

**Commission for Postsecondary Education**

A.R.S. § 15-1851

Executive Director: Dr. April L. Osborn

JLBC Analyst: Bethany Nicholas

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Approved
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	4.0	4.0	4.0 <sup>1/</sup>
Personal Services	176,200	176,200	180,000
Employee Related Expenditures	36,100	47,700	50,500
Professional and Outside Services	17,800	15,000	15,000
Travel - In State	1,200	3,500	3,500
Other Operating Expenditures	76,400	93,300	93,300
<b>OPERATING SUBTOTAL</b>	<b>307,700</b>	<b>335,700</b>	<b>342,300</b>
<b>SPECIAL LINE ITEMS</b>			
Arizona College and Career Guide	14,800	21,200	21,200 <sup>2/</sup>
Arizona Minority Educational Policy Analysis Center (AMEPAC)	24,700	150,000	150,300 <sup>2/</sup>
Family College Savings Program	1,900	26,900	86,900
Leveraging Educational Assistance Partnership (LEAP)	2,838,900	3,364,500	3,364,500 <sup>3/4/</sup>
Private Postsecondary Education Student Financial Assistance Program	170,500	170,500	170,500 <sup>5/</sup>
Twelve Plus Partnership	154,200	119,600	119,600 <sup>2/</sup>
<b>AGENCY TOTAL</b>	<b>3,512,700</b>	<b>4,188,400</b>	<b>4,255,300<sup>6/7/</sup></b>
<b>FUND SOURCES</b>			
General Fund	1,391,300	1,391,300	1,391,300
<u>Other Appropriated Funds</u>			
Postsecondary Education Fund	2,121,400	2,797,100	2,864,000
SUBTOTAL - Other Appropriated Funds	2,121,400	2,797,100	2,864,000
<b>SUBTOTAL - Appropriated Funds</b>	<b>3,512,700</b>	<b>4,188,400</b>	<b>4,255,300</b>
Other Non-Appropriated Funds	173,500	0	0
<b>TOTAL - ALL SOURCES</b>	<b>3,686,200</b>	<b>4,188,400</b>	<b>4,255,300</b>

**AGENCY DESCRIPTION** — The Commission for Postsecondary Education reviews and recommends educational policies, as well as providing a discussion forum for public and private postsecondary educational institutions and their stakeholders on issues of mutual interest. The seventeen commissioners are also authorized to administer certain federal and state student financial aid programs.

- <sup>1/</sup> Includes 0.2 FTE Positions funded from Special Line Items in FY 2005.
- <sup>2/</sup> The appropriations for Arizona College and Career Guide, Arizona Minority Educational Policy Analysis Center and Twelve Plus Partnership are estimates representing all monies distributed to this fund, including balance forward, revenue and transfers, during FY 2005. The appropriations shall be adjusted as necessary to reflect actual final receipts credited to the Postsecondary Education Fund. (General Appropriation Act footnote)
- <sup>3/</sup> The appropriation for Leveraging Educational Assistance Partnership is to be used to make grants under the Arizona State Student Incentive Grant Program administered by the Arizona Commission for Postsecondary Education. Grants may be made according to the provisions of applicable federal and state laws and regulations relating to this program to Arizona residents who demonstrate financial need and who are attending, on at least a half-time basis, an approved program at a properly accredited Arizona postsecondary educational institution. (General Appropriation Act footnote)
- <sup>4/</sup> Each participating institution, public or private, in order to be eligible to receive state matching funds under the State Student Incentive Grant Program for grants to students, shall provide an amount of institutional matching funds that equals the amount of funds provided by the state to the institution for the State Student Incentive Grant Program. Administrative expenses incurred by the Commission for Postsecondary Education shall be paid from institutional matching funds and shall not exceed 12% of the funds in FY 2005. (General Appropriation Act footnote)
- <sup>5/</sup> Of the total amount appropriated for the Private Postsecondary Education Student Financial Assistance Program, no more the 10% may be used for program administrative costs. (General Appropriation Act footnote)
- <sup>6/</sup> General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.
- <sup>7/</sup> For FY 2005, any unencumbered balance remaining in the Postsecondary Education Fund on June 30, 2004 and all grant monies and other revenues received by the Commission for Postsecondary Education during this fiscal year, when paid into the State Treasury, are appropriated for the explicit purposes designated by special line items and for additional responsibilities prescribed in A.R.S. § 15-1851 and A.R.S. § 15-1852. (General Appropriation Act footnote)

PERFORMANCE MEASURES	FY 2003	FY 2003	FY 2004	FY 2005
	Appropriation	Actual	Appropriation	Appropriation
• Student grants awarded	3,900	3,700	3,805	3,800
• Family College Savings Program account holders	6,838	27,853	28,000	34,000
• % of customers rating Commission services as “good” or “excellent”	85	95	95	95
• Administration as a % of total cost	4.0	4.0	3.9	3.8

### Operating Budget

The budget provides \$342,300 from the Postsecondary Education Fund for the operating budget in FY 2005. This amount includes an increase for statewide salary and other adjustments. (Please see the Statewide Adjustments section at the end of this Appropriations Report for details.)

### Special Line Items

#### Arizona College and Career Guide

The budget provides \$21,200 from the Postsecondary Education Fund for the Arizona College and Career Guide in FY 2005. This amount is unchanged from FY 2004. The Arizona College and Career Guide is an annual publication listing Arizona public and private postsecondary institutions and describing their degree and certificate programs, course lengths, and costs of attendance.

#### Arizona Minority Educational Policy Analysis Center

The budget provides \$150,300 from the Postsecondary Education Fund for the Arizona Minority Educational Policy Analysis Center (AMEPAC) in FY 2005. This amount includes an increase for statewide salary and other adjustments.

AMEPAC sponsors studies, statewide discussions, and debates in order to improve minority students’ awareness of, access to, and achievement in all Arizona’s educational institutions. This line item includes 0.2 FTE Positions from the Postsecondary Education Fund.

#### Family College Savings Program

The budget provides \$86,900 from the Postsecondary Education Fund for the Family College Savings Program (FCSP) in FY 2005. This amount funds the following adjustment:

##### College Savings Plan Trust

The budget includes a Postsecondary Education Fund increase of \$60,000 for financial management of the new trust. The Federal Securities and Exchange Commission recently ruled that FCSP must become a trust in order to maintain tax-exempt status for savings accounts within the program. Laws 2004, Chapter 327 carried out this change.

FCSP enables parents to save money, on a tax-deferred basis, for their child’s college education. FCSP receives funding from the \$13 fee it charges to open a savings account. Table 1 illustrates the distribution of these monies for expenditures in this Special Line Item and the operating budget.

Table 1

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Estimate
Operating Budget	\$83,200	\$85,100	\$145,100
Special Line Item	1,900	26,900	86,900
TOTAL	\$85,100	\$112,000	\$232,000

The commission reports that, in addition to the financial management expenses addressed above, monies spent from the Special Line Item cover marketing and advertising costs, as well as the FCSP share of rent expenses. Monies spent from the operating budget fund the FCSP share of administrative costs.

#### Leveraging Educational Assistance Partnership

The budget provides \$3,364,500 for the Leveraging Educational Assistance Partnership (LEAP) in FY 2005. This amount consists of \$1,220,800 from the General Fund and \$2,143,700 from the Postsecondary Education Fund. These amounts are unchanged from FY 2004.

LEAP is a federal, state, and institutional partnership, providing financial assistance to students demonstrating financial need. To be eligible, students must attend, on at least a half-time basis, an approved program at a properly accredited Arizona postsecondary educational institution (including public universities, public community colleges, private collegiate institutions, and proprietary schools).

#### Private Postsecondary Education Student Financial Assistance Program

The budget provides \$170,500 from the General Fund for the Private Postsecondary Education Student Financial Assistance Program in FY 2005. This amount is unchanged from FY 2004.

This program provides tuition vouchers towards private postsecondary institutions in Arizona to qualifying community college graduates.

**Twelve Plus Partnership**

The budget provides \$119,600 from the Postsecondary Education Fund for the Twelve Plus Partnership (TPP) in FY 2005. This amount is unchanged from FY 2004.

TPP is an early education awareness initiative with 3 components: Best Education Practices Conference and Awards Recognition, Think College, and College Goal Sunday. Private gifts, donations of services, and corporate sponsorships provide the funding for TPP. Of the total FY 2005 appropriation of \$119,600, the commission expects to allocate approximately 70% to College Goal Sunday, 25% to Best Education Practices Conference and Awards Recognition, and 5% to Think College.

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