of the Commission toward these goals follows.

## **2.1 Provide access to knowledgeable professionals to assist students and families plan, prepare and enroll in postsecondary education**

### **2.1. A. The Arizona College Access Network (AZCAN)**

The Arizona Commission for Postsecondary Education received funding in the second 5-year cycle of the federal College Access Challenge Grant (CACG) to host the Arizona College Access Network (AzCAN). Additionally, the Commission was awarded a three-year Kresge Foundation grant through the National College Access Network (NCAN) in January of 2011 to support the work of AzCAN. The CACG and Kresge funds are to be used to develop collaboration, build partnerships, share expertise, provide professional development, and disseminate quality college-going and financial aid information and publications to college access programs and professionals across Arizona.

A strategic plan consisting of five goals was established to guide the development of the network. A Steering Committee comprised of leaders in college access developed this plan that includes (1) the use of local experts as advisors to develop a plan for the Network, (2) conversion and enhancement of the existing website to reduce maintenance costs and provide interactive functions, (3) identification of college access programs and building relationships with college access professionals statewide, (4) provision of member benefits to professionals to attract them to the Network by providing opportunities for learning and sharing of experience and (5) distribution of current research and practices regarding quality standards for college access programs.

Although the Arizona College Access Network remains in its early stages of development, it has begun making significant progress towards its strategic goals. The Network vision is aligned with the Governor's goal to double the number of students receiving baccalaureate degrees to 36,000 per year. The mission of the Network is to build capacity and improve the quality of service and information provided to students through Arizona's college access programs.

The Network continues to grow. In FY2012 AzCAN had a total of 142 member organizations. These included 111 college access programs, 32 supporting organizations, and 302 individual members. Individual membership is comprised of 122 college access professionals and approximately 270 individuals who were members or supporters of the Network. The goal set forth for AzCAN to obtain 100 member organizations by 2012 has been reached and exceeded.

Arizona's college access providers are housed in institutions of higher education, high schools or districts, community organizations, national organizations and foundations. A further description of the location where these professionals offer their services is provided in the following table.

Arizona Access Providers	Number	Percent
Institutions of Higher Education	48	43.2%
High Schools or School Districts	27	24.3%
Community Organizations	22	19.8%
National Organizations	5	4.5%
State Agencies and Organizations	7	6.3%
Foundation	2	1.8%

AzCAN is building a statewide learning community for college access professionals in order to educate members about best practices and current research. AzCAN’s ability to disseminate information and effectively coordinate with its members depends nearly on the interactive capabilities of the website. The AzCAN website was launched in FY 2012 and received 2,074 unique visitors. February and March 2012 had the most web activity. Several website updates and enhancements have been implemented in order to provide increased interaction and accessibility to its members. Key updates include an archive of AzCAN recorded webinars and PDFs of previous newsletters, redesign of the home page to include a current news section, addition of an upcoming events section (pulled from Events calendar), and social media feeds from AzCAN and its member programs. Additional updates include the addition of Arizona’s Common Core Standards project to the education initiatives page, addition of the most recent winners to the Pathways to Postsecondary Education Awards page, and additional information to the foster youth/homeless resources page. Updates and expansion to the college access resources page include additional materials added to marketing/outreach, college access programs, evaluations/outcomes, foster youth/homeless, fundraising, and an additional section on recommended reading was created.

The Network also provides benefits to members in the form of professional development. In FY2012 AzCAN collaborated in and promoted several different professional development opportunities statewide. The first of these efforts included a sponsorship and collaboration with the Pima Regional Center for the UA Links College and Career Conference in Tucson, in which Network director, John Garcia, was a keynote speaker. Additionally, an AzCAN steering committee meeting focused on Northern Arizona college access programs and initiatives was held at the Northern Arizona College Resource Center in Flagstaff, Arizona. Furthermore, AzCAN co-presented at the CTE conference held in Tucson, Arizona with the United States Department of Education, Office of Federal Aid Student. AzCan also presented at the AzSCA Fall 2012 Conference “College and Career Ready: What’s Trending” High School/College Relations annual conference held in Mesa, Arizona. Finally, AzCAN Director, John Garcia served as a keynote speaker at the University of Arizona “College Knowledge” Conference held in Tucson, Arizona.

To further meet the need of the diverse AzCAN membership a web-based series of professional development opportunities has been initiated focusing on best practices from local and national experts in the areas of college access and success. Three

webinars have taken place including topics of college admissions, program evaluation, and communication/social media. AzCAN will continue to offer professional development opportunities for college access organizations in the form of workshops, web-based meetings, and conferences.

Members also utilize the AzCAN listserv as a forum to engage with other college access professionals statewide to share information, communicate, and collaborate. Network transmissions include regular bi-monthly newsletters and are supplemented by periodic updates containing member events, trainings, workshops, news articles and research. There has been continued growth in newsletter readership as evidenced by an average of 78 opens per newsletter. Increased communication is made possible by a growing base of individual subscribers to the Network listserv which now contains 270 individuals. Weekly email transmissions containing the most current news and information impacting college access are regularly distributed.

AzCAN also provides current research and resources for members through the website. The AzCAN website provides college access research and resources in the form of articles, toolkits, and links within a library organized in categories related to college access. Members also receive publications for their students including the “Rapid Guide to Financial Aid” and the “Arizona College and Career Guide” provided by the Arizona Commission for Postsecondary Education.

The number of quality college-going and financial aid information and publications disseminated to Network members and students follows:

- Arizona College & Career Guide: 2,665 copies disseminated
- Rapid Guide to Financial Aid: 3,433 copies disseminated
- Rapid Guide to Financial Aid in Spanish: 1,174 copies disseminated

Beginning the third year under the direction of the ACPE, the Network has begun to fully implement its strategic plan and expects to have an increased impact on significant goals moving forward. Currently, emphasis is being placed on the primary goals of building capacity of organizations and ensuring quality services to students through professional development opportunities and an increased emphasis on effective evaluation strategies and resources for members.

In an effort to ensure quality services, AzCAN is attempting to identify and develop metrics that demonstrate program effectiveness. In the most recent AzCAN Webinar focused on program evaluation, the National College Access Network set of common metrics were recommended to be utilized by member organizations setting indicators and outcome goals. The recommended metrics include the number of at-risk students served, high school graduation rate, postsecondary enrollment and first-year retention figures as well as sub-indicators that contribute to overall program outcomes.

The AzCAN student standards task force presented a draft of research-based student standards and competencies to the AzCAN Steering Committee in September of 2012. These student standards identify competency-based knowledge that youth should be

able to understand and demonstrate in the areas of college preparation and awareness. When refined and fully vetted by education experts across the state, it is hoped these standards can be used by college access programs as well statewide efforts to enhance program effectiveness and build program outcome objectives.

To build capacity among members, the AzCAN organizational task force was formed and is working jointly with the United Way and the Arizona Center for Afterschool Excellence to identify and create high quality standards for youth development programs as a key strategy of the Arizona Ready Drop-Out Prevention Task Force. The AzCAN Organizational Standards Task Force is charged with a goal of identifying high quality college access organizational standards which align with student and program evaluation standards with the intention of measuring program performance.

In addition, the National College Access Network funded by the Kresge Foundation is in the final stages of publishing the Arizona College Access Inventory. This research is based upon responses to a survey from 109 Arizona college access programs, interviews from 20 key policy stakeholders, and data from the 2010 census survey. The goal of the inventory is to provide to AzCAN and key constituencies involved in and dependent upon college access and success to meet Arizona's goals. The inventory will serve as a basis for the next AzCAN 3-5 year strategic plan.

The Arizona College Access Network staff and Steering Committee with the support of the Governor's Office of Education Innovation and the ACPE look forward to continuing to build and develop an effective statewide network of college access programs and professionals. AzCAN has a membership of over 110 college access programs throughout Arizona and is committed to support them as they assist students to prepare, transition, and succeed in postsecondary education. The AzCAN staff and members look to be leaders in the area of college access in Arizona aligning efforts and making an even greater impact on college access and success for students statewide.

### **2.1.B. College Goal Sunday (CGS) Financial Literacy Initiative**

Arizona's College Goal Sunday (CGS) is a grant-funded statewide financial literacy initiative that provides free information and professional assistance to Arizona students and families seeking college financial aid for postsecondary education experiences. The Arizona Commission for Postsecondary Education has planned and coordinated the Program for the past 16 years. The mission of the CGS initiative is to increase the number of low-income, minority and first-generation college students entering postsecondary education. The goals of the College Goal Sunday Financial Literacy Initiative are: (1) to increase the number of students who gain knowledge of and seek financial aid, (2) increase the number of college-bound seniors and returning adults completing the Free Application for Federal Student Aid (FAFSA) early, and (3) to increase access to accurate and timely information regarding student financial assistance and financial aid processes.

The annual event is offered in partnership with the Arizona Association of Student Financial Aid Administrators (AASFAA). In 2012, College Goal Sunday & Saturday Too! was held in 25 Arizona communities on February 9<sup>th</sup> and 10<sup>th</sup>. On these two days, more than 300 volunteer financial aid professionals from Arizona's colleges/universities, as well as high school counselors, mobilized to assist high school seniors and their parents in completing the online FAFSA form and to learn about the financial aid process. Nearly two thousand students and parents attended the 2012 event.

The student/parent surveys tell a compelling story of the need for College Goal Sunday. Ninety-six percent of the student/parent surveys indicated that the assistance they received at the event made the event worth attending. Over 60% of students that attended were 1<sup>st</sup> generation students and had family incomes of less than \$40,000. Likewise, over 60% of those who attended reported that they were a minority. This represents a significant increase for last year when under half of those who attended reported that they were a minority.

While the annual event is an important service to students and their families, also important is the financial literacy component of the initiative. When surveyed students report in large percentages that they aspire to go to college and that they intend to file a FAFSA, yet their actions speak very differently. The Federal Student Aid Office (FSA) of the U.S. Department of Education reports that Arizona's FAFSA filing rate is only 23% for high school seniors.

The FAFSA is the first critical step in applying for all forms of financial assistance, yet the form and the application process are often overwhelming to students and families, especially those whose parents did not attend college. It can be a challenge for students and their families to fully understand what they need to do and when as they do not have adequate information about the availability of financial aid, the application process and the deadlines for filing the application.

The CGS financial literacy campaign undertaken by the Commission, is designed to help fill the information gap for students and their families by providing year round information including the important messages such as: (1) financial assistance is available to help pay for college costs, (2) the FAFSA is the first step in applying for financial assistance, (3) it is necessary to file the FAFSA by February 15 in order to be considered for all available aid, and (4) there are additional steps to take after filing the FAFSA.

The Commission promotes literacy providing accurate and timely information related to financial aid on the College Goal Sunday and the Pay4CollegeArizona websites. Line-by-line instructions on how to complete the FAFSA are included on the CGS website to help students and their families who could not attend the in-person event. Additionally, 800,000 homes received information on the availability of financial aid, processes, and deadlines in the *Countdown to College* insert which was sponsored by USA Funds and placed in the Sunday newspapers one week prior to the CGS event. The Commission also distributes a publication titled the *Rapid Guide to Financial Aid* which is discussed in detail in section 2.2.J. In 2012 the Commission added a social media (Facebook)

component to the financial literacy campaign. Social media is one of the best ways to reach high school seniors. Additionally, the Arizona College Access Network (AzCAN) offers direct access to low-income students statewide to deliver the messages.

All of these efforts are undertaken using no general funds. As the host of the initiative, the Commission secures grants to fund the activities and provides the leadership to implement the event. Long standing partnerships developed by the Commission with USA Funds, AASFAA, the Arizona School Counselor Association, and the Arizona Department of Education (ADE) have proven to be a great asset in this work.

## **2.2 Provide Current and Relevant Web- and Print-Based Information on College-Going and Financial Assistance for Families and Students**

### **2.2.A. The 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. This document is a one-stop source for information on Arizona postsecondary institutions' accreditations, course offerings, length of study, costs to attend, financial aid programs available, and the institution's website. This publication is widely used by high school counselors, Workforce Connections, college access programs, and the information seeking public. The ACPE has compiled and disseminated this publication since 1975.

There are two major distribution focuses for the ACCG. The Arizona College Access Network (AzCAN) provides the *Arizona College and Career Guide* as one of the benefits for AzCAN members. Additionally, Title I high schools, GEAR UP, Workforce Connections, Vocational Rehabilitation offices, Tribal Vocational/Education offices, and Correctional Institutions receive the *Arizona College and Career Guide* free of charge to use with their students and clients. Non-Title I high schools may order the publication as long as the supply lasts.

In addition to the print version, the ACCG is available online in an easily navigated format. It can be viewed at <http://www.sopdigitaledition.com/arizonacollege/>. This website had a total of 7,267 unique visits in FY11-12. Publication and distribution costs of the ACCG are financed through paid advertising in the publication and per individual book fees from sales.

High school and career counselors consider the ACCG a valuable tool when working with students needing more information on Arizona postsecondary institutions or as part of a career exploration assignment. Every year, Arizona GEAR-UP advisors request 2,500 copies to distribute to economically disadvantaged high school seniors. Furthermore, the ACPE uses the Arizona College and Career Guide as a promotional tool to inform families of College Goal Sunday and the Arizona Family College Savings Program (Arizona 529 Plan), as well as the various Arizona grants administered by the

ACPE. The ACCG is also used to promote to counselors the ACPE's free college-going literacy materials available for high school students and returning adult students.

### **2.2.B. [Azhighered.gov](http://www.azhighered.gov): Arizona Commission for Postsecondary Education**

The [www.azhighered.gov](http://www.azhighered.gov) website serves as a resource for links to information about educational agencies and institutions, financial aid, college savings programs, and a myriad of local and national resources for parents, students, and the public seeking sources of information regarding higher education. It is the portal through which the public can easily access the information in the ACCG Guide, Arizona 529 Plan, AMEPAC reports, Arizona grants, the Arizona College Access Network (AzCAN), and College Goal Sunday. Statewide initiatives such as Common Core, Arizona Ready, and Expect More Arizona are prominently displayed and linked as well as information regarding Commission and Arizona Family College Savings Program Oversight Committee public meetings. During FY 2011 the website received 45,893 unique visits.

### **2.2.C. [AZgrants.gov](http://www.azgrants.gov): One Secure Portal to Access All Arizona Student Grants, Scholarships, Forgivable Loans, and Financial Aid Resources**

The [www.azgrants.gov](http://www.azgrants.gov) website is an easy to use, single secure portal, for students to access information on the AzLEAP, PEG, PFAP, CACS and the MSSE grants (described in Goal 1) as well as the applications for these grants. This interactive website also provides links to other financial aid options and resources. The website also provides a user-friendly tool for financial aid professionals, representing more than 100 postsecondary institutions, to certify students as attending, achieving Satisfactory Academic Progress, and certification of student eligibility criteria under the terms of the grant. Additionally, the ACPE notifies students and financial aid staff when it awards grants to students both online and through email using the website. Currently under development is the build-out of software to support the tracking, notification, and repayment administration of forgivable loans. The additional software will assist both ACPE staff and loan holders to efficiently communicate on the progress of the repayment obligation. During FY 2011 the website received 37,582 unique visits.

### **2.2.D. [Pay4collegearizona.gov](http://www.pay4collegearizona.gov): One-Stop Access to Student Financial Aid Help**

The [www.pay4collegearizona.gov](http://www.pay4collegearizona.gov) website was launched in March 2010 with the purpose of providing accurate and timely resources on how to financially prepare for college using current and relevant information. This website helps students and parents gain knowledge of the financial aid process including types of aid, steps, and deadlines which help them plan and succeed in paying for college. During FY 2012 this site received 13,347 unique visits.

### **2.2.E. CollegeGoalSunday.com**

Collegegoalsunday.com provides accurate and timely information related to completing the FAFSA as well as financial literacy information. Students and their families, who could not attend the in-person event can find line-by-line instructions on how to complete the FAFSA in addition to other financial literacy handouts such as what to do after submitting the FAFSA, using credit wisely, and identity theft. This portal also provides handouts and marketing materials for CGS site coordinators hosting in-person events. During FY 2012 this site received 16,236 unique visits.

### **2.2.F AZ529.gov: Help for Families Saving for College**

The Arizona Family College Savings Program website, [www.az529.gov](http://www.az529.gov), provides parents, grandparents and families with information regarding IRS approved college savings plans, which includes information specific to the Arizona Family College Savings Plan. It is the companion website to the pay4collegearizona website, providing help for middle class families as they prepare to bear the costs of college for themselves and/or their children. Here, parents and other family members can learn about tax-advantaged ways to save for a college education.

Especially popular on this website and also available in print is the College Savings planner which provides information on the college costs for a number of different colleges/universities, as well as the various forms of financial aid available. The 529 website also provides information on when to begin saving for college, and compares various tax-advantaged college savings options. During FY 2012 this site received 18,597 unique visits.

### **2.2.G. AMEPAC.org: Research and Policy Analysis Reports**

The Arizona Minority Education Policy Analysis Center website, [www.amepac.org](http://www.amepac.org), showcases the policy analysis studies and current research reports commissioned by AMEPAC and the Commission. These studies and reports can be downloaded from this site. AMEPAC research is discussed under Goal 3. During FY 2012 this site received 4,849 unique visits.

### **2.2.H. AZCAN.gov: Information and Resources for College Access Professionals**

The Azcan.gov website went live in September 2011 and was developed to help form a learning community among college access professionals. The website provides

interactive tools for members as well as information and resources for college access professionals on a variety of topics including financial aid, professional development and evaluation methods. Foster and homeless youth resources can also be found on this site. During its inaugural year azcan.gov had 2,074 unique visits.

### **2.2.I. Leveraging Media: “Countdown to College” Sunday Insert and Phoenix Magazine Higher Education Section**

The Commission staff seeks ways to promote college going and provide critical information to the public about the opportunities presented through Arizona’s higher education system. For example, over the past 10 years the ACPE has partnered with USA Funds to prepare an eight page Sunday insert, entitled “Countdown to College”. This publication is delivered with the Arizona Republic and Tucson Daily Star to approximately 800,000 households the Sunday before the College Goal Sunday event. USA Funds underwrites the basic publication cost of this insert and the ACPE partners on the educational pieces included. 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.

Additionally, the ACPE provided a tenth year of editorial direction for the *Phoenix Magazine* special higher education section published in the magazine’s August edition. This opportunity provides information for families across the state to learn more about the higher education options within Arizona. *Phoenix Magazine* subscribers and newsstand sales total 74,000.

### **2.2.J. Pocket Guide to Financial Aid for Students**

The Commission staff undertook a college access publication project beginning in FY 2008, to adapt a copyrighted publication titled the “*Rapid Guide to Financial Aid*” to the needs of Arizona’s students. The publication is designed to assist high school juniors and their parents understand and seek student financial aid. This unique publication which serves as a “one-stop” guide provides information on planning and paying for college and was modified to include specific Arizona financial aid opportunities. Elements included in the guide are: a senior year checklist which provides a timeline for admission applications, descriptions of the federal and state financial aid programs, step-by-step instructions for applying for financial aid (both public and private), scholarships, grants, loans and saving for college. *The Rapid Guide to Financial Aid* has been a big hit with high schools, college access programs, and college financial aid offices resulting in many more requests for the guide than can be filled. This has resulted in the Commission reviewing how the guide will be distributed in the future.

Through the generosity of USA Funds the printing and distribution of a third round of 25,000 English and 2,500 Spanish copies of the *Rapid Guide* FY 2012. The newly re-

organized Arizona College Access Network (AzCAN) membership received the *Rapid Guide to Financial Aid* to use with their students as one of the benefits for AzCAN members. Also, Title I high schools statewide and GEAR UP, also received the *Rapid Guide to Financial Aid*. Tribal Education offices and Non-Title I high schools requested and received the publication when copies were available.

### **Goal 3: Addressing common opportunities and problems across all sectors of postsecondary education**

The Arizona Commission for Postsecondary Education provides a unique statewide forum where senior level representatives from universities, community colleges, independent colleges, and private training and career colleges assemble to identify mutual opportunities and problems in postsecondary education. In addition to the postsecondary membership, two superintendents of school 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. Issues that have been identified as important include the achievement gap for minority populations, low-income, and first generation individuals in accessing and succeeding in postsecondary education; low high school completion rates; barriers to student advancement among the segments of Arizona's higher education system toward a baccalaureate degree; and reduction or elimination of the financial barriers 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. The second strategy is to establish, lead, or participate in collaborative action groups or task forces, informed by research, to plan strategies to develop opportunities or solve problems identified by the Commission.

#### **3.1 Arizona Minority Education Policy Analysis Center (AMEPAC): Research for Policy Decisions**

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 affecting minority access to and achievement in higher education. Results of this policy analysis are published (print and web-based) research papers and the initiation of forums or roundtable discussions on pressing issues related to the mission. Research can be viewed at [www.amepac.org](http://www.amepac.org).

AMEPAC has contracted for preparation of the fifth report focusing on minority student success in Arizona. Earlier iterations of this study were published in 2003, 2005, 2007, and 2010. The most recent report titled *Minority Student Progress Report 2009: A Snapshot of Arizona's Educational Achievement* was printed (1,250 copies) and distributed in April of 2010. Each of these reports provides a 'snapshot' of the educational achievement of minority students in Arizona, from kindergarten through college. Later issues include analysis and commentary on trends. This research series is designed to furnish a structure for evaluating progress regarding minority educational success.

AMEPAC also provides research in topical areas of pressing statewide issues. This occurred in FY 2008-09 AMEPAC when members commissioned Nancy Welch of the Morrison Institute to prepare a report determining what questions should be asked in order to understand how to develop Arizona's human capital. This report was issued in two phases, Phase I was titled *To Learn and Earn: Arizona's Unfinished Business in Human Capital*. This extensive review of current research regarding the educational success of students revealed agreement that both the U.S. and the state of Arizona were not educating its citizens adequately. The Phase I report culminated in the identification of questions regarding the educational and work experiences of Arizona's youth and young adults to be investigated the Phase II paper.

The Morrison Institute completed the report titled *To Learn and Earn: Arizonan's Experiences Competing in the Race for Good Jobs* in July of 2011. AMEPAC secured funding to complete Phase II of this report from USA Funds and Helios Education Foundation.

Endorsed by various business and education leaders, the research examined how Arizona's students and young adults make decisions regarding their postsecondary education and careers. This pragmatic document analyzed data from hundreds of students, parents, counselors, employers, educators, and young adults across the state. Arizonans were surveyed and interviewed about their personal experiences. The research summarized what is happening in communities across the state including:

- hit-or-miss career guidance resulting in "aimless" students and workers,
- educators and parents lacking knowledge of today's workforce needs and the preparation required for good jobs, and
- employers unable to hire the diverse workforce they seek.

Based on real life experiences of Arizonans, the report named fourteen recommendations all aiming to promote a thriving "educonomy" in Arizona.

The paper was disseminated to over 1,000 policy makers, legislators and staff, college presidents, superintendents, business leaders, foundations and college access leaders. The report also served as the framework for the *Developing Human Capital: Arizona's Race to Good Jobs* conference and was distributed to over 200 conference participants.

The goals and policy recommendations in this report constitute a powerful call to action. The report and its executive summary can be found at [www.amepac.org](http://www.amepac.org).

### **3.2 Initiatives to Develop Opportunities and Solve Problems: Developing Arizona's Human Capital Conference and Pathways to Education Awards**

The Commission's tenth higher education conference titled *Developing Human Capital: Arizona's Race for Good Jobs* was held at Tempe Mission Palms on November 17 & 18, 2011. More than 260 participants attended including 21 college and university presidents, 15 school superintendents, 5 legislators, 3 Governor's Office policymakers, 7 legislative staff members, 43 college access professionals, and 13 presidents/CEO's of companies, agencies, and foundations. In addition, 14 sponsors made the conference registration affordable and also provided funding for exceptional speakers.

The *To Learn to Earn: Arizonan's Experiences Competing in the Race for Good Jobs* served as the conference framework and Dr. Michael Mandelbaum, co-author of the bestseller titled That Used to Be Us: How America Fell Behind in the World It Invented. And How We Can Come Back was the keynote speaker for the first day. He joined a panel of leaders in higher education and economic development for a discussion of the issues outlined in the book as they apply to Arizona. Other topics presented on the first day included: Getting AHEAD, Leading Social Change, Getting Arizona Ready, Strategies for Adult Student Success, and Metrics Related to Arizona's Big Goal.

On the second day Dr. Martha Laboissiere, Associate Principal of McKinsey & Company, presented recent research on the topic of "Preparing a Workforce for the Next Arizona Economy". She was joined by Chris Camacho of the Greater Phoenix Leadership; Sherman Jennings, from the Arizona Commerce Authority; and Vernon Smith of Rio Salado Community College in discussion about the issue. In addition, the House Majority Leader, the two Higher Education Committee Chairmen, and the Governor's Policy Advisor presented "The Legislative and Policy Agenda for Postsecondary Education for 2012." Kevin Towers, General Manager for the Arizona Diamondbacks, concluded the conference with advice on "How to Build a Winning Team."

Other conference highlights included the presentation of the 10<sup>th</sup> Pathways to Postsecondary Education awards to outstanding college access programs representing K-12, postsecondary education, business, community, and public/private partnership. In addition, college access professionals and were provided programming that included information on "collective impact", the National College Access Network, working with school districts, and opportunities for networking with other professionals.

Several issues were brought forward during the conference and interest in moving forward with these is being explored by the Commission Chair and Executive Director.

### **3.3 Collaboration and Partnerships which Address Common Opportunities and Problems Across Postsecondary Education**

Collaboration and partnerships are a critical component of the work of the Arizona Commission for Postsecondary Education. Shared efforts allow the important agenda of postsecondary education access and success to move forward without duplication and with efficiency.

Initiatives led by ACPE staff and Commissioners as described in Goals 2 & 3 rely on partnerships and collaboration both for funding and execution. These initiatives include the College Goal Sunday Financial Literacy Initiative, the Arizona Minority Policy Analysis Center, the Developing Human Capital Conference, Pathways to Higher Education Awards, and the Arizona College Access Network (AzCAN).

Likewise, collaboration allows the ACPE to provide pertinent and state-specific college awareness and student financial assistance information to Arizonans through the distribution of 27,500 *Rapid Guides to Financial Aid*, 15,000 copies of the Arizona College and Career Guide, 800,000 copies of the informational college-going publication, Countdown to College Sunday insert in the *Arizona Republic* and the *Tucson Daily Star*, and more than 138,500 unique visits annually to the ACPE sponsored websites.

Each of these programs, resources, and college awareness publications are offered at no expense to the State, but rather are sponsored through grants, collaboration, or sales. For example, it is estimated that College Goal Sunday benefits from more than \$130,000 of in-kind assistance received from partners such as the public universities, community colleges, high schools, guidance counselors, and Work Force Connections to establish the 25 statewide sites. Moreover, the partnership with the Arizona Financial Aid Administrators Association provided more than 300 financial aid professionals to help families complete the FAFSA over one weekend. The Free Application to Federal Student Aid or FAFSA is documented in research papers to be more difficult for low income families to complete than the annual income tax reporting requirement; yet, it is the filing of the FAFSA that opens the door to federal financial aid. The College Goal Sunday Financial Literacy Initiative costs for FY 2012 were paid through grants from USA Funds, and the YMCA of the USA.

To meet the goals of the State the Arizona Commission for Postsecondary Education also supports other Arizona wide initiatives. In FY 2012 the ACPE Executive Director participated on the the Getting AHEAD Steering Committee, Expect More Arizona Public Engagement Task Force and Statewide Advisory Council, and College Depot Advisory Committee. Moreover, the ACPE is partnering with the Governor's Office in the administration of the College Access Challenge grant by developing the Arizona College Access Network (AzCAN) and administering the College Access Challenge Scholarship portions of the grant.

## Conclusion

This report reflects the outcomes of the strategic plan initiated by ACPE Commissioners and outlines the impact of the budget reductions on achieving the goals and statutory responsibilities of the ACPE. The goals identified in the strategic plan are (1) maximizing available student financial aid for students and families; (2) providing accurate and timely information and support from knowledgeable professionals to help students and families prepare for, plan, and achieve success in postsecondary education, 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.

The goal of increasing available student financial resources has been severely impacted with the ACPE general funds reduction of 81% and the elimination of federal LEAP and SLEAP grant funding. The figures below represent the student aid disbursed through the ACPE in FY 2008 through FY 2012.

### Historical Review of ACPE Student Aid Programs

Fiscal Year	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Total Aid Disbursed	\$ 7,551,700	\$ 6,813,184	\$ 6,825,388	\$3,711,781	\$3,511,920
% Decrease compared to FY 2007-08		-10%	-10%	-51%	-53%

The loss of these grant dollars affects the lives of nearly 20,000 students annually who in previous years would have applied to the ACPE for grants/scholarships. The funding for the Postsecondary Education Grant (PEG), the Private Postsecondary Financial Assistance Program (PFAP), and the Early Graduation Scholarship was eliminated in FY 2011 and the programs were placed on suspension. Evidence of the need for these funds was demonstrated at the close of FY 2010 when the grants were still funded; yet, the ACPE had a waiting list of an additional 8,799 students who were seeking financial aid. The loss of federal funds for LEAP and SLEAP also reduced financial opportunity for Arizona students.

This situation could become even more serious for students if the College Access Challenge Grant Last Stretch Scholarship is not available to Arizona because of the inability to meet the required Maintenance of Effort (MOE). Criterion 2 for the federal CACG requires sustained state funding of financial aid for students attending private postsecondary institutions. The elimination of the Postsecondary Education Grant (PEG) and the Private Postsecondary Financial Assistance Program (PFAP) places CACG funding in jeopardy for years 4 and 5 of the CACG grant cycle.

To address the loss of grant funding the Commission responsibilities have been reprioritized as follows (1) focused oversight and enhancement of the Arizona Family College Savings Program, (2) effective administration of existing grant programs using secure, web-based automated grant administration software, (3) communication with

students and families who have lost grant funding to provide resources, (4) implementation of an automated loan repayment program to address imminent statutory obligations, and (5) continued coordination and improvement of the College Goal Sunday Financial Literacy Initiative which is needed by families more than ever due to difficult economic times and rising costs of postsecondary education.

Administration and oversight responsibilities of the Arizona Family College Savings Program (AFCSP) continue to grow with the program. In the past year, the program was rated four out of five graduation caps by Savingforcollege.com. It was ranked as an excellent program with many benefits for the participant and having positive investment attributes. Moreover, attractive conservative, FDIC insured investment options have been added as well as mutual funds offering open architecture or multi-firm age-based portfolios. The Arizona Family College Savings program is assisting families prepare for the costs of college through tax-deferred and tax free investment earnings and currently holds over 64,000 college savings accounts and more than \$659M in assets under management.

The Commission implements strategies to help students and families plan, enroll, and succeed in postsecondary education. Building the College Access Network and continuing to lead the College Goal Sunday Financial Literacy Initiative provides knowledgeable adult professionals at critical transition points to vulnerable groups of prospective students. Furthermore, relevant and current information is provided through print and web-based publications distributed free of charge to thousands of Arizonans. Printed documents are supplied to more than 400,000 households annually and more than 138,578 unique visits are made to ACPE websites each year. No general funds are used to support these programs; funds come from fees, grants, donations and sponsorships.

Finally, the forum provided by the Arizona Commission for Postsecondary Education promotes dialogue and identification of common issues among all sectors of higher education. The Commission seeks venues to spawn dialogue, partnerships, and solutions to issues of mutual interest across sectors of postsecondary education. These goals are supported through policy analysis and research, collaborative action led by ACPE staff, and participation in college access initiatives which are led by foundations, government, businesses or non-profit entities with similar missions.

The Arizona Commission for Postsecondary Education has identified a mission of *expanding access and increasing success in postsecondary education for Arizonans*. The Commission looks forward to continuing to fulfill its core responsibilities of maximizing available student financial assistance information to students and families; providing accurate and timely information and knowledgeable professionals to help students and families prepare for, plan, and succeed in college; and providing a forum for postsecondary education to seek opportunities and solve problems. In addition, in FY 2013 the Commissioners and ACPE staff members look forward to continuing to build the Arizona College Access Network and administering the new College Access Challenge Last Stretch Scholarships with the support of the Governor's Office.