

Commission for Postsecondary Education

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OSPB: Dawn Nazary

DESCRIPTION	FY 2003	FY 2004	FY 2005	
	ACTUAL	ESTIMATE	OSPB	JLBC
OPERATING BUDGET				
<i>Full Time Equivalent Positions</i>	4.0	4.0		4.0
Personal Services	176,200	176,200		176,200
Employee Related Expenditures	36,100	47,700		47,700
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
OPERATING SUBTOTAL	307,700	335,700		335,700
SPECIAL LINE ITEMS				
Arizona College and Career Guide	14,800	21,200		21,200
Arizona Minority Educational Policy Analysis Center (AMEPAC)	24,700	150,000		150,000
Family College Savings Program	1,900	26,900		26,900
Leveraging Educational Assistance Partnership (LEAP)	2,838,900	3,364,500		3,364,500
Private Postsecondary Education Student Financial Assistance Program	170,500	170,500		170,500
Twelve Plus Partnership	154,200	119,600		119,600
AGENCY TOTAL	3,512,700	4,188,400		4,188,400
FUND SOURCES				
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		2,797,100
SUBTOTAL - Other Appropriated Funds	2,121,400	2,797,100		2,797,100
SUBTOTAL - Appropriated Funds	3,512,700	4,188,400		4,188,400
Other Non-Appropriated Funds	173,500	0		0
TOTAL - ALL SOURCES	3,686,200	4,188,400		4,188,400

CHANGE IN FUNDING SUMMARY

FY 2004 to FY 2005 JLBC

	\$ Change	% Change
General Fund	0	0.0%
Other Appropriated Funds	0	0.0%
Total Appropriated Funds	0	0.0%
Non Appropriated Funds	0	0.0%
Total - All Sources	0	0.0%

AGENCY DESCRIPTION — The Commission is authorized to coordinate the review of public and private postsecondary education institutions in the state to determine their eligibility for student financial aid monies, and to administer certain financial aid programs. The Commission provides a forum to public and private postsecondary education institutions for discussion of issues of mutual interest.

PERFORMANCE MEASURES	FY 2003	FY 2003	FY 2004	FY 2005
	Appropriation	Actual	Appropriation	Recommend.
• 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	3.8	3.9	3.8

RECOMMENDED CHANGES FROM FY 2004

Operating Budget

The JLBC recommends \$335,700 from the Postsecondary Education Fund for the operating budget in FY 2005. This amount is unchanged from FY 2004.

Special Line Items

Arizona College and Career Guide

The JLBC recommends \$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 which lists Arizona public and private postsecondary institutions and describes their degree and certificate programs, length of courses, and cost of attendance.

Arizona Minority Educational Policy Analysis Center

The JLBC recommends \$150,000 from the Postsecondary Education Fund for the Arizona Minority Educational Policy Analysis Center for FY 2005. This amount is unchanged from FY 2004.

AMEPAC sponsors studies, statewide discussions and debates in order to promote improvement of minority students' early awareness, access, and achievement in all sectors of Arizona education.

Family College Savings Program

The JLBC recommends \$26,900 from the Postsecondary Education Fund for the Family College Savings Program (FCSP) in FY 2005. This amount is unchanged from FY 2004.

The Family College Savings Program enables parents to save money, on a tax-deferred basis, for the college education of their children. The FCSP receives funding from a \$13 fee charged for each new savings account opened. These monies are spent through the Special Line Item as well as the operating budget as shown in *Table 1*.

	FY 2003	FY 2004	FY 2005
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Operating Budget	\$83,200	\$85,100	\$145,100
Special Line Item	<u>1,900</u>	<u>26,900</u>	<u>26,900</u>
TOTAL	\$85,100	\$112,000	\$172,000

The agency reports that monies spent from the Special Line Item are used for marketing, advertising, and the FCSP share of rent. Monies spent from the operating budget contribute to the FCSP share of the Commission's administrative costs.

The federal Securities and Exchange Commission recently ruled that the FCSP must become a trust in order to maintain the tax-exempt status of the savings accounts within the program. The Commission is currently consulting with a trust attorney and anticipates completing the transition by the beginning of FY 2005. We are currently reviewing whether the existing staffing is sufficient to address this issue.

Leveraging Educational Assistance Partnership (LEAP)

The JLBC recommends \$3,364,500 for the Leveraging Educational Assistance Partnership program in FY 2005. This amount includes \$1,220,800 from the General Fund and \$2,143,700 from the Postsecondary Education Fund. This amount is unchanged from FY 2004.

The Leveraging Educational Assistance Partnership program establishes a federal, state, and institutional partnership to provide financial assistance to eligible 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 (includes public universities, public community colleges, private collegiate institutions, and proprietary schools). This Special Line Item is funded from the General Fund and from the Postsecondary Education Fund.

Private Postsecondary Education Student Financial Assistance Program

The JLBC recommends \$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.

The Private Postsecondary Education Student Financial Assistance Program provides tuition vouchers to qualifying community college graduates attending private postsecondary institutions in Arizona.

Twelve Plus Partnership

The JLBC recommends \$119,600 from the Postsecondary Education Fund for the Twelve Plus Partnership in FY 2005. This amount is unchanged from FY 2004.

The Twelve Plus Partnership is an early education awareness initiative that consists of 3 different components: Best Education Practices Conference and Awards Recognition, Think College, and College Goal Sunday. This Special Line Item is funded from the Postsecondary Education Fund.

The program is funded through private donations and company sponsorships, and uses in-kind donations such as printing and publication design services.

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JLBC RECOMMENDED FORMAT — Operating Lump Sum with Special Line Items by Agency

JLBC RECOMMENDED FOOTNOTES

Standard Footnotes

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.

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.

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.

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.

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.

SUMMARY OF FUNDS	FY 2003 Actual	FY 2004 Estimate
Postsecondary Education (PEA2405/A.R.S. § 15-1853)		Appropriated
Source of Revenue: Monies appropriated by the Legislature, monies received from state agencies and political subdivisions of the state, monies received from the federal government, and private gifts, grants and donations. The commission must separately account for monies received from each source.		
Purpose of Fund: To be used for purposes designated by special line items for which the monies are received. Donations are used in accordance with the requests of the donor. Other private monies are used to carry out the duties and responsibilities of the commission.		
Funds Expended	2,121,400	2,797,100
Year-End Fund Balance	243,900	481,300
Private Postsecondary Education Student Financial Assistance (PEA2128/A.R.S. § 15-1854)		Non-Appropriated
Source of Revenue: Monies appropriated by the Legislature.		
Purpose of Fund: For tuition vouchers awarded to eligible graduates of Arizona community colleges enabling them to obtain a bachelor's degree at a private college or university in the state.		
Funds Expended From the General Fund	170,500	170,500
Other Funds Expended	173,500	0
Year-End Fund Balance	0	0
Arizona Student Program Investing Resources in Education Scholarship (PEA2407/A.R.S. § 15-1864)		Non-Appropriated
Source of Revenue: Legislative appropriations, grants, gifts, devises and donations from any public or private source.		
Purpose of Fund: To provide guaranteed tuition scholarships to Arizona residents who meet the eligibility criteria for participating in the Arizona Student Program Investing Resources in Education (ASPIRE), and who intend to pursue an undergraduate degree at an eligible university, community college or private postsecondary institution.		
Funds Expended	0	0
Year-End Fund Balance	0	0

SUMMARY OF FUNDS	FY 2003 Actual	FY 2004 Estimate
Arizona Teachers Incentive Program (PEA2249/A.R.S. § 15-1851)		Non-Appropriated
Source of Revenue: Monies collected from students who do not meet the conditions for discharge of their loans.		
Purpose of Fund: To collect repayment monies from students who received a loan in prior years for teacher education and did not fulfill their teaching obligation. The students' teacher loan indebtedness to the State of Arizona is forgiven if the recipient of the monies completes a specified period of time teaching in designated school districts which are identified as having high proportions of economically disadvantaged and at risk pupils. Monies collected are reverted to the General Fund.		
Funds Expended	0	0
Year-End Fund Balance	4,600	6,600

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