

Commission for Postsecondary Education

A.R.S. § 15-1851

Executive Director: Dr. April L. Osborn

JLBC Analyst: Shelli Carol

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Approved
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	4.0	4.0	5.0 ^{1/}
Personal Services	184,900	183,800	186,900
Employee Related Expenditures	52,200	47,700	55,600
Professional and Outside Services	20,900	15,000	15,000
Travel - In State	2,600	3,500	3,500
Other Operating Expenditures	75,100	92,300	94,100
OPERATING SUBTOTAL	335,700	342,300	355,100
SPECIAL LINE ITEMS			
Arizona College and Career Guide	15,600	21,200	21,200 ^{2/}
Arizona Minority Educational Policy Analysis Center	27,100	150,300	150,600 ^{2/}
Family College Savings Program	27,000	86,900	87,900
Leveraging Educational Assistance Partnership	2,868,200	3,364,500	3,364,500 ^{3/4/}
Private Postsecondary Education Student Financial Assistance Program	170,500	170,500	170,900 ^{5/}
Twelve Plus Partnership	67,700	119,600	119,600 ^{2/}
AGENCY TOTAL	3,511,800	4,255,300	4,269,800^{6/7/}
FUND SOURCES			
General Fund	1,391,300	1,391,300	1,391,700
Other Appropriated Funds			
Postsecondary Education Fund	2,120,500	2,864,000	2,878,100
SUBTOTAL - Other Appropriated Funds	2,120,500	2,864,000	2,878,100
SUBTOTAL - Appropriated Funds	3,511,800	4,255,300	4,269,800
Other Non-Appropriated Funds	186,800	0	0
TOTAL - ALL SOURCES	3,698,600	4,255,300	4,269,800

AGENCY DESCRIPTION — The Commission for Postsecondary Education (CPE) reviews and recommends higher education policies, while providing a discussion forum for public and private postsecondary educational institutions and their stakeholders on issues of mutual interest. The 16 commissioners are authorized to administer certain federal and state student financial aid programs.

- ^{1/} Includes 1.2 FTE Positions funded from Special Line Items in FY 2006.
- ^{2/} 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 2006. The appropriations shall be adjusted as necessary to reflect actual final receipts credited to the Postsecondary Education Fund. (General Appropriation Act footnote)
- ^{3/} The appropriation for Leveraging Educational Assistance Partnership is provided to create 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. Only 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 are eligible for the program. (General Appropriation Act footnote)
- ^{4/} 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 2006. (General Appropriation Act footnote)
- ^{5/} 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)
- ^{6/} General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.
- ^{7/} For FY 2006, any unencumbered balance remaining in the Postsecondary Education Fund on June 30, 2005 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 2004	FY 2006
	Actual	Actual	Approved
• LEAP student grants awarded	3,700	4,357	4,000
• % of customers rating commission services as “good” or “excellent”	95	95	95

Comment: The number of LEAP student grants increased between FY 2003 and FY 2004 as grant amounts decreased from \$767 to \$658. Since LEAP administration is decentralized, individual institutions determine the LEAP grant amount each student will receive. The agency’s customer service rating is consistently high.

Operating Budget

The budget provides \$355,100 from the Postsecondary Education Fund for the operating budget in FY 2006.

The approved amount includes an increase of \$12,800 from the Postsecondary Education Fund in FY 2006 for statewide 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 2006. This amount is unchanged from FY 2005.

The Arizona College and Career Guide is an annual publication listing Arizona public and private postsecondary educational institutions. The guide describes each institution’s available degree and certificate programs, course lengths, and costs of attendance.

Arizona Minority Educational Policy Analysis Center

The budget provides \$150,600 and 0.2 FTE Positions from the Postsecondary Education Fund for the Arizona Minority Educational Policy Analysis Center (AMEPAC) in FY 2006. The approved amount includes an increase of \$300 from the Postsecondary Education Fund in FY 2006 for statewide adjustments.

AMEPAC promotes statewide studies, debates, and discussions to improve minority students’ awareness of, access to, and achievement in Arizona’s postsecondary educational institutions.

Family College Savings Program

The budget provides \$87,900 and 1 FTE Position from the Postsecondary Education Fund for the Family College Savings Program (FCSP) in FY 2006. The approved amount includes an increase of \$1,000 from the Postsecondary Education Fund in FY 2006 for statewide adjustments.

Trust Fund Management

The approved amount includes an increase of 1 FTE Position from the Postsecondary Education Fund to manage FCSP in compliance with new Federal Securities and Exchange Commission (SEC) standards and policies. The position does not require additional monies. The SEC recently required FCSP to create a trust in order to maintain the federal tax-exempt status of family savings accounts. Laws 2004, Chapter 327 established this trust.

FCSP enables parents to save money, on a tax-deferred basis, for their child’s college education in plans compatible with Internal Revenue Code § 529 (529 Plans). FCSP operates from the proceeds of new account fees, which are currently \$13 per account. The commission oversees 5 FCSP plans, available to both residents and non-residents of the state.

According to a private study last year, Arizona had 2 of the nation’s 5 lowest-rated 529 Plans. The rating took into account each plan’s maintenance expenses, investment options, maturation flexibility, and alleged manager misconduct. In response to the study, the commission added its 5th FCSP plan.

A footnote of the General Appropriation Act directs the State Treasurer to report to the Joint Legislative Budget Committee by August 1, 2005, concerning FCSP account holder statistics, historical returns, and account costs as compared to those in other states. *(See the State Treasurer section.)*

Leveraging Educational Assistance Partnership

The budget provides \$3,364,500 for the Leveraging Educational Assistance Partnership (LEAP) in FY 2006. 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 2005.

LEAP is a federal, state, and institutional partnership that provides financial assistance to students demonstrating substantial 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). In FY 2004, LEAP distributed 4,357 grants averaging \$658.

***Private Postsecondary Education Student
Financial Assistance Program***

The budget provides \$170,900 from the General Fund for the Private Postsecondary Education Student Financial Assistance Program (PFAP) in FY 2006. The approved amount includes an increase of \$400 from the General Fund in FY 2006 for statewide adjustments.

PFAP provides tuition vouchers for qualified community college graduates who enter private postsecondary educational institutions within Arizona. In FY 2004, PFAP distributed 155 grants averaging \$1,205.

Twelve Plus Partnership

The budget provides \$119,600 from the Postsecondary Education Fund for the Twelve Plus Partnership (TPP) in FY 2006. This amount is unchanged from FY 2005.

TPP is an early education awareness initiative with 3 components: Best Education Practices Conference and Awards Recognition, Think College, and College Goal Sunday. Approximately 70% of this line item funds College Goal Sunday, 25% of the monies go to Best Education Practices Conference and Awards Recognition, and the remaining 5% funds Think College. Private gifts, donations of service, and corporate sponsorships support TPP.