ARIZONA COMMISSION FOR POSTSECONDARY EDUCATION

ANNUAL REPORT

Expanding Access and Increasing Success in Postsecondary Education for Arizonans

FISCAL YEAR 2004-2005

The Arizona Commission for Postsecondary Education (ACPE)
2004 - 2005 Annual Report

Expanding Access and Increasing Success in Postsecondary Education for Arizonans

Submitted December 28, 2005
Dr. April L. Osborn, Executive Director

Introduction

The work of the Arizona Commission for Postsecondary Education (ACPE) is guided by a 5-year strategic plan. The purpose of the plan is to provide focus for the activity of this small agency and 6 staff members in order to increase productivity and impact in the areas of its statutory authority. The mission and goals were accepted by Commissioners in 2004 and this report reflects the first year review of goals, performance, and outcomes as outlined in the plan.

The 16 Governor-appointed Commissioners identified an agency mission of *expanding access and increasing success in postsecondary education for Arizonans.* Three goals were named to achieve this mission: (1) increase available student financial resources, (2) implement strategies to help students and their families plan, enter, and succeed in postsecondary education, and (3) provide a forum for all sectors of higher education to dialogue, partner, and problem solve issues of mutual interest. The third goal is to be supported through policy analysis and research, as well as by collaborative action taken by task forces. A roster of the ACPE Commissioners follows on the next page.

The Arizona Commission for Postsecondary Education staff has identified efficient and effective administration of the financial assistance programs under their management as the primary strategy to achieve Goal 1. Strategies employed to achieve Goals 2 and 3 include developing opportunities through partnerships, grants, and collaborative efforts to leverage ACPE resources in order to forward its mission.

The strategies of efficient and effective administration and leveraging resources through collaboration and partnerships are born of necessity, as the agency receives less than $20,000 of state general funds for agency operations. Program administration fees, donations, and grants fund the operational budget of the agency.

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

Commissioners 2004 - 2005

Arizona Commission for Postsecondary Education

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

Dr. Raul Bejarano
Superintendent
Sunnyside Unified School District

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

Charles Blagg
Director
United States Truck Driving School, Inc

Dr. Terry Calaway
President
Central Arizona College

Teri Candelaria
Executive Director
Arizona Board for Private Postsecondary Education

Dr. David Curd
President
College of Humanities & Sciences

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

Dr. Eugene Garcia
Dean, College of Education & VP of University-School Partnerships
Arizona State University

Vernon E. Jacobs
Superintendent
Glendale Union H.S. District

KC Miller
Founder & Director
Southwest Institute of Healing Arts

Michael A. Smith
Executive Director
Toni & Guy Academy

Joel Sideman
Executive Director
Arizona Board of Regents

Dr. Anna Solley
President
Phoenix College

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

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

Commission Staff

Dr. April L. Osborn
Executive Director

Toni Fleisher
Program Specialist/Office Operations Manager

Karina Medina
Communications Specialist

Joel Ascher
AZ 529 College Savings Plan Administrator

Mike Smith
Student Financial Assistance Specialist

Mila Zaporteza
Business & Student Financial Assistance Manager

Goal 1: Increasing available student financial resources

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

1.1 Leveraging Educational Assistance Partnership (LEAP)

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

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

Federal guidelines require that the total LEAP award to a student may not be more than $2,500 or less than $100 for each program year. If the student withdraws, is expelled, or is reduced below half time status, the institution is to collect the award and return it to the Commission. The Commission then issues a credit to the institution's LEAP fund account.

A table follows titled *Six Year Summary of LEAP Awards*. It illustrates the changes in the state LEAP program over time.

Leveraging Educational Assistance Partnership (LEAP)
Six Year Summary of LEAP Awards
F/Y 1999-2005

LEAP Awards Distributed:	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
Total Funds Awarded	$2,727,078	$2,990,497	$2,811,845	$2,838,854	$2,864,937	$2,853,358
Number of Awards Distributed	3,784	4,595	3,805	3,700	4,357	3,870
Average Award Amount	$721	$651	$739	$767	$658	$737

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

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

Compliance with federal guidelines is critical to effective LEAP administration. Detailed reports to the U.S. Department of Education are required. Furthermore, on-site LEAP program compliance audits are performed every two years by ACPE staff. The next series of compliance audits will start in the spring of 2006.

In 2004 - 2005 more than 3,800 Leveraging Educational Assistance Partnership (LEAP) awards were provided to 47 postsecondary institutions totaling $2.9 million in leveraged financial aid (state, federal, and institutional) to financially needy students. Institutional distribution of LEAP awards in 2005 resulted in the following distribution percentages: 36% to public universities, 50% to community colleges, 13% to proprietary schools, and 1% to private colleges (as these categories are defined by the federal government).

Improvements made in the program administration this year were guided by the strategic plan and include updated software and enhanced security measures for student data transmission. An information technology consultant was contracted in 2004 to improve and update the LEAP data base to ensure accuracy of reports and ensure secure data transmission and collection. The software improvements have resulted in an efficient, automated process for generating program reports, requiring less staff time while effectively managing the program. The number and types of reports now available serve both federal reporting requirements and LEAP management needs. Additionally, a new secure web site for institutional transmission of student data to the ACPE has been successfully implemented and has been well received by the postsecondary institutions in the Program.

Annual performance measures collected through anonymous surveys from institutional financial aid administrators have consistently indicated 95% or greater satisfaction with administration of this program by the ACPE. This year evaluation included administration, communication, responsiveness, effectiveness of the manual, website submission of data, and audit processes. And all areas received 90% or greater satisfaction from constituents in higher education.

In addition, the ACPE has begun to collect data on the success of the LEAP program in meeting the needs of underserved students. This year 32 institutions, or 68% of the 47 institutions receiving LEAP grants, responded to an additional survey. These 32 institutions identified 27,744 additional students (non audited figures) who would qualify

for LEAP awards, but funding limitations provided for only 3,800 students to receive LEAP grants. Overall, the financial aid directors of the LEAP institutions expressed grave concern over the low amount of financial aid available for Arizona students and its effect on low-income and lower middle-income students college-going expectations and enrollment.

1.2 Private Postsecondary Education Student Financial Assistance (PFAP)

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

By statute (ARS 15-1852) and Arizona Administrative Code rules (R7-3-401 through R7-3-405), the PFAP program provides up to $1,500 per fiscal year to eligible Arizona community college graduates (i.e., Associate Degrees) who prove financial need and who enroll as a full-time student in a baccalaureate degree program at an accredited, baccalaureate degree-granting private postsecondary educational institution in Arizona. The maximum grant amount allowed to a single student is limited to $3,000.

The PFAP program funding was significantly reduced in 2003 from $318,000 to $170,500, resulting in fewer students receiving the grant. In response to the limited funding, a pilot program was instituted in 2004 - 2005. This pilot program limits the maximum grant to $1,000 and requires that the student re-apply for a second year grant. These changes are being tested in order to make grants available to more students to meet the original intent of the PFAP program. This pilot program is still under evaluation for effectiveness in meeting the PFAP goals.

More than 1,100 students have benefited from the PFAP program since the program inception. Of these grantees 33 % have been minority students. The current program bachelors' degree completion rate is 86%. The completion rate for minority PFAP grantees is 79%; and the non-minority completion rate is 89%. The program completion rate is based upon the graduation status of students who have passed the three year limitation for graduation. The students from whom repayment is sought received the grant, but did not complete a bachelor's degree within the allowed three years.

The current percentage of students from whom repayment is sought is under 10%. An additional 4% of PFAP grantees are yet to be documented as either completers or entered into the repayment program.

Annual performance measures collected through anonymous surveys from postsecondary institution administrators of the PFAP program in 2004 - 2005 indicated 82% agreed that the audit process is efficient and enhances the program administration. However, overall administration of this program by the ACPE in the areas of responsiveness and effectiveness of the manual were deemed by three out of four of

the respondents to meet the institution's needs. It is apparent from these responses that the program administration for PFAP needs revision.

A number of improvements, guided by the strategic plan, are currently being made in the program administration of PFAP in response to constituent comments. The same consultant who modified the LEAP program has been contracted to improve and update the PFAP data base with a goal of more efficient administration of the awards and to ensure accuracy of reports and data collection. The software improvements will be informed by the success of the LEAP software modifications. In addition, the ACPE Financial Assistance staff will be closely monitoring the second year of the pilot program and asking for feedback regarding the program from both financial aid professionals and students in order to identify ways to improve administration.

1.3 Student Financial Assistance Repayment Programs

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

There have been 1,147 students awarded the PFAP grant. Of those, 829 recipients have fulfilled their obligation (through the 2002 cohort) by receiving their bachelor's degree in the three year allotted time frame. The remaining award recipients are either presently enrolled in the repayment program or will be placed in the repayment program once located and their status is determined.

Since the program's inception, there have been 82 former recipients requiring repayment. Of those, 23 are actively making payments to the Commission. Twenty-one grant recipients have been referred to the Office of the Attorney General and are pending payment. Twenty-eight grantees have completed their obligation by either making payment directly to the Commission or through the Office of the Attorney General; 6 have been deemed uncollectible by the Attorney General's office, 1 loan has been forgiven due to medical reasons, and 1 has been abated because the former student is deceased.

Of the 245 former PDTS recipients, 12 are currently in repayment, 2 are in deferment, and 3 are making payments through the Office of the Attorney General. All others have completed their obligation by fulfilling the teaching requirements of the program, or by repaying their loan in full. Of the 101 former ATIP recipients, 1 has been referred to the Office of the Attorney General and is pending payment. All others have completed their obligation by fulfilling the teaching requirements of the program, or by repaying their loan in full.

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

1.4 Arizona Oversight of State Student Loan Guarantor

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

As the Arizona State Guarantor for student loans, USA Funds guaranteed $786 million in new educational loans granted to 85,834 students and 4,695 parents in FY 2004-2005. Due to the increasing costs of postsecondary education, loans are becoming a significant source of funding to which students and families turn for higher education costs.

USA Funds has chosen to be a partner with the State of Arizona in increasing the college going rates. USA Funds serves as one of several sponsors for College Goal Sunday, supports the Pathways to Education Conference, and funded the Investing in Arizona's Future research study. In addition, USA Funds distributed more than $500,000 last year in scholarships to low-income Arizona students.

1.5 Arizona Family College Savings Program (AFCSP)

The Arizona Commission for Postsecondary Education administers the Arizona Family College Savings Program (AFCSP). The AFCSP was established as Arizona's qualified tuition program under section 529 of the Internal Revenue Code (also referred to as a QTP or Qualified Tuition Program) in 1997. The AFCSP began accepting accounts in 1999.

The purpose of a section 529 plan is to provide to families a tax benefit for saving money for the higher education of their child or other family members. The earnings on these savings are tax free when used for qualified educational expenses. Qualified expenses include tuition, supplies, equipment, books, room, and board at any accredited public or private college/university, community college, proprietary or vocational/career/technical postsecondary educational institution in the United States.

An Oversight Committee, as defined by state statutes, is comprised of 10 members and is responsible for review of the program rules, statute language revisions, and selection and oversight of financial providers for the AFCSP. The Oversight Committee makes

recommendations to the Arizona Commission for Postsecondary Education, the AFCSP Trustee, for the oversight of the AFCSP. A current roster of the AFCSP Oversight Committee follows.

Oversight Committee
Arizona Family College Savings Program

Dale Walters, Chair
Public Member
CEO, Keats Connelly

Roger Curley
Attorney w/State Bar Cert. in Estates & Trusts
Attorney at Law, Curley & Allison LLP

Gary R. Dokes
Public Member
Chief Investment Officer, AZ Retirement System

Dr. Roy Flores
Individual Employed by a CC or Univ. System with Asset Management & Financial Related Experience
Chancellor, Pima Community College District

John Garcia
Certified Public Accountant
CPA, Henkel of America, Inc.

Hope Leibsohn
Public Member
Attorney at Law, Lewis & Roca, LLP

Laura Palmer Noone
State Board for Private Postsecondary Education
President, University of Phoenix

Mark P. Stein
Certified Financial Planner
CFP, AeGIS Financial Group

E. Blaine Vance
State Treasurer or Designee
Chief Deputy Treasurer

Vacant Position
(Individual w/investment, asset management & financial related expertise)

Current financial providers for the AFCSP were selected through the State Procurement Office Request for Proposals (RFP) process in 2003, using a Selection Committee comprised of Oversight Committee members. Both the AFCSP Oversight Committee and the ACPE approved these selections. The five providers named in the fall of 2003 RFP are listed below.

- The College Savings Bank (offers direct-sold Certificates of Deposit only)
- Securities Management & Research, Inc. (offers direct- and advisor-sold individual mutual fund portfolio options)
- Waddell & Reed Financial Services (offers advisor-sold age-based asset allocation mutual fund portfolio options)
- Pacific Life (offers direct- and advisor-sold asset allocation mutual fund portfolios and individual mutual fund portfolio options)
- Fidelity Investments (offers direct-sold age-based asset allocation mutual fund options and static mutual fund options)

In 2005, during the eleven months preceding December, there have been 7,855 new accounts opened. Since its inception, the AFCSP has opened more than 47,133 new accounts, and retains assets in excess of $312 million. The costs to oversee the AFCSP are collected from an initial fee of $13.00 charged one-time to each new account opened. A summary report titled *New Accounts Opened and Assets under Management June 1999 through November 30, 2005* is included at the end of this

section of the report. The summary report exhibits three tables: The Total Number of Accounts Opened by Year by Provider; The AFCSP Provider Assets under Management; and The Average Balance of the Total Accounts by Provider.

Program enhancements and initiatives for the Arizona Family College Savings Program over the past year and one-half have been significant and designed to strengthen the program infrastructure, as well as improve program rules and policies to benefit investors.

To guarantee consistent reporting as well as ensure secure data collection from the five providers an information technology consultant was contracted to enhance the AFCSP database. The database modifications increased selection of report types available and reduced the staff time necessary to generate program data. Additionally, the Commission developed and implemented a secure web site that has enabled the providers to transmit their monthly and quarterly program data in a more uniform and effective process. These improvements have resulted in more effective program management.

Significant Statute revisions implemented in August 2004 through legislative action accomplished four goals. These include (1) clear definition of the oversight role of the state, (2) strengthening the Oversight Committee through defined expertise of members, (3) increased program flexibility and (4) exemption of the ACPE from procurement code restrictions in future solicitation of financial institutions for the AFCSP.

In August of 2004, legislatively approved changes included:

- the establishment of the Arizona Family College Savings Program Trust, with the ACPE serving as Trustee
- Oversight Committee members with education-related experience were replaced by members experienced in specialized fields such as an attorney with Certification in Estates and Trusts, a Certified Financial Planner, and a Certified Public Accountant
- a broadened definition of account owner to “include an individual’s legal representative or other legal entity”, such as a trust, corporation or partnership was adopted
- lifetime transfers of account ownership was accepted
- the solicitation of program managers became exempt from procurement code requirements

The most recent changes and initiatives, guided by the ACPE strategic plan, for the Arizona Family College Savings Program, are focused on achieving three goals. These goals are (1) to ensure the AFCSP provider offerings afford families choices of quality savings options to meet their investment objectives, (2) to fully inform investors about these options in order to make the best decisions for their investment goals, (3) to encourage existing providers to reduce fees charged to investors, (4) to develop a financial literacy program to encourage more families to save for future educational

expenses, and (5) to provide adequate day-to-day oversight of the growing program. A description of these changes and initiatives follows.

First, to increase choices of quality offerings a new provider has been added and existing providers are being reviewed for contract renewal. Fidelity Investments was accepted as the fifth provider within the AFCSP and began to offer direct-sold investment options on June 16, 2005. Fidelity markets this product exclusively in Arizona. This addition was desirable because Fidelity is known as a manager of excellent reputation that offers very attractive investment options and a moderate fee structure.

In addition, a rigorous provider review process has been approved by the Arizona Commission for Postsecondary Education upon recommendation from the AFCSP Oversight Committee. Provider review will take place with all providers on an annual basis. Providers have been alerted that reports for the review process are due February 28, 2006 and that an outcome of the process will be recommendations to the ACPE for contract renewal or non-renewal when contracts terminate. Providers who are up for contract renewal in 2006 are Waddell & Reed, Securities Management & Research, College Savings Bank, and Pacific Life.

Second, AFCSP offering materials have been revised to inform and protect investors. The College Savings Plan Network (CSPN) Principles of Disclosure have been named as the standard to which *The Arizona Family College Savings Program* offering materials are held. At the request of the Arizona Commission for Postsecondary Education all provider materials and investor documentation for each of the five providers were extensively revised in 2005 to describe the trust relationship as well as to meet CSPN standards for clarity and investor disclosure.

Third, the fees charged to investors have been reduced. Waddell & Reed, one of five program managers, temporarily reduced their fees in 2004 and 2005. A restructure of their fee schedule and another significant fee reduction was approved by the ACPE to take effect in January 2006. In addition to the Waddell & Reed changes, Fidelity Investments also reduced their annual account management fee by $10 in 2005. The Fidelity reduction is applicable to certain accounts. These fee reductions result from a free market approach and competition both within and outside of the AFCSP.

Fourth, a financial literacy document titled *College Savings Planner: Envisioning Your Child's Future* has been developed to inform and encourage parents and grandparents to save for college expenses. The *College Savings Planner* includes information on college costs, expectations of increases, student financial aid, and a comparison of various savings options. The purpose of the *Planner* is to encourage more Arizona families to save for future educational expenses, and ultimately to increase Arizona's college-going rates.

A marketing plan was developed to promote this financial literacy document. The plan included naming October 2005 as College Savings month. Two-hundred and fifty-thousand bookmark sized promotional pieces have been printed with information about the *Planne*r as well as where it can be downloaded. This marketing effort has met with

early success as more than 2000 visits were registered on the College Savings Planner website in the month of October. The marketing plan will be implemented over a two year period and is financially supported by Fidelity Investments, Waddell & Reed, and College Savings Bank.

Finally, the most significant factor aiding improved operations of the AFCSP resulted from an approved increase of budgeting authority in the amount of $60,000 from the legislature. This additional appropriation of the existing one-time $13 fee per account collected has allowed the hiring of a program administrator, contracted outside legal services, and a small budget for marketing the program within Arizona. The program administrator attends to the day-to-day operations necessary to adequately oversee the five providers who manage funds in the $312 million program.

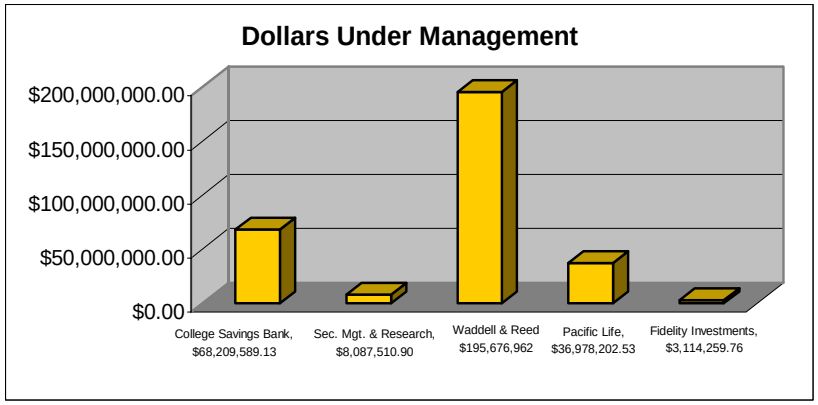
The AFSCP Oversight Committee and the ACPE continue to identify improvements and mount initiatives that will lead to the AFSCP mission of *assisting Arizona families to financially prepare for postsecondary education by providing quality college savings choices.*

Arizona Family College Savings Program
New Accounts Opened and Assets under Management
June 1999 through November 30, 2005

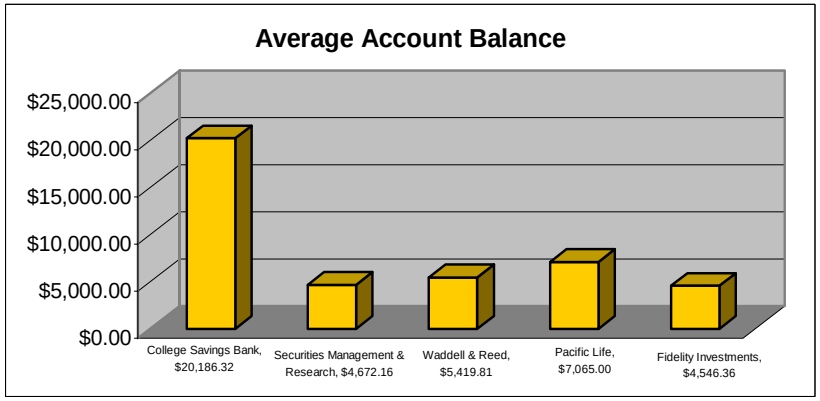
Total Number of Accounts Opened by Year by Provider

Financial Institution	Jun 1999-Dec 2000	CY 2001	CY 2002	CY 2003	CY 2004	Jan-Nov 30 2005	Total
College Savings Bank	200	667	1,726	609	150	27	3,379
Securities Management & Research	287	477	381	214	230	142	1,731
Waddell & Reed	0	3,994	14,127	7,500	5,510	4,973	36,104
Pacific Life	0	0	0	910	2,296	2,028	5,234
Fidelity Investments	0	0	0	0	0	685	685
	487	**5,138**	**16,234**	**9,233**	**8,186**	**7,855**	**47,133**

AFCSP Provider Assets Under Management	
College Savings Bank	$68,209,589.13
Securities Management & Research	$8,087,510.90
Waddell & Reed	$195,676,962.00
Pacific Life	$36,978,202.53
Fidelity Investments	$3,114,259.76
Total AUM as of 11/30/2005	**$312,066,524.32**



Average Balance of Total Accounts by Provider	
College Savings Bank	$20,186.32
Securities Management & Research	$4,672.16
Waddell & Reed	$5,419.81
Pacific Life	$7,065.00
Fidelity Investments	$4,546.36
Avg. Bal. of Total Accounts in AFCSP	$6,620.98



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

The Arizona Commission for Postsecondary Education endeavors to expand access and success in postsecondary education for Arizona families. Providing information for college decision-making, initiating programs to assist students and families access student financial assistance, and supporting efforts to increase college-going rates are strategies used to assist Arizona families, adults, and K-12 students. Almost every parent holds the dream of college attendance for their child. The ACPE enters into programs and partnerships to assist parents and students as they plan for their dream. It is realistic planning with appropriate and accurate information that will assure the child is academically ready, the family financially prepared, and that student and family expectations are in-line with the realities of postsecondary education. Adult and returning students are also an important part of ACPE program planning.

2.1 Arizona College and Career Guide (ACCG)

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

This year 15,000 copies of the ACCG were printed for free distribution to public schools, libraries, state agencies, prisons, and higher education institutions. In addition, the ACCG is available online at the ACPE web site at www.azhighered.gov. Publication and distribution costs of the ACCG ($17,772.39) are financed through paid advertising in the publication and per individual book fees ($5 each or $3 for ten copies or more).

A new partnership with GEAR-UP has resulted in an additional 5,000 copies of the ACCG being printed and distributed this year to high school seniors. In addition, the ACPE has used the College and Career Guide as a promotional tool to increase attendance at College Goal Sunday where families get help filling out the Free Application for Federal Student Aid (FAFSA) form, to encourage parents learn how to financially prepare for college expenses by downloading the *College Savings Planner*, and to provide information to counselors about the ACPE's free college-going literacy materials available for K-12 students.

2.2 Arizona Commission for Postsecondary Education (ACPE) Website

In 2005 the ACPE website underwent major revisions to serve as a portal that provides resources for student financial assistance, postsecondary education choices, and career exploration. The website has a new look and is laden with important information about student financial aid. A measure of the success of the new site is the tremendous

increase in visits from 34,409 over a 12-month period in 2004 to 96,820 over the same time frame in 2005. The ACPE web site can be viewed at www.azhighered.gov.

2.3 College Goal Sunday (CGS)

The Arizona Commission for Postsecondary Education hosts an important statewide annual event titled College Goal Sunday. College Goal Sunday has been organized for the past nine years by the ACPE. The 10th annual event is being planned and will be held on February 12, 2006 at 29 sites throughout the state.

The goal is to provide assistance to high school seniors (or adults entering postsecondary education) and their families in completing the Free Application for Federal Student Aid (FAFSA) form. The overall purpose is to help students and families, especially first generation college applicants, understand the value of applying for student financial aid, take the important first step of completing the FAFSA, and ultimately access postsecondary education.

The event is offered in partnership with the Arizona Association of Student Financial Aid Administrators (AASFAA). In 2005 College Goal Sunday was held in 23 Arizona communities on January 30. On this Sunday afternoon, more than 250 volunteer financial aid professionals from Arizona's colleges/universities, as well as high school counselors, mobilized to assist high school seniors and their families in completing the FAFSA form and learn about the financial aid process. In 2005 three thousand two hundred and sixty-two students and parents attended – a 15% increase over 2004. Since 1997 almost 24,000 students and their families have been helped by this event.

This event successfully achieves its purpose. The 2005 College Goal Sunday survey reported that for 37% of the students attending neither parent attended any college; an additional 17% indicated a parent had attended some college but neither parent had attained a 2- or 4-year degree. Therefore, the total percentage of first-generation students attending in 2005 was 54%.

Because a high percentage of low-income and minority families are first-generation college-goers, the ACPE was pleased to find that 35% of the participants reported having an annual income of $30,000 or less. Furthermore, the 2005 event survey also indicated a 29% Hispanic, 6.7% Native American, and 6% African-American participation rate. One of the greatest successes of 2005, due to the outstanding leadership of the local coordinator and marketing efforts by the contracted firm, was realized in the primarily Native American community of Chinle, Arizona where a 196% increase in participation occurred in 2005 over 2004.

As the host of this event, the ACPE seeks grants to fund the activities and provides the leadership to implement the event. Grants have been secured for the 2006 event from Waddell & Reed, USA Funds, and Lumina Foundation. These same sponsors funded the 2005 College Goal Sunday.

Two strategies are being employed in order to increase the numbers of families benefiting from College Goal Sunday in 2006 (1) increasing the number of sites from 23 to 29 and (2) developing collaborative outreach strategies. Not only are six sites added for 2006, but two of the new sites are Workforce Connections. It is hoped that using One Stop Centers as sites will encourage more returning adults and their families to participate in this financial literacy program. This partnership holds promise for future growth of College Goal Sunday.

Collaborative strategies with high schools, community-based organizations, and businesses are being developed. In addition, a focus on strengthening existing alliances with the counselors, financial aid professionals, and existing sponsors has been undertaken. Furthermore, the ACPE reshaped the charge to the contracted marketing firm and encouraged the hard working College Goal Sunday Task Force to create an "outreach" subcommittee to assist the marketing firm in this undertaking.

2.4 "Count Down to College" Sunday Insert

In 2005 a 12-page Sunday insert, entitled "Countdown to College" was published in the Arizona Republic and distributed to approximately 800,000 households the Sunday before College Goal Sunday. USA Funds underwrote the basic publication cost of this insert and additional pages were paid for with purchased advertising by higher education stake holders through the newspaper sales staff and letters of introduction from the ACPE.

This postsecondary literacy document for families included articles with information about what to do "after the FAFSA (Free Application for Federal Student Aid form)" is completed, college essay writing tips, a college planning calendar, as well as promotion of the College Goal Sunday statewide event.

The Countdown to College insert is an example of a collaborative effort between the ACPE, the state guarantor of student loans, the Arizona Career Resource Network, and postsecondary institutions that support the effort through advertisements. This publication is scheduled again in 2006 and will be distributed as a special insert in Phoenix, Tucson, and outlying areas to nearly 800,000 households. The success of this publication is measured at each College Goal Sunday event by observing the large number of participants who attend with the document in hand.

2.5 Think College Publications

The Arizona Commission for Postsecondary Education is dedicated to strengthening the commitment of children and youth to obtain a higher education. Toward this end, general education awareness and information campaign for students and their parents titled *Think College* has been developed to emphasize the importance of staying in school, raising expectations, and creating a positive attitude among students and their parents about postsecondary education possibilities.

Three publications were developed with two financial partners: (1) USA Funds sponsors *Measuring Your Child's Progress: Preparing Your Child for Higher Education* for middle school through high school parents and (2) Ed Funds sponsors *Carlton Q. Cat: Cool Cats Stay in School* for third and fourth grade students and *The Future 5: The Power of Your Mind* for seventh and eight grade students. Thanks to the generosity of these partners, these publications are provided to the schools free of charge.

All three publications have undergone revisions during 2005 and will be disseminated to schools in the spring of 2006.

2.6 The STAY in School Initiative

The public interest resulting from policy analysis and research publications regarding dropout prevention led the Arizona Commission for Postsecondary Education to develop the *STAY in School Initiative* in early 2004. The goal of this pilot project is to develop a successful model from which others may learn and to equip community leaders to address the dropout issue in ways that are consistent with the values and realities of their school district, town, or region. This initiative continues to thrive and serve as a laboratory for learning.

During 2005 and continuing into 2006, the community development pilot project in the Tucson Sunnyside Unified School District (SUSD) achieved several remarkable benchmarks. The process used in Sunnyside will serve as a model for other school districts to understand the approach and time necessary to develop community involvement. The ACPE used grant funds to support community development consultants to work with the SUSD and their *Stay in School Community Task Force* to implement a *Leadership for Learning Academy (the Academy) during the 04/05 academic year*. Outcomes of this year of work include:

- Recruitment of participants and implementation of a community-based, capacity-building curriculum for parents, students, teachers, business and community members for the purpose of improving educational performance and increase the graduation rate in SUSD

- Design, distribution and compilation of results of a survey for all SUSD middle and high school students (over 1,500 completed surveys) to explore their thoughts, feelings and commitments to graduation

- A Town Hall attracting over 400 students, families and community partners was guided by the survey results in a conversation about academic success

Sunnyside USD's Transition into a Learning Communities Coalition

In late 2004 the ACPE connected the *Learning Community Coalition* with the *Leadership for Learning Academy* effort already underway at the Sunnyside School District. Member organizations of the national Learning Communities Coalition include Communities in Schools, USA Funds, Scholarship America, Sallie Mae, U.S. Dream

Academy, America's Promise: The Alliance for Youth, Merimar Productions, National Association for College Admission Counseling (NACAC), Paws Incorporated, and the National Mentoring Partnership

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

The STAY in School *Leadership for Learning Academy* served as the foundation for the community development infrastructure that brought the *Learning Communities Coalition* grant to SUHD. In September of 2005 they renamed their leadership group the *Learning Community Leaders.* A community marketing campaign was developed and a kick-off event was held on November 5, 2005 to announce the new Coalition. The Coalition's mission is to bring about positive change in the community culture to support learning, and to increase the number of students who continue their education and graduate from college. Additional members of business and community-based organizations have been added to the group and they held their first meeting on December 1, 2005.

The *STAY in School* coordinator assisted this effort by developing and facilitating the participatory processes that catalyzed community involvement. The *STAY in School* coordinator will also be training the *Learning Community Leaders* in facilitative leadership skills through the implementation of a Community Development: Moving to Action workshop in 2006.
A 2nd Town Hall is being organized by the *Learning Community* Leaders group for January 26th, 2006 with the theme of workforce preparation. They are in the planning process and looking at strategies for attracting youth, identifying key speakers, and incorporating participatory small group sessions.

Both components of the *Stay in School Initiative* were funded by private sector sources. In addition to the Sunnyside USD pilot project, the ACPE will continue to participate in collaborations to increase graduation rates in Arizona including the Arizona Department of Education and the Center for the Future of Arizona as they provide leadership in dropout prevention.

2.7 Pathways to Education Conference

The year following the successful fall 2004 Pathways Conference was used to refine the focus of the six previous Conferences. The Pathways Conference was well received with an overall ranking of between 9 and 10 on a ten point scale. Workshops were also highly ranked. The goal of the new focus is to build on the ACPE's success in recognizing and promoting exceptional transition and outreach programs, adding a policy-level dialogue component.

The Developing Arizona's Human Capital: The Challenge Facing Postsecondary Education Conference is being planned and will be held in the spring of 2006. A sponsor has been secured to underwrite the costs, and the program is being developed. The purpose of this conference is to draw together policy makers to examine data and consider policy implications of capacity, access, student financial assistance, outreach, and preparation for postsecondary education as it relates to developing Arizona's human capital.

The impetus behind the conference centers on recent and planned changes in Arizona's postsecondary education sectors, combined with demographic changes in Arizona's potential student population. The conference will provide the opportunity for dialogue regarding what these changes mean to the state, its potential postsecondary student population, and the effects on the development of the human capital necessary to fuel Arizona's economic future. The Pathways to Postsecondary Education awards will be a part of the conference. These awards are designed to recognize efforts by business, community, postsecondary education, and K-12 schools to support students through the K-12 system and into postsecondary education.

2.8 Transition into Postsecondary Education: The College Summit Pilot Project

A request from the Executive Director of the ACPE to the state loan guarantor, USA Fund, to assist in raising the Arizona college-going rate resulted in an investigation of existing college transition and support programs. *College Summit* stood alone in empirical evidence of success in transitioning the middle-fifty percent of high school seniors into college attendees. Publications from *College Summit* indicated that over the past ten years, *College Summit* summer workshop participants have enrolled in college at a rate of 79%. Furthermore, students have stayed in college at a rate of 80%. The organization has received the National Association for College Admission Counseling's National Award for Expanding College Opportunity for Under-Represented Youth.

The focus of *College Summit* is changing the college-going culture of low-income communities. The program is designed to strengthen high school advising systems, college admissions systems, and the college-going culture. USA Funds offered to sponsor an Arizona College Summit pilot program in 2005-2006. Five high schools and 150 youth are currently involved in the pilot project including seniors from Trevor Browne, Metro Tech, Glendale, Carl Hayden, and Sun Valley High Schools.

This pilot program is being evaluated and plans will be made to continue the program, should it bring similar successful results as have been experienced in California, Illinois, West Virginia, Colorado, and Washington D.C.

Goal 3: Problem solving across all sectors of postsecondary Education

The Arizona Commission for Postsecondary Education provides a unique statewide forum for senior level representatives from universities, community colleges,

independent colleges, and private training and career colleges to identify mutual opportunities and problems in postsecondary education. In addition, two superintendents of large districts and a CEO of a charter school provide insight about transition into, preparation for, and awareness of postsecondary education opportunities from the K-12 perspective.

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

Two strategies have been identified to meet Goal 3. The first is to raise awareness and develop a knowledge base for solutions through policy analysis and commissioned research studies. And the second strategy is to establish collaborative action groups or task forces, informed by research, to plan strategies to seize opportunities or solve problems identified by the Commission.

3.1 Arizona Minority Education Policy Analysis Center (AMEPAC)

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

In 2005 AMEPAC commissioned the 2nd bi-annual publication of a report for policymakers, educators, and the public titled the *2005 Minority Student Report: A Snapshot of Arizona's Educational Achievement*. This compilation of existing data describes and summarizes, but does not seek to interpret the data. AMEPAC intends to use this *Report* as a benchmark against which progress on minority student achievement can be measured. To date 2,000 copies of have been distributed to individuals and organizations. In addition, presentations of the data have been made at the Arizona Association of Student Financial Aid Administrators, the East Valley Think Tank, and the Arizona School Boards' Association Conference. A second printing is planned.

In addition to the *2005 Minority Student Report*, AMEPAC has commissioned a study from the University of Arizona's Latina/o Policy Research Initiative on access, affordability, achievement and preparation of minority students for postsecondary

education. Policy recommendations to accompany the study are being finalized and a spring 2006 release date is planned.

AMEPAC members are currently undertaking a major strategic planning effort to enhance the impact of the Center and its 16 volunteer members. The new strategic plan is expected to include a new policy analysis sub-committee with education policy experts from across the state participating in the development of future research/policy analysis agendas and guiding the work through completion.

3.2 Postsecondary Articulation/Transfer Task Force (PATTF)

The Postsecondary Articulation/Transfer Task Force (PATTF) is charged with identifying potential areas for articulation and encouraging articulation possibilities among postsecondary institutions. The goal of the Task Force is to ensure student access to the baccalaureate.

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

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

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

Topics discussed at the conference included a presentation on the comparison of national and regional accreditation by the Executive Director of the Accrediting Commission of Career Schools and College Technology (ACCSCT), and a presentation given by the Associate Executive Director of the American Association of Collegiate Registrars and Admissions Officers (AACRAO). Other topics discussed included curriculum structures, faculty qualifications and responsibilities, local and national articulation models, and a presentation on the benefits to both students and institutions as to why articulation makes sense for Arizona.

This conference was financially supported by the Academic Program Articulation Steering Committee, Southwest Institute of Healing Art; The Art Institute of Phoenix, Collins College, and ITT Technical Institute. Proceedings from the conference are

being developed and will be available for distribution in early 2006. The Conference proceedings are expected to serve as a guide for the next articulation workshop which is planned to be delivered at the ACPE Developing Arizona's Human Capital: The Challenge Facing Postsecondary Education Conference.

3.3 Student Financial Aid Task Force

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

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

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

The next goal is to expand the number of stakeholders aware of and committed to providing financial access to postsecondary education for Arizonans. The Student Financial Aid Task Force has been building alliances and has secured the in-kind services of a marketing firm to assist in the development of this message through a Power Point presentation. An outreach plan has been developed to increase awareness regarding the lack of financial aid in the state, the barrier to postsecondary education it causes, and ways to work collaboratively to solve the problem. The Task Force has identified six strategies to accomplish this. This work continues to proceed and is being informed each day by legislative and political activity in the state.

Conclusion

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

First, the ACPE has committed to efficient and effective administration of the core financial assistance programs assigned to the Commission by statute. Significant improvements have been implemented in both the Leveraging Educational Assistance Partnership (LEAP) and in all aspects of administration of the Arizona Family College Savings Program (AFCSP). The Private Postsecondary Education Student Financial Program (PFAP) administration is under review and a plan is in place to improve the measures of administrative efficiency and effectiveness. Furthermore, all financial assistance programs administrative procedures will continue to be evaluated and reviewed annually to ensure that every dollar is available to students and their families for postsecondary attendance when it is needed.

Second, the staff continues to develop strategies to leverage the limited financial and human resources available to the ACPE in order to help Arizonans access postsecondary education. Through development and nurturance of partnerships, access to grant funds and donations, and initiation and participation in collaborative activities the ACPE plans to continue to offer programs such as College Goal Sunday, the STAY in School Initiative, College Summit, and the Pathways to Higher Education Conference. Likewise, the ACPE will endeavor to provide college awareness and student financial assistance information to Arizonans through *Think College* publications, the Arizona College and Career Guide, Countdown to College Sunday insert, and the ACPE website. Each of these programs and college awareness publications are offered at no expense to the State, but rather are sponsored through private dollars.

Third, the forum provided by the Arizona Commission for Postsecondary Education promotes dialogue and identification of common issues among all sectors of higher education. In 2004-2005 the Student Financial Aid Task Force, the College Goal Sunday Task Force, and the Postsecondary Education Articulation Task Force were very active and productive collaborative groups involving more than 65 individual stakeholders in planning and supporting ACPE activities. Also, two papers were published, one commissioned by AMEPAC, that contributed to the knowledge base of student access and success in Arizona higher education. And a ground breaking Articulation Conference was held. The ACPE plans to continue to initiate and support collaborative groups comprised of stakeholders, develop research studies, and convene conferences or roundtable discussions that can identify postsecondary education opportunities and seek solutions to problems.

And finally, in an effort to fulfill the ACPE mission, the Executive Director serves and supports a number of related task forces and initiatives such as the Center for the Future of Arizona's Graduation Rate and Dropout Initiative, the Governor's P-20 Council's Access to Higher Education Committee, the Principal for a Day Program, College Track, the Arizona Department of Education's High School Renewal and Improvement Initiative, and the GEAR-UP Scholarship Committee. The ACPE works in

collaboration with these groups and many others to improve the opportunities for students to move within postsecondary education in a seamless manner.

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