

Executive Director: Dr. April L. Osborn

JLBC Analyst: Amy Strauss

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Approved
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	4.0	5.0	8.0 ^{1/}
Personal Services	189,500	201,800	210,000
Employee Related Expenditures	51,900	63,300	72,500
Professional and Outside Services	13,600	12,300	12,300
Travel - In State	1,900	2,500	2,500
Travel - Out of State	300	500	500
Other Operating Expenditures	78,100	78,800	83,800
OPERATING SUBTOTAL	335,300	359,200	381,600
SPECIAL LINE ITEMS			
Arizona College and Career Guide	14,400	21,200	21,200 ^{2/}
Arizona Minority Educational Policy Analysis Center	32,600	150,700	151,400 ^{2/}
Family College Savings Program	18,300	88,700	112,700
Leveraging Educational Assistance Partnership	2,847,100	3,364,500	3,364,500 ^{3/4/}
Postsecondary Education Grant Program	0	0	5,000,000 ^{5/}
Private Postsecondary Education Student Financial Assistance Program	122,100	170,900	400,000 ^{6/7/}
Twelve Plus Partnership	84,900	119,700	120,200 ^{2/}
AGENCY TOTAL	3,454,700	4,274,900	9,551,600^{8/9/}
FUND SOURCES			
General Fund	1,342,900	1,391,700	6,620,800
<u>Other Appropriated Funds</u>			
Postsecondary Education Fund	2,111,800	2,883,200	2,930,800
SUBTOTAL - Other Appropriated Funds	2,111,800	2,883,200	2,930,800
SUBTOTAL - Appropriated Funds	3,454,700	4,274,900	9,551,600
TOTAL - ALL SOURCES	3,454,700	4,274,900	9,551,600

1/ Includes 4.2 FTE Positions funded from Special Line Items in FY 2007.

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 2007. 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 2007. (General Appropriation Act footnote)

5/ Laws 2006, Chapter 352 appropriation of \$5,000,000.

6/ 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)

7/ The Commission for Postsecondary Education shall not transfer funds out of the Private Postsecondary Education Student Financial Assistance Program Special Line Item. (General Appropriation Act footnote)

8/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

9/ For FY 2007, any unencumbered balance remaining in the Postsecondary Education Fund on June 30, 2006 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)

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.

PERFORMANCE MEASURES	FY 2003	FY 2004	FY 2005	FY 2007
	Actual	Actual	Actual	Approved
• LEAP student grants awarded Comment: The number of LEAP student grants was higher in FY 2004 than in other years due to lower average grant amounts. Since LEAP administration is decentralized, individual institutions determine the LEAP grant amount each student will receive.	3,700	4,357	3,861	4,000
• % of customers rating commission services as “good” or “excellent”	95	95	94	95

Operating Budget

The budget provides \$381,600 from the Postsecondary Education Fund for the operating budget in FY 2007. The amount includes an increase of \$22,400 from the Postsecondary Education Fund 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 2007. This amount is unchanged from FY 2006.

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 \$151,400 and 0.2 FTE Position from the Postsecondary Education Fund for the Arizona Minority Educational Policy Analysis Center (AMEPAC) in FY 2007. This amount includes an increase of \$700 from the Postsecondary Education Fund 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 \$112,700 and 1 FTE Position from the Postsecondary Education Fund for the Family College Savings Program (FCSP) in FY 2007. This amount includes an increase of \$3,300 from the Postsecondary Education Fund for statewide adjustments.

Program Enrollment Growth

In addition, the budget provides an increase of \$20,700 from the Postsecondary Education Fund in FY 2007 for program enrollment growth. The program has increased from approximately 16,500 accounts in FY 2002 to over 49,000 accounts in FY 2006. The additional funding would be allocated for compliance and review activities, including Oversight Committee support, outside legal counsel, and a database to compile and analyze program data. This funding is not intended to be used to market or advertise Arizona’s 529 plans.

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.

Leveraging Educational Assistance Partnership

The budget provides \$3,364,500 for the Leveraging Educational Assistance Partnership (LEAP) in FY 2007. This amount consists of:

	FY 2007
General Fund	\$1,220,800
Postsecondary Education Fund	2,143,700

These amounts are unchanged from FY 2006.

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 2006, LEAP distributed 3,691 grants averaging \$719.

Postsecondary Education Grant Program

The budget provides \$5,000,000 and 3 FTE Positions from the General Fund for the Postsecondary Education Grant Program in FY 2007.

The Higher Education Budget Reconciliation Bill (Laws 2006, Chapter 352) established the Postsecondary Education Grant Program. This grant program distributes up to \$2,000 to full and part-time students enrolled at a private baccalaureate degree granting institution. Grant recipients must meet the minimum qualifications established by the Commission, which shall be comparable to the admission standards established by the Arizona Board of Regents (ABOR). Recipients can continue to receive the grant for up to 4 years. The student must repay the Commission the entire grant amount if they do not receive a baccalaureate degree in 5 years. The Commission may use up to \$200,000 of the monies for administration of the program.

Private Postsecondary Education Student Financial Assistance Program

The budget provides \$400,000 from the General Fund for the Private Postsecondary Education Student Financial Assistance Program (PFAP) in FY 2007.

Restore Historic PFAP Funding

The budget provides an increase of \$229,100 from the General Fund in FY 2007 to restore the program to its historic funding level of \$400,000.

PFAP provides tuition vouchers for qualified community college graduates who enter private postsecondary educational institutions within Arizona. In FY 2006, PFAP distributed 90 grants averaging \$1,114.

Twelve Plus Partnership

The budget provides \$120,200 from the Postsecondary Education Fund for the Twelve Plus Partnership (TPP) in FY 2007. This amount includes an increase of \$500 from the Postsecondary Education Fund for statewide adjustments.

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.