

ARIZONA COMMISSION FOR POSTSECONDARY EDUCATION

*...expanding access and increasing success
in postsecondary education for Arizonans*

ANNUAL REPORT

FISCAL YEAR 2009 - 2010



Arizona Commission for Postsecondary Education

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December 28, 2010

The Honorable Janice K. Brewer, Governor
The Honorable Bob Burns, President of the Senate
The Honorable Kirk Adams, Speaker of the House of Representatives
Mr. Vincent Alascia, State Documents Librarian, AZ Library, Archives, & Public Records

I respectfully submit the enclosed FY 2010 annual report on behalf of the Arizona Commission for Postsecondary Education (ACPE). Commissioners and ACPE staff members remain committed to investing themselves in the work of higher education; this report reflects that commitment.

FY 2010 brought both challenges and opportunities to the ACPE. Challenges faced by the Commission were a result of the economic downturn and the State revenue shortfall. This resulted in a 43% reduction in the ACPE general funds appropriation as compared to FY 2008 and a reduction in agency staff from 10 to 5 FTE. What is more, the Enacted FY 2011 Budget eliminates all general funds support of the Commission, leaving operational costs (personnel and agency expenses) to be paid by fees, sales, donations, and sponsorships.

Unfortunately, these extensive budget reductions also affected the lives of nearly 22,500 students who applied to the ACPE for grants/scholarships. This also affects the ability of the ACPE to achieve Goal 1 in its strategic plan. In FY 2010 the Postsecondary Education Grant (PEG), the Private Postsecondary Financial Assistance Program (PFAP), and the Early Graduation Scholarship fund reductions ranged from 53% to 77% from the maximum funding received in FY 2008. In addition, the Early Graduation Scholarship Grant was placed on moratorium. Sadly, the Enacted FY 2011 Budget places all three of these grants in suspension and eliminates all funding.

In contrast, the federal/state dollars remaining in the FY 2010 budget allowed the ACPE to award grants to 5,909 higher education students. These grants were distributed efficiently via the secure, web-based www.azgrants.gov website where students use a single portal to apply and track up to 6 grants/scholarships.

It is important for Arizona's leadership to note that the student grants discussed in the preceding paragraph included a combined total of \$1.7M of federal money from applications submitted for the Leveraging Educational Assistance Partnership (LEAP), the Special Leveraging Educational Partnership (SLEAP), and the Arizona College Access Aid Program (ACAAP). These federal grant dollars were secured in FY 2009-2010 because Arizona sustained the required level of funding or Maintenance of Effort

(MOE). This level must be sustained each year or Arizona loses its eligibility for these and possibly other federal student assistance. An additional \$1.2M in “matching” State funds must also be distributed to low income students along with the federal LEAP match in order to qualify for application to the USDOE for LEAP funding; furthermore, the State must be successful in application to the LEAP program in order to be eligible for the “bonus” SLEAP grant.

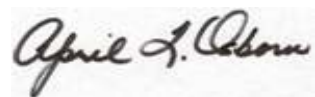
Also important to the State is the Arizona Family College Savings (529) Program or AFCSP. Arizona’s Qualified Tuition program provides an opportunity for families to save for college in a tax-advantaged way. Administered by the Arizona Commission for Postsecondary Education, the AFCSP holds more than \$537M in assets and more than 57,000 accounts for potential college students. It is evident that the AFCSP is well managed and is meeting the needs of families because the number of accounts has continued to increase even during the current economic recession.

To achieve Goals 2 and 3 in the Strategic Plan the ACPE raised funds through sales, donations, or sponsorships. Successes included providing more than 41,000 families and students free print publications regarding college planning and financial aid information such as the *Rapid Guide to Financial Aid* and the *Arizona College and Career Guide*. Additionally, more than 106,000 visits were made to ACPE websites where helpful financial aid and college going information can be found.

Another way that the ACPE leverages its funding is by both leading and participating in a wide variety of collaborations and partnerships. The Developing Arizona’s Human Capital Conference, Pathways to Postsecondary Education Awards, and the College Goal Sunday Financial Literacy Initiative are examples. Recently, the Governor’s Office has asked the ACPE to administer the Arizona College Access Network and the College Access Challenge Scholarship program. These programs represent new opportunities for collaboration and provide additional tools for the ACPE to assist Arizona’s first generation, low-income students succeed in postsecondary education.

This annual report describes the details of these and other challenges and opportunities encountered, within the framework of the Commission’s strategic plan. Questions regarding this report and detailed information regarding ACPE programs and publications are available on www.azhighered.gov or by contacting our office at 602.258.2435.

Respectfully Submitted,



Dr. April L. Osborn, Executive Director

cc: Stacey Morley, Senate Higher Education and K-12 Committee Analyst
Marge Zylla, JLBC Fiscal Analyst
Dale Frost, OSPB Budget Analyst
Dawn Wallace, House Assistant Research Analyst

The Arizona Commission for Postsecondary Education (ACPE) 2009 - 2010 Annual Report

...expanding access and increasing success in postsecondary education for Arizonans

Submitted December 28, 2010
Dr. April L. Osborn, Executive Director

Introduction

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

Through a planning process, the 16 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 assistance 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. A roster of the ACPE Commissioners follows this introduction.

The work of the ACPE has been highly impacted over the past several years both by assignment of new responsibilities and most significantly by the recent economic downturn. Additional statutory responsibilities include the Postsecondary Education Grant (PEG) program (initiated in 2007), the Early Graduation Scholarship Grant (established in the 2008), the Arizona College Access Aid Program (ACAAP) (a part of the College Access Challenge Grant established in 2009), and the Foster Youth Postsecondary Education Case Manager Program (initiated in 2008). Progress on each of these legislatively directed initiatives is discussed in more detail within this report.

The on-going State revenue shortfall and subsequent budget reductions have hampered the Commission's efforts to effectively implement these important legislative initiatives and have reduced the funds available for student financial aid, as well. Already a lean agency, the ACPE has experienced significant personnel cutbacks and extensive general fund appropriation reductions. The agency was approved for 13 FTE in FY 2009; yet, only 5 positions are currently filled due to a lack of funds. Similar in proportion are the massive budget reductions waged in both FY 2008 and FY 2009 when the ACPE was required to return 47% of all appropriated general funds and 77% of all non-appropriated general funds, respectively.

In excess of 93% of the \$7.9M ACPE budget in FY 2010 represents flow-through funds dedicated to student grants and scholarships, thus the ACPE budget reductions resulted in student grant/scholarship programs being severely curtailed. The loss of

these grant dollars affected the lives of nearly 22,500 students who applied to the ACPE for grants/scholarships. In FY 2010 the Postsecondary Education Grant (PEG), the Private Postsecondary Financial Assistance Program (PFAP), and the Early Graduation Scholarship fund reductions ranged from 53% to 77% from the maximum funding in FY 2008. In addition, the Early Graduation Scholarship Grant was placed on moratorium. Sadly, the Enacted FY 2011 Budget places all three of these grants in suspension and eliminates all funding. At the close of FY 2010 the ACPE had a waiting list of 8,799 students seeking financial assistance.

In the Enacted FY 2011 Budget no general funds are supplied to the ACPE to support administrative costs. All personnel and agency operational expenses are currently paid with fees, sales, donations, and sponsorships. Likewise, all publications and initiatives outlined in Goals 2 and 3 receive no general funds support. These goals are 100% supported by funds raised by the Commission Executive Director. The agency generates annually between \$200,000 to \$250,000 in donations, sales, and grants to fund college-going programs and publications such as College Goal Sunday, the *Arizona College and Career Guide*, the *Rapid Guide to Financial Aid*, the Developing Human Capital Conference, and the Arizona Minority Education Policy Analysis Center.

Effective administration of ACPE programs has been challenging in FY 2010 with fewer staff striving to meet a variety of immediate needs. The Commission staff members have determined to focus their time and attention on core responsibilities related to student financial assistance. Therefore, top priorities include (1) communication with students and families who have lost grant funding, (2) continued effective administration of existing grant programs, (3) maintaining oversight and improvement of the Arizona Family College Savings Program, (4) building PEG and PFAP loan repayment systems to address the imminent statutory obligation, and (5) continued coordination of the fruitful College Goal Sunday financial literacy initiative.

The Commission goals of (2) helping students plan, enter, and succeed in postsecondary education and (3) of providing a forum for all sectors of higher education to dialogue, partner, and problem solve issues of mutual interest remain important to Commissioners and staff members. These goals are forwarded through policy analysis and research, collaborative action led by ACPE Commissioners and staff members, and participation in college access initiatives led by foundations, government, or non-profit entities with similar missions.

This report is organized in three sections; each section describes the activities and services related to each of the three goals, as well as the affects of reduced staff and budget reductions on these goals. The conclusion summarizes how the parts of this report relate to the plan and the future of the Commission.

Commissioners 2009 – 2010

Arizona Commission for Postsecondary Education

Dr. Tom Anderes

Board President
Arizona Board of Regents

Dr. Seth Alan Balogh

Chief Academic Officer
Brookline College

Dr. Debra Duvall,

Executive Director
Arizona School Administrators Association

Dr. Eugene Garcia

Vice President for Education Partnerships
Arizona State University

Thomas Michael Hawksworth

President/CEO
MSS Technologies, INC

Melissa Holdaway

Chief Operating Officer
Arizona Charter Academy

Vacant

Senior Executive from a Community College district
with a population <500,000

Vacant

Senior Executive from a baccalaureate degree
granting private postsecondary institution with
regional accreditation

Catherine Koluch

President/Founder
The Studio Academy of Beauty

Teena Olszewski

Director of Arizona GEAR UP
Northern Arizona University

Dr. Bill Pepicello

President
University of Phoenix

Lois Ann Salmon

VP of Instructional Operations
Pinnacle Education, Inc.

Dr. Anna Solley

President
Phoenix College

Teri Stanfill

Executive Director
Arizona Board for Private Postsecondary Education

Vacant

Senior Executive in a high school education system

Vacant

Senior Executive from a private postsecondary
institution offering vocational programs with national
accreditation

Commission Staff

Dr. April L. Osborn

Executive Director

Javier Herrera-Varela

Financial Services Technician

Kathaerine Johnson

Director of Programs & Agency Operations

Judi Sloan

Communications Specialist

Marian Wybenga

Business Manager

Goal 1: Increasing available student financial resources

Core responsibilities of the ACPE are related to postsecondary student financial assistance programs. These responsibilities include administration of the (1) Leveraging Educational Assistance Partnership (LEAP), (2) Special Leveraging Educational Assistance Partnership (SLEAP), (3) Arizona College Access Aid Program (ACAAP), (4) Private Postsecondary Education Student Financial Assistance Program (PFAP), (5) Postsecondary Education Grant (PEG), (6) Early Graduation Scholarship Grant (EGSG), (7) student forgivable loan repayment programs, (8) oversight of the state student loan guarantor, and (9) management of the Arizona Family College Savings Program. In addition, the ACPE is the named entity that represents the State in the National Association of State Student Grant and Aid Programs (NASSGAP) and supplies the figures for the annual national report on student financial aid.

New responsibilities in student financial aid came in the fall of 2008, when the Governor's Office asked the ACPE to administer a part of the two year federal formula-based College Access Challenge Grant (CACG). The Arizona CACG included three components and the need-based student grant component titled the Arizona College Access Aid Program (ACAAP) became the ACPE's responsibility. To better serve students, the Special Leveraging Education Assistance Partnership (SLEAP) grant was restructured and administered in conjunction with the ACAAP Grant.

Unfortunately, the State of Arizona's revenue shortfall has severely impacted the Commission's goal of increasing available student financial resources. The Postsecondary Education Grant (PEG), the Private Postsecondary Financial Assistance Program (PFAP), and the Early Graduation Scholarship Grant (EGSG) Program student grant funds received reductions in FY 2008-2009 and in FY 2009-2010 ranging from 53% to 77%.

In these troubled economic times the Commission is determined to continue to support families seeking financial assistance in paying for college; yet, ACPE personnel were reduced by 66%. Thus, priorities have been established.

Priority has been placed on communicating with and effectively serving the more than 22,500 students and their families who annually apply for student financial aid using the single application on the ACPE portal website. This is done first by disbursing existing grants in an efficient manner and secondly by providing clear communication to families regarding the reductions in grant funds available and directing them to appropriate sources for additional financial aid resources. A high priority has been placed on oversight of the three program managers holding more than 56,000 college savings accounts and heightening awareness of tax-advantaged ways to save for college are priorities designed to increase the saving behaviors of Arizona families.

Finally, the ACPE staff is committed to the continuation of the College Goal Sunday Financial Literacy Initiative to assist first generation, low-income families access student financial aid. This initiative is designed to assist families in achieving all available federal aid by filing the Free Application for Federal Student Aid (FAFSA) and providing

appropriate and timely communication regarding student financial aid process and timelines. In FY 2009-2010 College Goal Sunday assisted more than 3,400 students/parents complete the FAFSA and the CGS website received more than 28,000 visits. Details of the College Goal Sunday program and the thousands of families who benefit from it annually are discussed in the Goal 2 section of this report.

A detailed description of the execution of and outcomes of the student financial assistance efforts of the ACPE follow.

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 federal, state and institutional matching grant program that financially assists eligible, low-income students 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.

In order to participate in the LEAP program, the State of Arizona must achieve a required Maintenance-of-Effort (MOE) level, meaning State support provided for low income student financial assistance programs must meet or exceed the FY 1999 MOE level. Administration of Arizona LEAP is decentralized; therefore, the Commission delegates certain functions to participating institutions. Higher Education institutions wishing to participate in the program apply each year to the ACPE. The ACPE establishes institutional 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.

Compliance with federal guidelines is critical to effective LEAP administration. Detailed reports to the U.S. Department of Education are filed each year by the ACPE. Furthermore, on-site LEAP program compliance audits are performed at the postsecondary institutions every two years by ACPE staff.

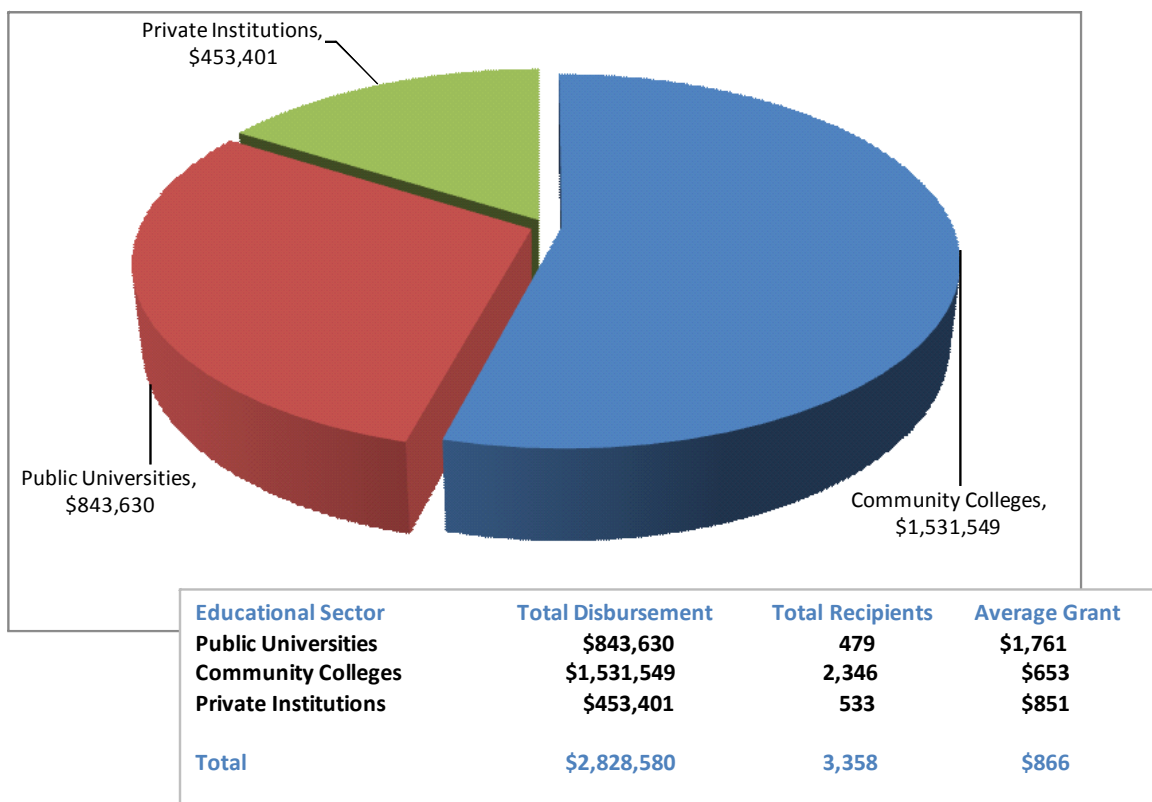
In FY 2009-2010, three thousand three hundred and fifty-eight (3,358) Leveraging Educational Assistance Partnership (LEAP) awards were provided through 40 postsecondary institutions totaling just over \$2.8 million in leveraged financial aid (state, federal, and institutional) to financially needy students. Institutional distribution of LEAP awards in 2009-2010 resulted in the following distribution percentages: 30% to public universities, 54% to community colleges and 16% to private and proprietary schools.

The table below provides a student profile for those who received awards.

Total Recipients	Total Disbursement	Dependent Students	Independent Students	Students w/Income Less than \$19,999	Students w/Income Between \$20,000 - \$39,999	Students w/Income Over \$40,000
3,358	\$2,828,580	1,052	2,306	1,718	982	658

The following pie chart represents a breakout of the institutions by dollars awarded.

Disbursement by Educational Sector



Annual LEAP administration performance measures were collected through surveys from institutional financial aid administrators and reviewed by the ACPE staff. Based on the 2009-2010 surveys 89% of financial aid administrators indicated they agreed or strongly agreed that they were satisfied with administration of this program by the ACPE. This survey received a 73% return rate of the 40 institutions participating in the LEAP grant or 29 responses.

The survey also revealed that there continues to be frustration on the part of the student financial aid community regarding the limited resources available to assist students seeking higher education goals. Overall, the financial aid directors of the 40 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.

The ACPE submitted the FY 2010-2011 federal LEAP application on behalf of the State and its low-income resident students. The application for funding was successful and the ACPE has \$2.8M in federal, state and institutional LEAP funds to allocate to the 43 participating institutions. At the time of this report 50% of LEAP funds have been disbursed and awarded to low-income resident students. With the documented rising

tuition costs and limited or reduced financial aid available, the ACPE is pleased to be able to partner with the participating institutions to offer this much needed aid to low-income students.

1.2 Special Leveraging Educational Assistance Partnership (SLEAP)

The Special Leveraging Educational Assistance Partnership (SLEAP) Program is a component of the LEAP program. To participate in the SLEAP Program a state must also participate in the LEAP Program and the grant must be administered by the same state educational agency that administers LEAP. An annual SLEAP application and performance report is required. In addition, a sustained level of need-based financial aid for Arizona low-income students is required to continue to qualify for SLEAP funds. Should need-based financial aid in Arizona be reduced representing a lack of Maintenance of Effort (MOE), the Arizona application for future SLEAP funds would be in jeopardy.

SLEAP provides grants to eligible sophomore, junior or senior students who are seeking an associate or baccalaureate degree in an area that is determined to be a critical workforce need of the State (Science, Technology, Engineering, Math or Education). Students must attend a regionally or nationally accredited institution in the State of Arizona. The maximum award for an academic year is limited to \$2,000 for full-time enrollment (funds are prorated for reduced enrollment) to be applied toward any educational expense documented in the student's cost of attendance.

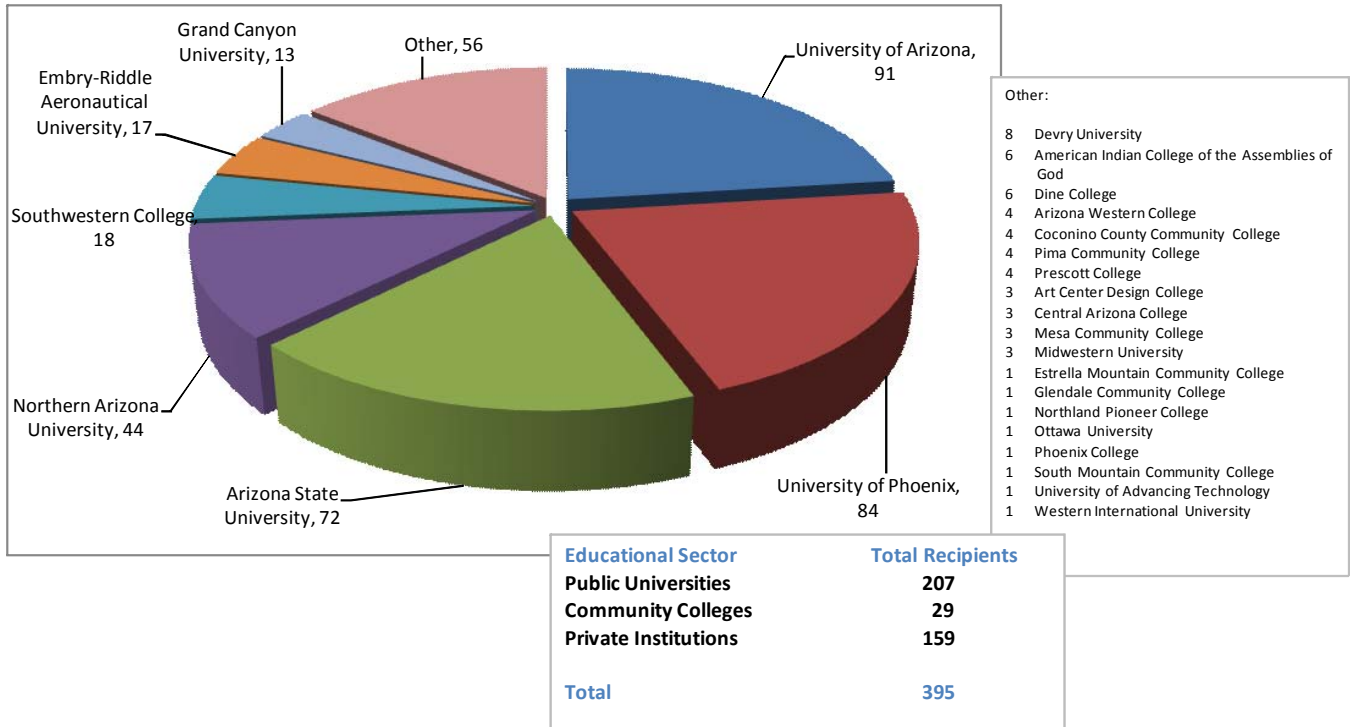
Arizona's SLEAP application was successful and the State was awarded \$684,372 in SLEAP funds for FY 2009-2010. The ACPE administered all funds to 395 low-income Arizona students.

The table and charts below provide a profile for those who received awards.

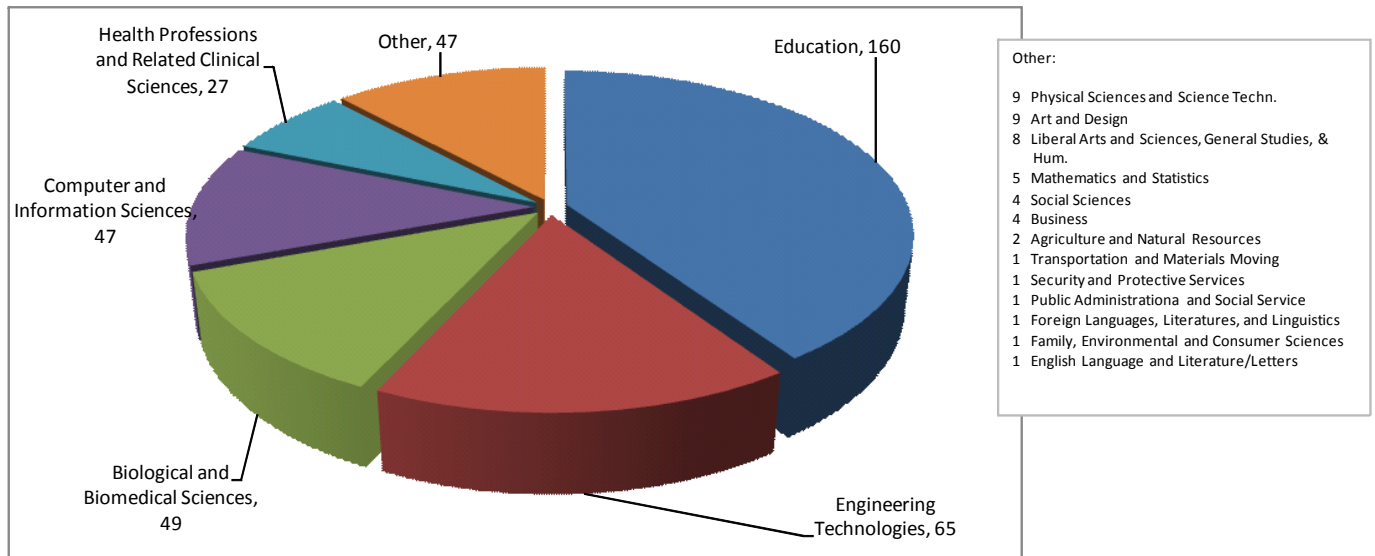
Total Recipients	Students on Waiting List	Total Disbursement	Average Age of Recipients	Dependent Recipients	Independent Recipients	Recipients w/Income Less than \$19,999	Recipients w/Income Between \$20,000 & \$39,999	Recipients w/Income Over \$40,000
395	2,097	\$684,372	27	147	248	215	111	69

As evidenced by the student profile table and charts above, the SLEAP grant is reaching the target population. The majority of SLEAP grant recipients have family incomes less than \$40,000 and 54% of recipients have family incomes less than \$20,000. Additionally, more than half of the recipients are considered "independent" for financial aid purposes, meaning they do not receive support from a parent.

Recipients by institution



Recipients by Degree Program



The SLEAP grant continues to be a much needed resource for low-income Arizona students. Arizona's application for SLEAP funding for the 2010-11 academic year was granted and Arizona was allocated \$757,269 to award to eligible students. As of December 1, 2010 over 1,200 student grant applications were received and currently all available funds have been awarded to 343 eligible students. A number of eligible students remain on the waiting list in the event additional funding becomes available.

The 2010-2011 academic year is likely the final year for the SLEAP program as the funding is being re-directed into the new Grants for Access and Persistence (GAP) Program.

1.3 Arizona College Access Aid Program (ACAAP)

The College Access Challenge Grant (CACG) Program is a formula grant program that is designed to foster partnerships among Federal, State and local government entities and philanthropic organizations to significantly increase the number of underrepresented student who enter and persist in postsecondary education. In the first cycle of CACG funding, two one-year grants were given to States to meet the needs of underrepresented students and families. The ACAAP grant was administered by the ACPE on behalf of the Governor’s Office with the purpose of providing grant funds for low-income students already enrolled in higher education to persist and earn a baccalaureate degree.

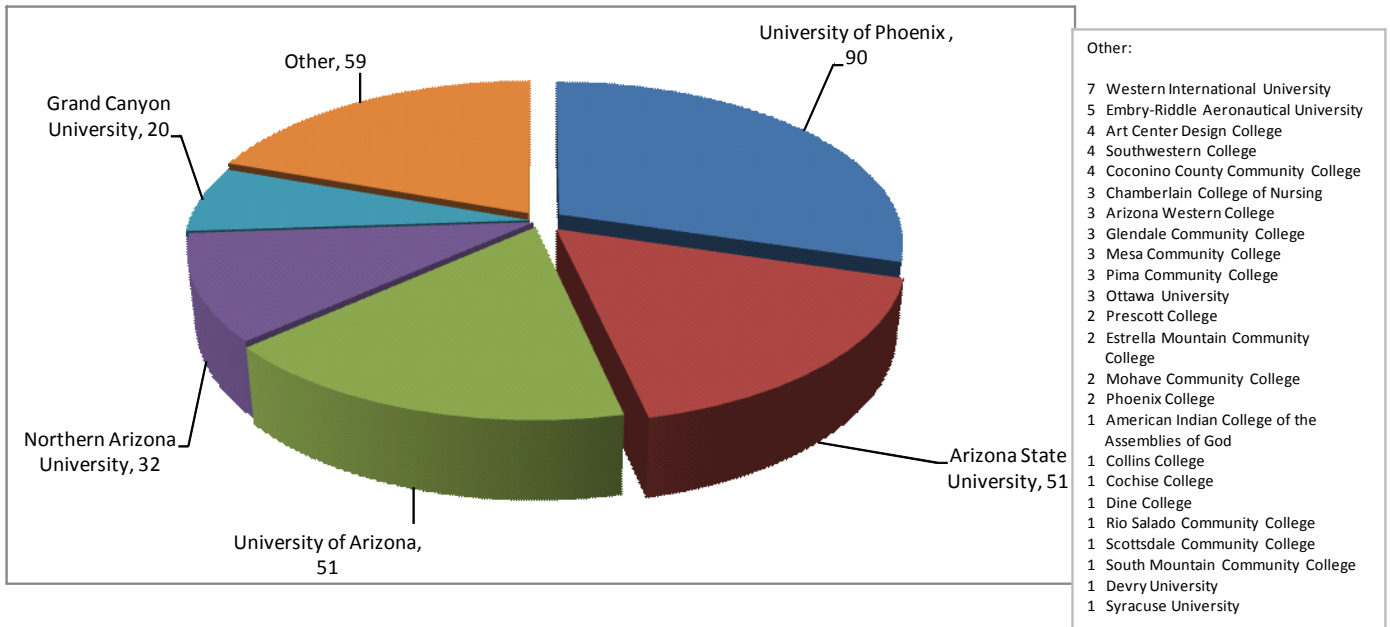
The table and charts below illustrate the students who benefited from this grant program in FY 2009-2010. The average family income for the grant recipient is less than \$25,000 which in financial aid terms means the recipient is “high need”. It is clear that this need-based aid program is reaching the target population and by the amount of students on the waiting list, additional funding is needed.

Total Recipients	Students on Waiting List	Total Disbursement	Average Grant Amount	Average Age of Recipients	Average Family Income	Expected Family Contribution	Public University	Community College	Private college or University
303	4,075	\$527,557	\$1,741	31	\$23,136	\$802	127	27	149

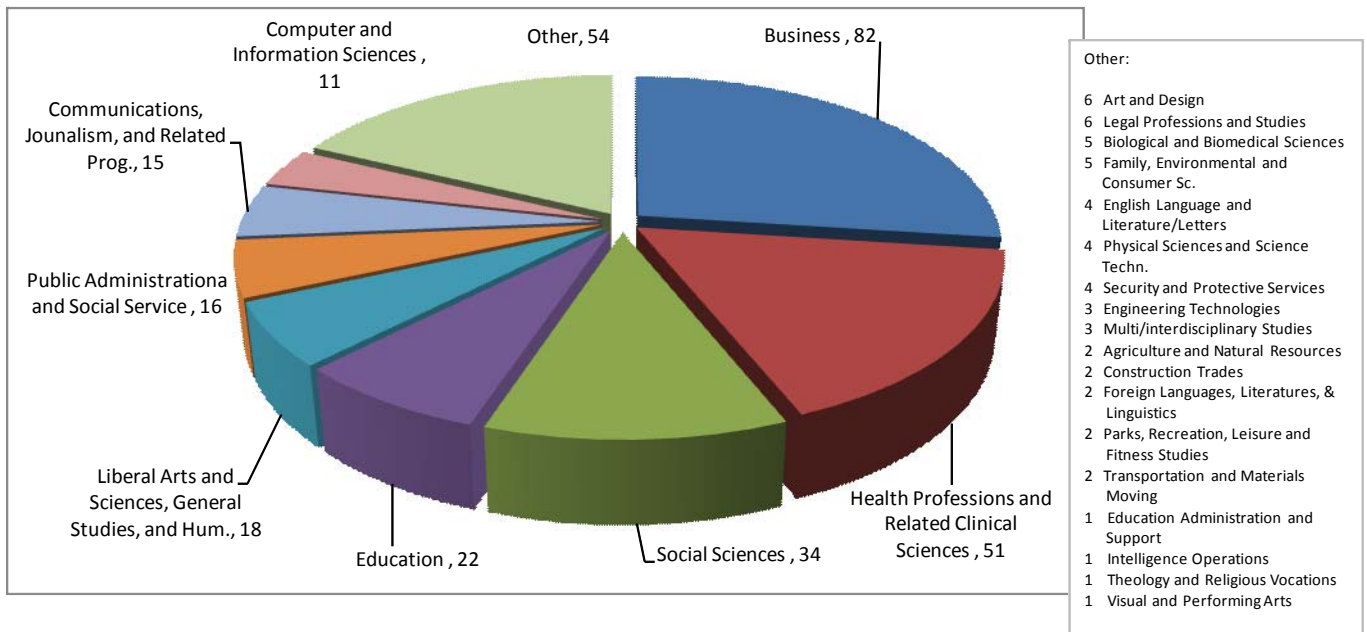
Expected Family Contribution (EFC) is used by institutions to determine the types of aid available to students. The *EFC* represents how much money a *family* is *expected* to pay toward the student’s college education for one year. EFC is determined by the data provided on the Free Application for Federal Student Aid (FAFSA).

Unfortunately, due to the limited data available and the short funding cycle of the grant (2 years), it is not possible to determine how many of the students persisted and earned a bachelor degree and if the ACAAP funds the recipient received helped to achieve that goal.

Recipients by institution



Recipients by Degree Program



FY 2009-2010 ended the first cycle of CACG funding. Remarkably, a second cycle of CACG funding was announced. Awards were made to states for one year with the possibility of four additional years of funding provided states continue to meet all matching and MOE rules. The Governor's Office submitted a successful application for funds on behalf of Arizona. A portion of the CACG funds will be used for low-income student financial aid. The goals continue to be: (1) increase retention of low-income students and (2) increase baccalaureate degree completion rates of low-income

students. Additionally, the ACPE hopes to be able to provide a report on the outcomes of College Access Challenge Grant Scholarship program to policy makers.

The details of the aid program are being finalized and student applications are expected to be accepted in the spring of 2011 for the 2011-2012 academic year. The ACPE is pleased to be able to continue offering much needed financial aid to low-income students.

1.4 Private Postsecondary Education Student Financial Assistance (PFAP), a Forgivable Loan

The Arizona Private Postsecondary Education Student Financial Assistance (PFAP) program was initiated in the spring of 1996. This student-centered program was designed to encourage Arizona 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 \$2,000 per year for two years to eligible Arizona community college graduates (i.e., those holding Associate Degrees from an Arizona public community college) who have financial need and enroll as a full-time student in a baccalaureate degree program at an accredited, private postsecondary educational institution in Arizona. If a student fails to achieve a baccalaureate degree within three years from the first disbursement of funds or is not enrolled for a period greater than twelve months, the student will enter into repayment.

In spite of the funding reductions, the ACPE awarded 161 students a total of \$275,000 in FY 2009-2010. This represents 44 returning students (students who have received funds in the past) and 117 initial students (first time recipients).

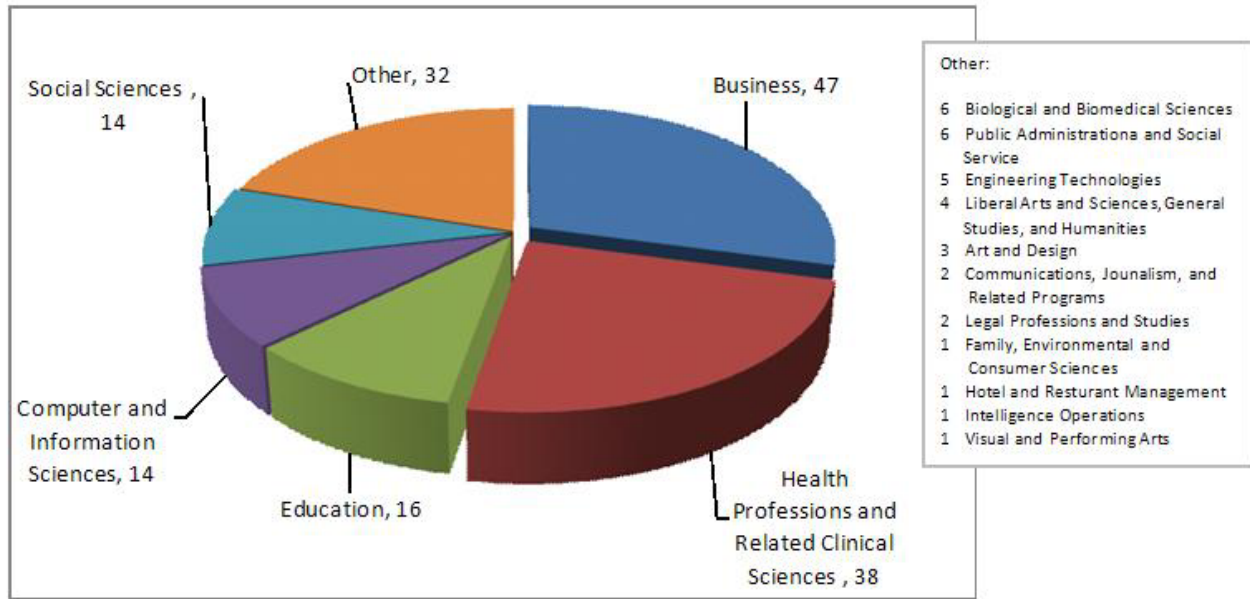
The table below provides an illustration of the students who benefited from this grant (forgivable loan) program in FY 2009-10.

Total Recipients	Initial Recipients	Returning Recipients	Total Disbursement	Average Age of Recipients	Average Family Income	Average Expected Family Contribution	Average Grant Amount
161	117	44	\$275,000	31	\$43,664	\$6,784	\$1,709

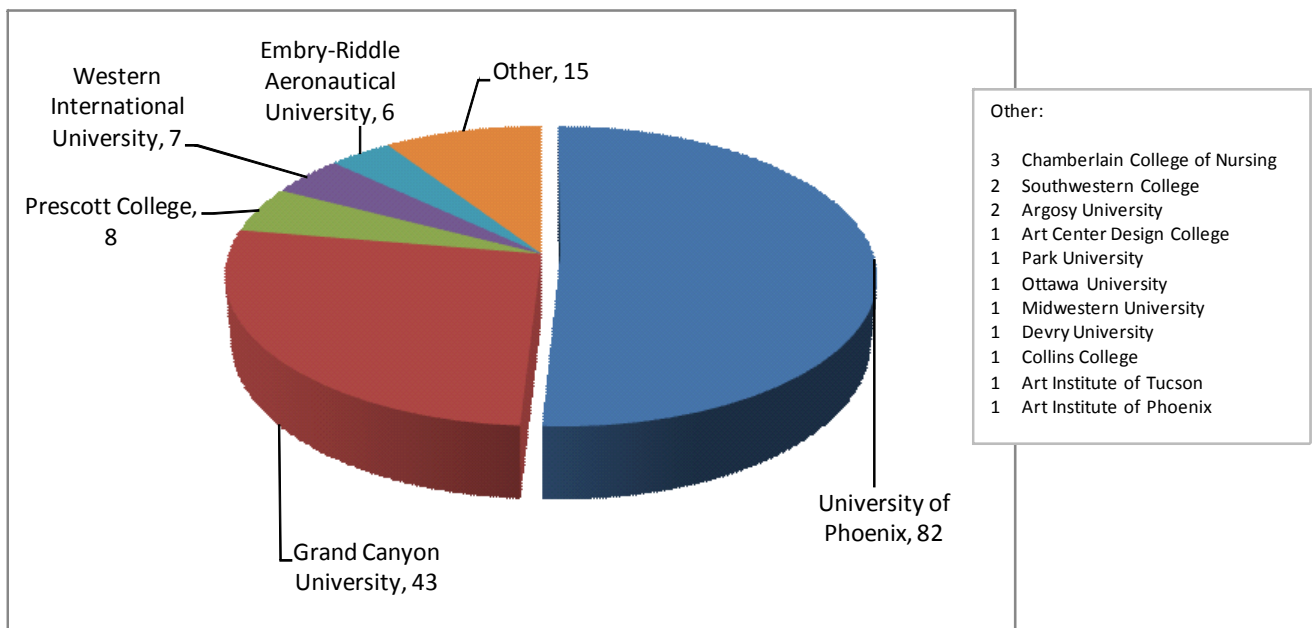
Expected Family Contribution (EFC) is used by institutions to determine the types of aid available to students. The EFC represents how much money a *family* is *expected* to pay toward the student's college education for one year. The EFC is determined by the data provided on the Free Application for Federal Student Aid (FAFSA).

The charts below illustrate the programs of study selected and the institutions attended by the recipients. Health professions/nursing remains one of the most popular programs of study for PFAP recipients with 24% of recipients choosing this major.

Recipients by Degree Program



Recipients by institution



More than 1,600 students have benefited from the PFAP Program over the past 14 years. The PFAP program has assisted in the goal of increasing the number of baccalaureate degrees awarded in the State by producing a total of 1,089 private college and university graduates, and continues to have an impressive graduation rate of 85% of which 33% were minority students.

Annual performance measures were collected through surveys from financial aid directors at participating postsecondary institutions. Based on the 2009- 2010 surveys,

89% of financial aid administrators indicated that they agreed or strongly agreed that they were satisfied with the administration of the PFAP program by the ACPE.

Unfortunately, due to the State's revenue shortfall the PFAP Program has experienced significant challenges in funding the last two fiscal years. The ACPE returned 50% of funds appropriated for both FY 2008-2009 and in FY 2009-2010. The effects of these repeated reductions in funding include a loss of financial aid to private college students, less support to the private higher education sector, and loss of potential cost savings to the state due to a loss of an incentive to seek a private education.

The Enacted FY 2010-2011 budget places the PFAP program on suspension due to State budget reductions. This loss of funds represents approximately 360 students who would have benefited from these funds. This includes students who were in the middle of a funding cycle and now struggle to find additional resources to continue their education and meet their obligation in order to not have to repay the grant funds.

A rebuilding initiative will be required once funding of this program has been restored. This will be more difficult to achieve with fewer financial aid staff at the Commission. Nevertheless, the PFAP Program continues to represent a pathway to higher education that can be very valuable to the State and its future educated workforce.

1.5 Postsecondary Education Grant (PEG) Program, a Forgivable Loan

The Postsecondary Education Grant (PEG) program, created in the 2006 legislative session, is a student-centered, non-need based grant (forgivable loan) designed to financially support and encourage Arizona resident students to attend a private postsecondary baccalaureate degree granting institution in Arizona. The maximum grant is \$2,000 per year for up to four academic years (eight semesters/terms). These funds must be used for tuition, books and fee expenses. Students must obtain a bachelor degree within five years after the first PEG disbursement. Should a student not obtain a bachelor degree within five years, the student must repay all grant funds.

The PEG program was patterned after the successful student-centered PFAP program. Goals for the PEG program include (1) strengthening the private higher education sector, (2) providing cost savings to the State by encouraging residents to attend private colleges and universities over publically funded universities, and (3) increasing the number of baccalaureate degrees in the State of Arizona, thus increasing the tax revenues from a more readily available educated and higher wage-earning workforce.

Due to the State's revenue shortfall the PEG Program experienced significant funding reductions in the last two fiscal years. The ACPE returned 53% of funds appropriated for FY 2008-2009. In FY 2009-2010 the ACPE was appropriated \$2.7M and an additional cut of \$228K was taken. Additionally, the Enacted FY 2010-2011 budget places the PEG program on suspension. This loss of appropriation represents over 3,000 students who would have benefited from these funds. The effects of repeated reductions in funding include a loss of financial aid to private college students, less

support to the private higher education sector, and loss of potential cost savings to the state due to a loss of an incentive to seek a private education.

With limited funding available, the ACPE awarded 1,400 students a total of \$2,242,678. Of those awarded 608 were priority students (students who have received funds in the past) and 792 were initial students (first time recipients).

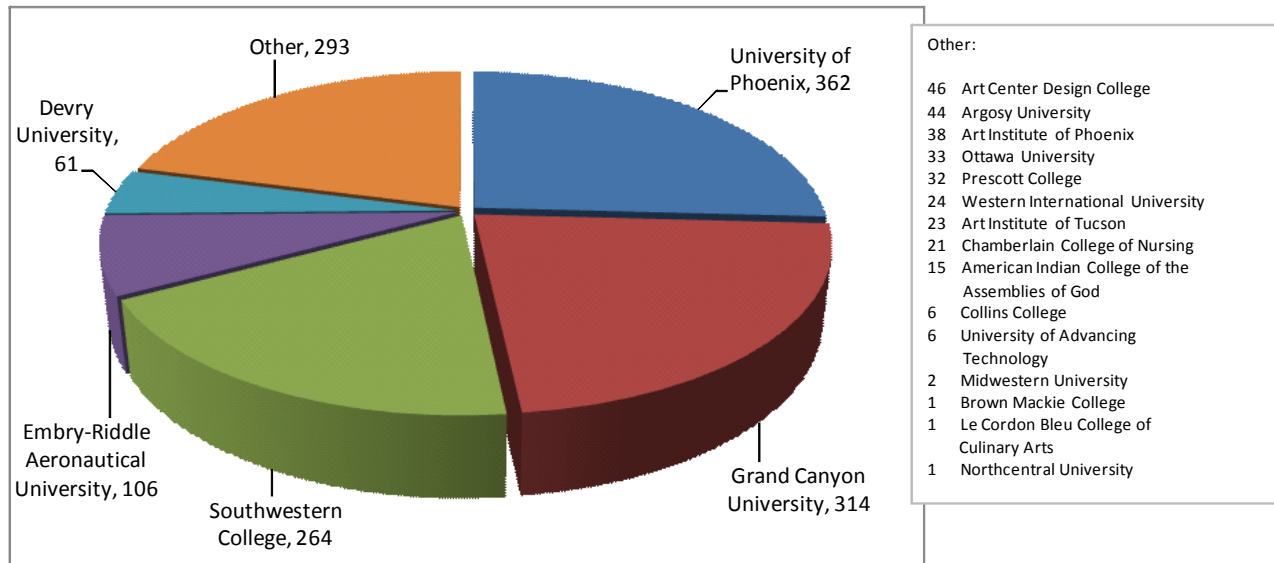
The table below provides an illustration of the students who benefited from this grant program in FY 2009-2010.

Total Recipients	Students on Waiting List	Initial Recipients	Priority Recipients	Total Disbursement	Average Age of Recipients	Average Family Income	Expected Family Contribution	Average Grant Amount
1,400	2,627	792	608	\$2,242,678	28	\$55,408	\$9,449	\$1,602

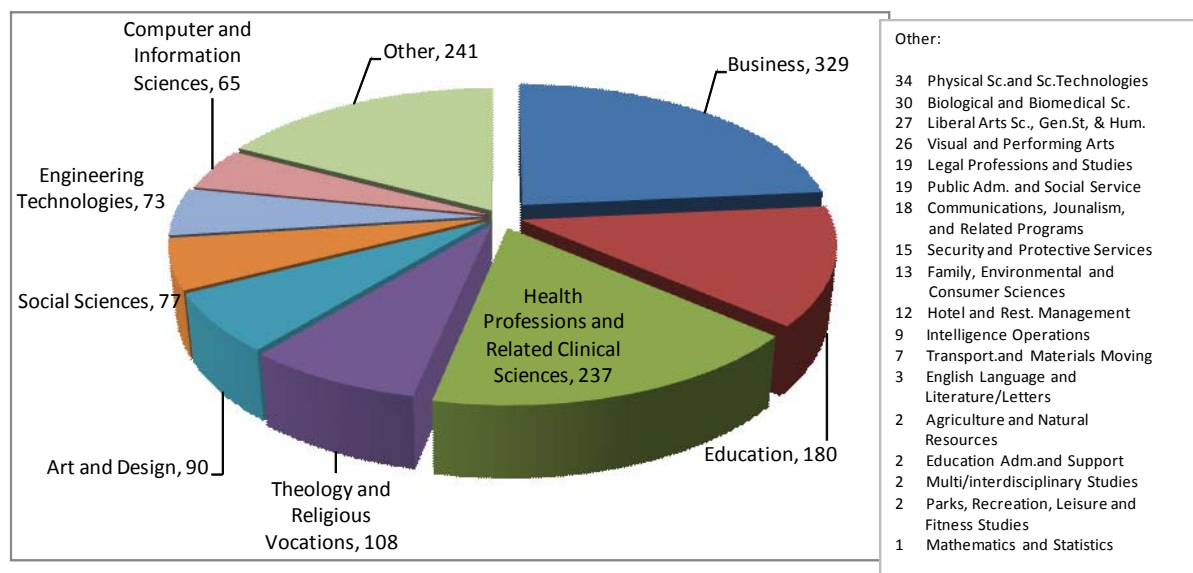
Expected Family Contribution (EFC) is used by institutions to determine the types of aid available to students. The EFC represents how much money a *family* is *expected* to pay toward the student's college education for one year. The EFC is determined by the data provided on the Free Application for Federal Student Aid (FAFSA).

The following charts illustrate the institutions attended and programs of study selected by students in the PEG program for FY 2009-2010. This reflects an increase in the percentage of students majoring in health professions/nursing (up from 16% to 17%), and those majoring in education programs (up from 18% to 21%). This is a positive story as both areas are considered to be critical workforce needs of the State.

Recipients by institution



Recipients by Degree Program



It is difficult to make inferences regarding the students in the PEG program and the success of the program because the data available is limited. Recent budget cuts have resulted in a broken cycle of the four years of funding for priority students in the program. Ultimately, the results of the budget cuts drastically reduced the number of students who were assisted by this financial aid program. What remains clear is the remarkable interest in the program as evidenced by the large number of students on the waiting list each year.

Over 4,000 students have benefited from the PEG program since its inception and the first cohort of PEG recipients is expected to graduate FY 2011-2012. The ACPE staff have identified that of the 4,000 recipients 28% have already earned a bachelor degree ahead of the five year deadline. Additionally, over 400 recipients have been identified as potential repayment candidates as they have not yet graduated, and appear to have been out of school for at least 12 months. Without the support of this financial aid program students may need to reduce their course load. Therefore, they may not be able to meet the required graduation deadline of five years and more will go into repayment.

The ACPE continues to work on development of the IT requirements for web based debt default prevention and loan repayment program which will track students and their financial obligation over a period of 7-15 years for loan repayment as required for this grant/forgivable loan. With over 4,000 grants issued since the inception of the program, the small staff must implement and administer this loan repayment responsibility. It is expected that the repayment system will launch in 2011.

The ACPE, students and institutions remain hopeful that the PEG funding will be restored in the future as the PEG Program represents a pathway to higher education that can be very valuable to the State and its future educated workforce.

1.6 Early Graduation Scholarship Grant Program

Arizona's Early Graduation Scholarship Grant (EGSG) program is a non-need based college access scholarship designed to encourage high school students to graduate early and promptly attend a regionally or nationally accredited Arizona postsecondary institution or vocational program. Students who graduate from a public high school district or charter school at least one year early and enroll full-time may receive up to \$2,000 (over two academic years) to be used to defray tuition, fees and book expenses as documented by the student's cost of attendance (COA). The Early Graduation Scholarship is available for three years after graduation.

The EGSG scholarship is funded by a shared proportion of the Average Daily Maintenance (ADM) which is collected by the Arizona Department of Education (ADE) and transferred to the ACPE for the EGSG fund. The now rescinded Arizona Revised Statute directed the ADE to provide the Arizona Commission for Postsecondary Education (ACPE) with a list of early graduates with their identifying information, cohort graduation date, early graduation date and high school of graduation. The Statute also directed the ACPE to administer the EGSG Program in conjunction with the ADE and to select eligible students each year for participation in the EGSG Program. Funds are disbursed to eligible students in four payments across two academic years; therefore, the ACPE is required to hold the funds on behalf of the student until all funds have been disbursed.

Unfortunately, the momentum of the EGSG program was abruptly halted in FY 2008-2009 and continuing into FY 2009-2010. A \$3M reduction in the EGSG fund was taken through the Chairman's Option in May 2009 and another \$2.9M was taken from the fund in September 2009. In addition to the fund reductions, significant legislative changes were made to the Early Graduation Scholarship Grant (EGSG) program in 2009 through House Bills 2011 and 2012. The changes included a moratorium (suspension) for new applicants beginning with FY 2009-2010 and the ADE suspension of the adjustment of per pupil funding and transmission of funds to the EGSG scholarship fund for FY 2009-2010. Simply put, students who graduated after July 1, 2009 are not able to participate in the Scholarship Program. Statute language was also changed to limit the EGSG scholarship to one year early graduates. However, one semester early graduates who were already participating in the program were allowed to continue to receive the remaining funding owed to them.

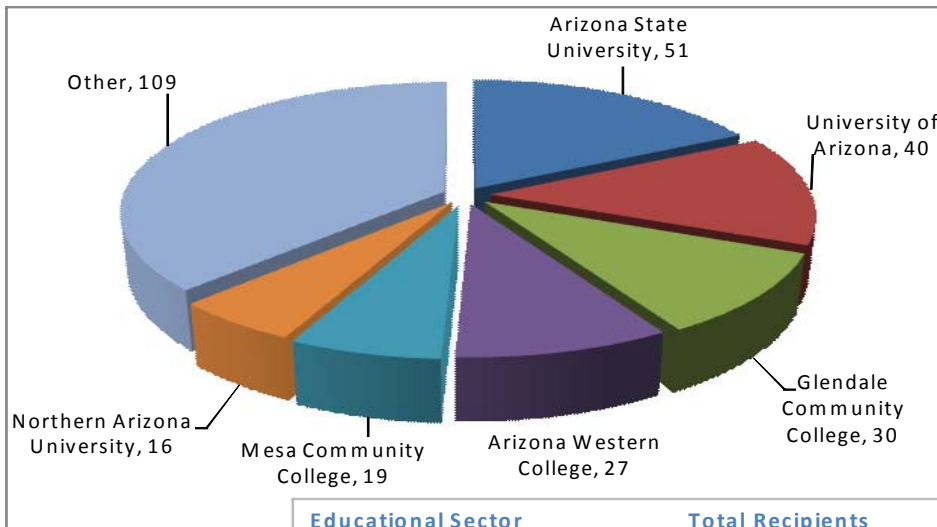
The table below illustrates the recipients who benefited from this scholarship program in FY 2009-2010.

Total Recipients	Total Disbursement	Average Age of Recipients	Average Family Income	Average Expected Family Contribution	Average Grant Amount
292	\$267,201	20	\$78,296	\$13,051	\$915

Expected Family Contribution (EFC) is used by institutions to determine the types of aid available to students. The EFC represents how much money a *family* is *expected* to pay toward the student's college education for one year. The EFC is determined by the data provided on the Free Application for Federal Student Aid (FAFSA).

The following pie charts illustrate the institutions attended and the programs of study selected by the students.

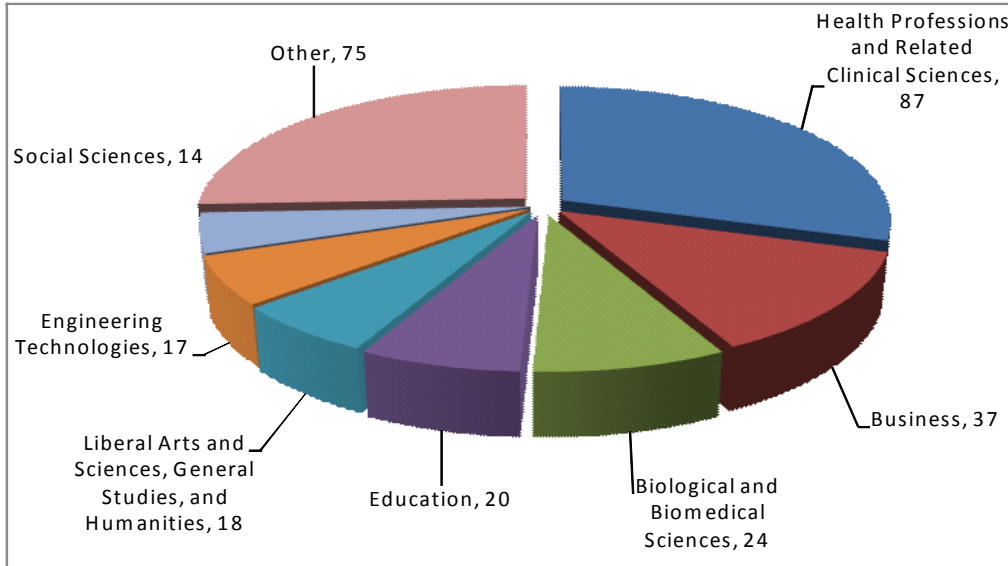
Recipients by institution



- Other:
- 12 Estrella Mountain Community College
 - 12 Yavapai County - Yavapai College
 - 11 Central Arizona College
 - 10 Pima Community College
 - 10 Chandler-Gilbert Community College
 - 9 Cochise College
 - 6 Grand Canyon University
 - 5 Eastern Arizona College
 - 4 Phoenix College
 - 4 Scottsdale Community College
 - 4 South Mountain Community College
 - 3 Paradise Valley Community College
 - 3 Rio Salado Community College
 - 2 Coconino County Community College
 - 2 Apollo College
 - 2 Devry University
 - 2 Le Cordon Bleu College of Culinary Arts
 - 2 Mohave Community College
 - 2 Southwestern College
 - 1 American Institute of Interior Design
 - 1 Brookline College, LLC
 - 1 Everest College
 - 1 Regency Beauty Institute

Educational Sector	Total Recipients
Public Universities	107
Community Colleges	167
Private Institutions	14
Vocational Institutions	4
Total	292

Recipients by Degree Program



- Other:
- 10 Communications, Journalism, & Related Prog.
 - 9 Legal Professions and Studies
 - 7 Visual and Performing Arts
 - 6 Computer and Information Sciences
 - 5 Art and Design
 - 5 Physical Sciences and Science Techn.
 - 5 Security and Protective Services
 - 4 English Language and Literature/Letters
 - 4 Hotel and Restaurant Management
 - 4 Parks, Recreation, Leisure and Fitness St.
 - 3 Agriculture and Natural Resources
 - 2 Cosmetology
 - 2 Family, Environmental and Consumer Sc.
 - 2 Mathematics and Statistics
 - 2 Multi/interdisciplinary Studies
 - 2 Transportation and Materials Moving
 - 1 Construction Trades
 - 1 Education Administration and Support
 - 1 Foreign Languages, Literat., &

In FY 2008-2009 the institution of choice for the early graduates was the local community college by nearly a two to one margin over the public universities. As evidenced by the table above, the majority of early graduates (57%) chose to attend the local community college again in FY 2009-2010 as compared to the 37% who attended one of the three state universities.

The reductions and moratorium have left the scholarship fund nearly depleted. Based on the last report from the ADE the number of students who graduated early (counting both one semester and one year early) and are eligible for the scholarship total 5,295 for FY 2007-2008 and FY 2008-2009; however, less than ten percent of eligible early graduates will end up receiving funds.

The remaining program funds are broken down for FY 2010-2011 as follows:

\$ 781,718	Current funds available for student scholarship awards
(\$53,095)	Scholarship Payments made in Term 1 of FY 2010-2011
(\$262,091)	Outstanding financial obligation remaining for students in the program who have received at least one payment
\$ 466,532	Funds available after obligation to students in the program is met

Due to the short life of the program and lack of data available, it is impossible to measure the long-term outcomes. However, several short-term outputs have been realized. Since the inception of the program the Commission has received a great deal of feedback from high school counselors and parents regarding the EGSG scholarship program. The feedback received has been very positive. Counselors and families are pleased to have another funding source available for students who would not otherwise qualify for grants. Additionally, the EGSG Scholarship appears to be the only state grant/scholarship program in which students who attend a vocational/technical institution may receive funds. This has been a pleasant surprise for students who choose to attend vocational institutions as they often find it challenging to afford their education/training due to the limited aid options available to them.

The EGSG Grant has potential to serve large numbers of students and increase participation in postsecondary education. The Commission believes that the goals of this financial assistance program remain important to the State. This scholarship program was well received by high school counselors, students and families. It was one of the few financial assistance programs available to middle class families. Undoubtedly, over time this program would well serve the State both through reduced costs of education and increased numbers of high school graduates moving into postsecondary education.

1.7 Student Forgivable Loan Repayment Programs

Currently the Commission administers three repayment programs; (1) the Private Postsecondary Education Student Financial Assistance Program (PFAP), (2) the Paul Douglas Teacher Scholarship (PDTs), and (3) the Arizona Teacher Incentive Program

(ATIP). Under development is web based software driven repayment program with automatic functions for the Postsecondary Education Grant (PEG) forgivable loan.

In June 2011 the Arizona Board of Regents (ABOR) will transfer the Arizona Math, Science and Special Education Teacher Loan Forgiveness Program to the ACPE to accomplish the modifications outlined in the Education Omnibus (Law2010, Chapter 332).

Processes are in place to manage these programs. The ACPE contacts grantees several times to prepare them for entering into repayment and provides 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 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 the status of each of the repayment programs administered by the ACPE follows.

There have been 1,678 students awarded the PFAP grant since its inception in 1996. Of those, 1,089 recipients have fulfilled their obligation by receiving their bachelor's degree in the three year allotted time frame. Of the remaining 592 award recipients, 29 students graduated after 3 years and the remaining 563 students are in the process of completing their bachelor's degree.

Since the PFAP program's inception, there have been 181 former grantees requiring repayment and 44 have completed their obligation by either paying directly to the Commission or through the Office of the Attorney General. Twenty have been deemed uncollectible by the Attorney General's office; 5 loans have been forgiven due to medical reasons, and 3 have been abated because the former student is deceased. The remaining 109 are currently in the repayment program or will be once located. Only 13 of those are actively making payments to the Commission or the Attorney General.

Of the 254 former PDTS recipients, 10 currently are required to make payments to the Commission and none are at the Office of the Attorney General. Of those requiring repayment, 8 are currently making payments. All others have completed their obligation by fulfilling the teaching requirements of the program, or by repaying their loan in full. There were 102 former ATIP recipients who completed their obligation by fulfilling the teaching requirements of the program, or by repaying their loan in full with the Commission or Attorney General's office. Only one student is still making payments to the Attorney General for the ATIP program.

All funds recouped for the PDTS program are forwarded to the U.S. Department of Education in December of each year, and any monies received for the ATIP program are deposited into the State general 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.

The Commission administers two state grant programs which are actually forgivable loans: the Postsecondary Education Grant (PEG) and the Private Postsecondary Student Financial Assistance (PFAP) Programs. The ACPE staff is working with Gold Bridge Partners, Inc. a technology-based company to develop a loan repayment system which will allow the small ACPE staff to administer a large repayment program. The Arizona Math, Science and Special Education Teacher Loan Forgiveness Program repayments are included in the system plans.

1.8 Arizona Oversight of State Student Loan Guarantor

As a part of the Family Education Loan Program and 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 2009, 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.

It should be noted that the enactment of the Student Aid and Fiscal Responsibility Act resulted in termination of the Family Education Loan Program. All new loan volume will be originated through the William D. Ford Direct Loan Program beginning July 1, 2010, and the role of Arizona Student Loan Guarantor will be eliminated after closing of the existing F.E.L.P. loan portfolios.

USA Funds, a non-profit corporation, has chosen to not only act as a loan guarantor but also be a partner with the State of Arizona in increasing the college going rates. USA Funds serves as one of two sponsors for College Goal Sunday, has supported the Developing Human Capital Conference, and funds the printing and distribution of the *Rapid Guide to Financial Aid*. Additionally, USA Funds is one of the primary sponsors of the Arizona Minority Education Policy Analysis Center's current research project, *To Learn and Earn: Arizona's Unfinished Business in Human Capital*.

Moreover, the USA Funds Access to Education Scholarships[®] program awarded 168 new and renewal scholarships totaling \$250,500 to deserving college-bound students in Arizona for the 2009-2010 academic year. The scholarships assist students in financial need — particularly those who are either members of ethnic minority groups or are physically disabled.

With increasing costs of postsecondary education and federal policy changes, loans are becoming a significant source of funding to which students and families turn for higher education costs.

1.9 Arizona Family College Savings Program (AFCSP)

The Arizona Commission for Postsecondary Education administers the Arizona Family College Savings Program (AFCSP). In 1997, 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) and began accepting accounts in 1999. In

2004, State legislation established the Family College Savings Program Trust Fund as a public instrumentality of the State of Arizona, of which the Arizona Commission for Postsecondary Education acts as its sole trustee. All AFCSP accounts are held in trust for its participants and beneficiaries.

A state-sponsored 529 plan is a tax-advantaged program intended to help individuals and families pay the cost of higher education. The AFCSP is designed to encourage savings by allowing 529 plan earnings to grow tax-deferred and distributions to be withdrawn tax-free if used for qualified higher education 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 as well as eligible foreign institutions.

In August 2006, President Bush signed the Pension Protection Act into law. Among its many provisions, this sweeping legislation made permanent the 529 plan provisions of the 2001 tax act which were scheduled to expire in 2010. These provisions allow federal income tax-free withdrawals from 529 College Savings Plans for qualified higher education expenses to be a permanent benefit for college savings plans. An additional tax benefit was added as of January 1, 2008, when a state income tax deduction was extended to Arizona residents for up to \$750 per individual or \$1,500 per married couple for annual contributions made to a 529 plan.

The AFCSP was established as a multiple provider or vendor program, ensuring a variety of investment choices for diverse investment needs and risk tolerances of families saving for college. The AFCSP Oversight Committee, as defined by state statute, is comprised of 10 members with financial, tax and legal expertise. The Oversight Committee's main responsibility is to make recommendations to the Arizona Commission for Postsecondary Education, the AFCSP Trustee, of providers and operational oversight procedures. This advisory group also assists in reviewing the program rules and statute language revisions. The current roster of the AFCSP Oversight Committee follows.

In 1999, two financial institutions were selected as depositories and managers of the AFCSP. By 2003, a total of four financial institutions had been approved by the ACPE as AFCSP providers – College Savings Bank, Securities Management and Research (SM&R), Pacific Life and Waddell & Reed. Fidelity Investments joined the Program as the fifth AFCSP provider in June of 2005.

The 2005 AFCSP Oversight Committee provider review process culminated in the non-renewal of both the Securities Management & Research and Pacific Life contracts and the pursuit of an individual contract with Waddell & Reed which at the time was being subcontracted through SM&R. Today, three well-respected financial institutions offer a diverse array of investment options for families saving for college. A brief description of the investment choices follows the Roster of Oversight Committee Members:

Arizona Family College Saving Program Oversight Committee Member Roster

State Treasurer Office
Mark Swenson (By Position)
Deputy State Treasurer
State Treasurer Office

**Individual employed by a community college or university with investment, asset management and financial related expertise*
Jeff Ratje
Assistant Fiscal Analyst
University of Arizona

State Board for Private Postsecondary Education
Laura Palmer Noone (By Position)
Representing the Arizona State Board
for Private Postsecondary Ed

**Attorney certified in Estates and Trusts*
Roger D. Curley
Oversight Committee Chair
Attorney at Law
Curley & Allison LLP

**Certified Financial Planner*
Mark P. Stein
CFP
Galvin, Gaustad and Stein, LLC

**Public Member with knowledge, skill and experience in accounting, risk management or investment management or as an actuary*
Hope Leibsohn
Attorney at Law
Lewis & Roca, LLP

**Public Member with knowledge, skill and experience in accounting, risk management or investment management or as an actuary*
Steven Matthews
Matthews, Gold, Kennedy and Snow, Inc.

**Individual with investment, asset management and financial related expertise*
James Van Houten
Stonegate Financial Group, LLC

**Public Member*
Michael Rooney
Sacks Tierney, PA

**Certified Public Accountant*
James DiCello
CPA

Commission Staff

Dr. April L. Osborn
Executive Director

Judi Sloan
Communications Specialist

Javier Herrera-Varela
Financial Services Technician

Marian Wybenga
Business Manager

Kathaerine Johnson
Director of Programs & Agency Operations

*** Governor Appointed**

AFCSP Investment Offerings ¹	
College Savings Bank (direct-sold)	
<ul style="list-style-type: none"> • CollegeSure CD: variable rate CD indexed to college costs. • InvestorSure CD: variable rate CD indexed to the Standard & Poor's 500 Composite Index. • Fixed Rate CD: fixed rate CD with principle and interest guaranteed. • Savings Account: holds matured certificate of deposit (CD) funds greater than \$250 when the expected withdrawal to pay qualified higher education expenses is sooner than one year after the maturity date of the CD. • Accumulator Account: holds contributions until sufficient funds are accrued to purchase a CD 	
Fidelity Investments (direct-sold)	
<ul style="list-style-type: none"> • Two (2) age-based asset allocation mutual fund portfolios • Six (6) static mutual fund portfolios • Six (6) individual portfolios • Bank Deposit Portfolio, FDIC – Insured interest-bearing account 	
InvestED: Waddell & Reed/IVY Funds (advisor-sold)	
<ul style="list-style-type: none"> • Three (3) age-based asset allocation and static mutual fund portfolio options • Eighteen (18) individual portfolios 	
<small>1 Details of individual offerings can be found at www.az529.gov</small>	

The following figure illustrates the close of FY 2009-2010 summary of AFCSP funded accounts and Assets Under Management (A.U.M.) as well as the contributions of each of the three providers to the total Program.

The table in the figure indicates that as of June 30, 2010, there were over 56,000 AFCSP funded accounts. This represents a 7.65% increase in the number of accounts over June 30, 2009. The healthy growth in new accounts is driven by both Arizona residents as well as residents of other states, indicating that the AFCSP provides attractive investments to both those inside and outside of Arizona.

The bar chart illustrates the growth of AFCSP Assets Under Management (A.U.M.) since inception, by year. Since its 1999 launch the Arizona 529 plan has grown steadily, with the exception of FY 2007-08, the height of the Great Recession. As of June 30, 2010, total A.U.M were \$501 million, an increase of \$78 million from the \$423 million under management on June 30, 2009. This reflects a combination of new money deposited in accounts and a considerable investment performance recovery.

Performance results for most of the mutual fund offerings in the AFCSP have improved dramatically since the stock market low in 2007 and 2008. In addition, the A.U.M in the plan now exceed \$537 million. This represents the highest level of assets under management in the eleven year history of the AFCSP.

ARIZONA FAMILY COLLEGE SAVING PROGRAM (AFCSP)

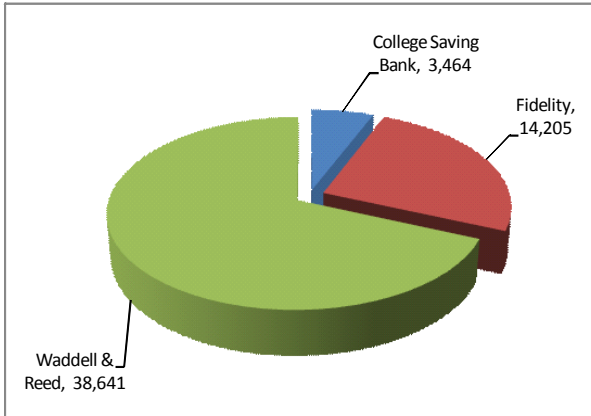
REPORT AS OF 06/30/2010 (2nd Quarter)

ACCOUNTS AND ASSETS UNDER MANAGEMENT

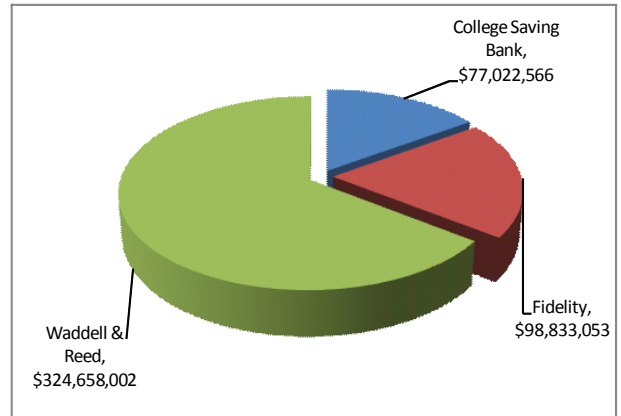
As reported by providers

AFCSP	Total Funded Accounts	AZ Accounts	%	Out of State Accounts	%	Total A.U.M.	AZ A.U.M.	%	Out of State A.U.M.	%	Total Average Balance
College Saving	3,464	1,317	38%	2,147	62%	\$ 77,022,566	\$ 17,554,583	23%	\$ 59,467,983	77%	\$22,235
Fidelity	14,205	9,330	66%	4,875	34%	\$ 98,833,053	\$ 73,285,422	74%	\$ 25,547,631	26%	\$ 6,958
Waddell & Reed	38,641	1,289	3%	37,352	97%	\$324,658,002	\$ 9,043,626	3%	\$315,614,375	97%	\$ 8,402
	56,310	11,936	21%	44,374	79%	\$500,513,621	\$ 99,883,631	20%	\$400,629,989	80%	\$ 8,889

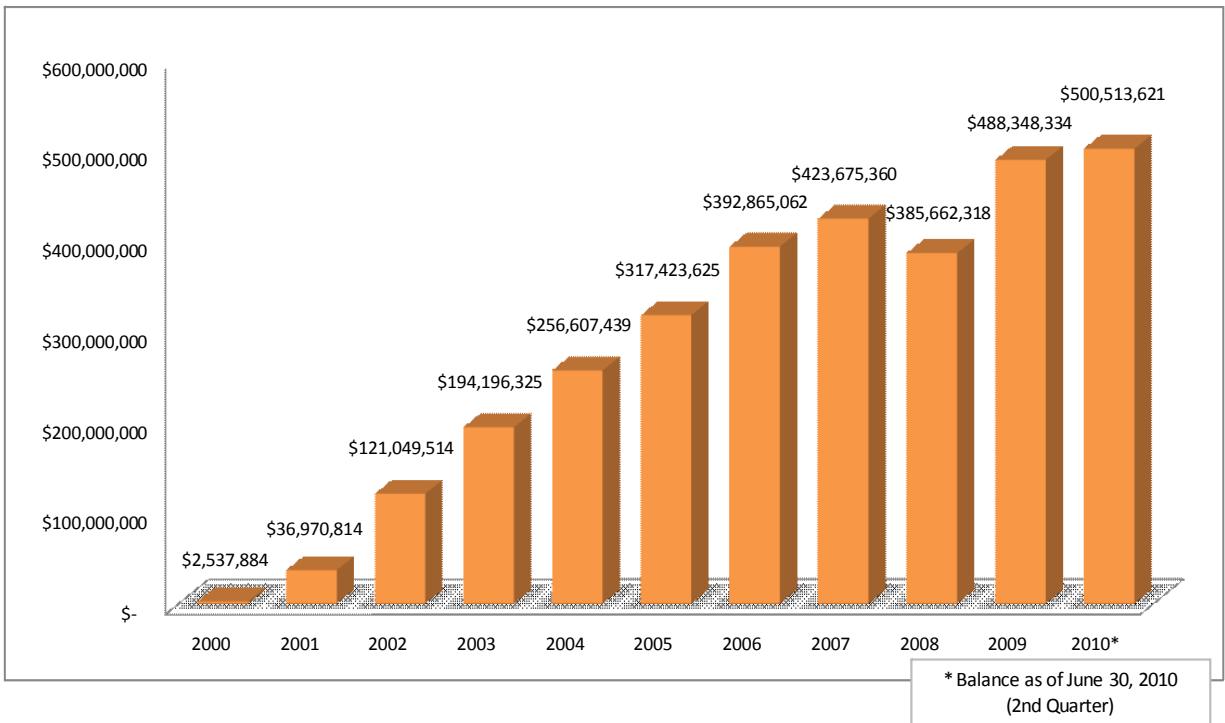
Funded Accounts



Assets Under Management



Assets Under Management since Inception



In 2007, the Office of the Auditor General conducted a Performance Audit of the Arizona Commission for Postsecondary Education. The Performance Audit provided an evaluation on the Agency's programs and completed a very thorough review of the Arizona Family College Savings Program. The Auditor General's conclusion on the Arizona Family College Savings Program stated: *"Although its investment performance has been mixed, Arizona's 529 program offers most of the features of a high-quality program."* The features named in the report included:

- Low fees and expenses for account holders
- Attractive State income-tax incentive
- Wide array of investment options
- High limit on account contributions
- Low required-minimum contributions

The Arizona Auditor General's Office completed the 24-month follow-up of the Arizona Commission for Postsecondary Education (Commission) regarding the implementation status of the 2 findings and the 16 related recommendations regarding the Arizona Family College Savings program and reported that:

- 12 have been implemented;
- 2 are in the process of being implemented; and
- 2 are no longer applicable.

The Auditor General's Office indicated that unless otherwise directed by the Joint Legislative Audit Committee, the follow-up work resulting from the October 2007 performance audit report was concluded.

In the past two years, the ACPE oversaw several initiatives to strengthen the Program for the benefit of investors. These initiatives included: (1) solidifying long term relationships with all three program providers, (2) adjusting the investment options to include additional conservative choices along with expanded exposure to international markets, (3) working with the Governor's Office to fill all open positions on the Oversight Committee, and (4) maintaining the integrity of the Program by providing continued oversight of the Program including a rigorous Annual Provider Review Process. These Program enhancements have arguably caused the Arizona Family College Savings Program to be viewed as a very desirable plan.

In conclusion, this June 30, 2010 review reflects significant performance recovery and improvement. The stability of the program has been insured for the upcoming years with the signing of longer term provider agreements (5 year contract with 2 year renewal option) with Fidelity Investments, the College Savings Bank, and Waddell & Reed.

Moreover, investment options have been strengthened with the addition of more conservative fund choices and long term results should be enhanced by an increased emphasis toward international funds. The AFCSP also benefits from the recent Oversight Committee appointments and the committee is well positioned to effectively oversee the program over the upcoming years.

The AFCSP Oversight Committee and the Commissioners who serve as Trustees 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*. For a copy of the Arizona Family College Savings Program's Annual Report which will be issue in February and provide analysis by calendar year, please visit www.azhighered.gov.

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

Research indicates that almost every parent holds the dream of college attendance for their child. Likewise, research indicates that large numbers of Arizona adults are under-employed and seeking higher education for personal/professional development. The Arizona Commission for Postsecondary Education endeavors to expand access and increase success in postsecondary education for Arizona students and families and therefore, the ACPE engages in strengthening and supporting college access and success initiatives.

It is realistic planning with appropriate and accurate information that will assure a potential student is academically ready, the family is financially prepared, and that student and family expectations are in line with the realities of postsecondary education. Two specific strategies are employed by the ACPE to engender realistic planning. First, the Commission (1) supports the development of knowledgeable professionals and seeks to ensure effective college access programs are available to assist first generation and low-income students as they plan, prepare and enroll in postsecondary education. Second, the Commission (2) provides current and relevant print- and web-based information for college planning and decision-making to students and their families.

All strategies under Goal 2 are funded through grants, fees, and sales secured by ACPE staff; no general funds are used to support these college access tools and programs. A description of the work of the Commission toward these goals follows.

2.1 Provide access to knowledgeable professionals to assist students and families plan, prepare and enroll in postsecondary education

2.1. A. The Arizona College Access Network (AZCAN): Improving Services to Students Through Support of College Access Programs and Professionals

The Governor's Office has requested that the ACPE take on the responsibility of expanding the scope of the nascent Arizona College Access Network (AzCAN). The Network was established in 2008 in the first cycle (two years) of a formula grant through the USDE titled College Access Challenge Grant (CACG). During the second 5-year cycle of the CACG the ACPE will develop aspects of collaborative learning, shared

expertise, and disseminate quality college-going and financial aid information and publications to college access programs and professionals across Arizona. A tool which will be critical to achieve these objectives will be enhancement of the AzCAN website to allow member discussions through a list serve and virtual meetings, quarterly newsletters, and regional workshops to foster collaborative learning and best practices.

There are hundreds of college access programs throughout Arizona. The ACPE staff looks forward to forming a Steering Committee representative of these programs and working through this Committee to support college access professionals and assist them as they develop their programs, share best practices, and establish effective evaluation systems. The goal of this Network is to provide exceptional advice and direction for planning, preparation, and success in postsecondary education to students across Arizona.

2.1.B. College Goal Sunday (CGS) Financial Literacy Initiative

The Arizona Commission for Postsecondary Education hosts an important annual statewide event titled College Goal Sunday and Saturday Too! (CGS). College Goal Sunday has been organized for the past fourteen years by the ACPE. The 15th annual event is being planned and will be held on February 12th and 13th, 2011 at 30 statewide sites. Eleven sites throughout the state will be holding a Saturday edition in order to accommodate our constituents who are unable to attend on Sunday.

The goal is to provide assistance to high school seniors and their families and also to adults entering postsecondary education 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 processes and timelines, as well as 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 2010, College Goal Sunday and Saturday Too! was held in 30 Arizona communities on January 30th and 31st. On these two days, more than 400 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 to learn about the financial aid process. Three thousand four hundred and twenty-one (3,421) students and parents attended the 2010 event. Since 1997, the ACPE and financial aid volunteers helped more than 37,000 students and their families complete the FAFSA.

This event successfully achieves its purpose. The 2010 College Goal Sunday family and student survey reported that for 41% of the students attending neither parent attended any college; an additional 19% indicated a parent had attended some college but neither parent had attained a 2- or 4-year degree. This brings the total percentage of first-generation students attending the 2010 event to 60%.

A high percentage of low-income and minority families are first-generation college-

goers; therefore, the ACPE was pleased to find that 57% of those assisted at the event reported having an annual income of \$40,000 or less. Furthermore, the 2010 event survey also indicated that of the more than 3,400 students participating, 39% were Hispanic, 7% were Native American, and 8% were African-American.

Another plus in 2010, was that 100% of the CGS sites offered FAFSA on the web. Computer labs were opened to help families complete their FAFSA online. In 2011, 100% of the College Goal Sunday sites will offer FAFSA on the web. Additionally, most sites offer Spanish and/or Navajo interpreters to help parents understand the forms.

As the host of this event, the ACPE secures grants to fund the activities and provides the leadership to implement the event. The College Goal Sunday website provides financial aid information throughout the year. Grants were secured for the 2011 event from USA Funds and YMCA of the USA/Lumina Foundation.

2.1.C. Foster Youth Postsecondary Education Case Manager Program

In the 2007 legislative session the Arizona Commission for Postsecondary Education was asked to undertake a project to increase the support offered to foster care youth and young adults as they transition into, attend, and complete postsecondary education.

Funding for this program has been unstable, due to the budget shortfall. In FY 2008 all funds were returned to address budget cuts; yet, the work continued. In FY 2009-10, twenty-five percent of the \$100,000 budget was returned to address budget reductions. Regrettably, all funds are cut in the proposed JLBC FY 2010-2011 budget. The State budget shortfall and the reality of limited resources forced the ACPE to seek a new approach to address the needs of these young people.

Results continue to be seen from the early program funding and the ACPE goal of producing practical resources and building infrastructure that would enhance postsecondary education success in the future. Most important, was the initiation of the Southern Arizona Foster Care Youth Mentoring Program housed at Pima Community College, Downtown Campus in June 2008. This program continues to serve former youth in care from the Southern region of Arizona. The Pima Community College Foster Care Youth Mentoring Program has produced some remarkable outputs.

Moreover, the final contracts are currently being executed with Maricopa Community College District and Pima Community College District to initiate a transition and support program for former and current foster youth in the Greater Maricopa County Area with the benefit of guidance and advice from leaders of the successful Pima Community College program.

The ACPE is seeking a way to continue this crucial work through the nascent initiative titled "Campus Champion Network". The goal of the network is identification of and support for at least one front-line, knowledgeable advocate for youth formerly in foster care at each of the public universities and community colleges. Plans for development

and hosting of a resource and referral section of the NCAN website (see 2.1.A) dedicated to the support of Campus Champions is underway.

The Commissioners and ACPE staff believe it is critical to continue this important work, but the lack of funds and reduced personnel in the agency are obstacles. Research reports that adults formerly in foster care have the lowest college completion rate of all nationally identified target groups, with only 2% achieving a college degree. Arizona owes an improved chance of success in life and work for these young people who depend on the State to act on their behalf.

2.2 Provide Current and Relevant Web- and Print-Based Information for Families and Students

2.2.A. The 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. Listings include course offerings, length of study, costs to attend, financial aid programs available, and the institution's website so a prospective student has easy access to information. This document is the single source of this information for the state and is widely used by high school counselors, Workforce Connections, high school students, higher education institutions, college access programs, veteran's advisors, prisons, vocational rehabilitation counselors, libraries and the information seeking public. The ACPE has compiled and disseminated the publication since 1975.

In 2009, fourteen thousand copies of a refreshed version of the ACCG were printed and distributed free of charge. In addition, the ACCG is available online with a more easily navigated format. It can be viewed at <http://www.sopdigitaledition.com/arizonacollege/>. This website had a total of 3,815 hits in FY09-10. Publication and distribution costs of the ACCG (\$13,000) are financed through paid advertising in the publication and per individual book fees (\$5 each or \$3 each for ten copies or more).

The ACCG is a favorite of high school and career counselors. Arizona GEAR-UP advisors distribute 2,500 copies of the ACCG 2009-2010 publication to economically disadvantaged high school seniors. Furthermore, the ACPE uses the College and Career Guide as a promotional tool to inform families of College Goal Sunday and the *College Savings Planner*, to promote to counselors the ACPE's free college-going literacy materials available for high school students, and to inform students and counselors about the various Arizona grants administered by the ACPE.

2.2.B. AZhighered.gov: Arizona Commission for Postsecondary Education

The www.azhighered.gov website serves as a resource for links to information about educational agencies and institutions, financial aid, college savings programs, and a myriad of local and national resources for parents, students, and the public seeking resources regarding higher education. It is the portal through which the public can easily access the information in the ACCG Guide, Arizona 529 Plan, AMEPAC reports,

Arizona grants, and College Goal Sunday. During FY 2010 the website received 44,747 visits. It also serves to inform the public of Commission and Arizona Family College Savings Program Oversight Committee meetings.

2.2.C. AZgrants.gov: One portal to Access All Arizona Student Grants

The www.azgrants.gov website was launched in July of 2008 and had approximately 12,000 hits its first year. This website provides a user-friendly, single portal, and single application for students to apply for the PEG, PFAP, EGSG, ACAAP and SLEAP grants (described in Goal 1). This interactive website also informs students of the grants for which they qualify and in recent years provides links to financial aid help when student grant funds are reduced or eliminated. On the institutional side, the website provides a user-friendly tool for financial aid professionals, representing more than 100 postsecondary institutions, certify students as in attendance, achieving Satisfactory Academic Progress, and eligibility under the terms of the grant. Moreover, the ACPE notifies students and financial aid staff when it awards grants to students both online and through email using the website. During FY 2010 the website received 22,546 visits.

2.2.D. Pay4collegearizona.gov: One-Stop Access to Student Financial Aid Help

In March of 2010 the ACPE launched a new website (www.pay4collegearizona.gov) aimed at helping students and parents gain knowledge of financial aid and its processes. Here Arizona families can find information specifically directed to them on preparing for college, choosing a college, and most importantly how to pay for college.

Embedded in this site is the College Goal Sunday and Saturday Too! website. This site not only provides information on the CGS event, it also provides line-by-line FAFSA instructions for students and their families who may not be able to attend the event or who may need help with only a few questions.

Last year these sites garnered almost 30,000 hits on the web.

2.2.E. AZ529.gov: Help for Families Saving for College

The Arizona Family College Savings Program website, www.az529.gov, provides awareness and education to families about IRS approved college savings plans, and specifics of the Arizona Family College Savings Plan. It is the companion website to the pay4college website, providing help for middle class families as they prepare to bear the costs of college for themselves and/or their children. Here, parents and grandparents can learn about tax advantaged ways to save for college education. Especially popular on this website and also available in print is the College Savings planner which provides information on the costs of various types of colleges/universities, types of financial aid available, when to begin saving, and compares various tax-advantaged options to save. In addition to this important education piece, the site provides information on investment

options, planning, how to get started, and frequently asked questions. During FY 2010 this site received 5,230 visits.

2.2.F. AMEPAC.org: Research and Policy Analysis Reports

The Arizona Minority Education Policy Analysis Center website, www.amepac.org, showcases the policy analysis studies and current research reports commissioned by AMEPAC and the Commission. These studies and reports can be downloaded from this site. AMEPAC research is discussed under Goal 3.

2.2.G. Leveraging Media: “Countdown to College” Sunday Insert, Kurt Warner PSA, Phoenix Magazine Higher Education Section

The Commission staff seeks ways to promote college going and provide critical information to the public about the opportunities presented through Arizona’s higher education system. For example, over the past 8 years the ACPE has partnered with USA Funds to prepare an 8-page Sunday insert, entitled “Countdown to College”. This publication is delivered with the Arizona Republic and Tucson Daily Star to approximately 800,000 households the Sunday before the College Goal Sunday event. USA Funds underwrites the basic publication cost of this insert and the ACPE partners on the educational pieces included. This publication is scheduled again in 2011 and will be distributed to nearly 800,000 households on February 6, 2011. 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.

Promotion on TV, at high schools, and on websites of College Goal Sunday is enhanced by a 30-second public service announcement (PSA) featuring Kurt Warner, as spokesman for College Goal Sunday. At the invitation of ACPE Executive Director, Mr. Warner lends his name and image to various marketing materials including flyers, posters and a videotaped public service announcement (PSA). The PSA is distributed to television stations throughout the state to be picked up and either aired or placed on their websites prior to the College Goal Sunday event. Copies are also given to high schools to air during announcements.

And finally, the ACPE provided an eighth year of editorial direction for the *Phoenix Magazine* special higher education section published in the magazine’s August edition. This opportunity provides information for families across the state to learn more about the higher education options within Arizona. *Phoenix Magazine* subscribers and newsstand sales total 74,000.

2.2.H. Pocket Guide to Financial Aid for Students

The Commission staff undertook a college access publication project in FY 08, to adapt a copyrighted publication titled the “*Rapid Guide to Financial Aid*” to the needs of Arizona’s students. The publication was modified to include Arizona specific information

and provides step-by-step instructions for applying for financial aid (both public and private), scholarships, grants, loans and saving for college. The original publication of 16,000 of these guides in FY 08 resulted in double that number of requests. Through the generosity of USA Funds the printing and distribution of 25,000 English and 2,500 Spanish copies of the *Rapid Guide* took place last year and is again scheduled for distribution in 2011. The publication is designed to assist high school juniors and their parents understand and seek student financial aid.

Goal 3: Addressing common opportunities and problems across all sectors of postsecondary education

The Arizona Commission for Postsecondary Education provides a unique statewide forum where 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 to the postsecondary membership, two superintendents of school 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, policy makers, business leaders, at ACPE meetings and events that warrant further investigation and policy analysis. Issues that have been identified as important through these processes include access to and success in postsecondary education of minority populations, low-income, and first generation students and their families; low high school completion rates; student advancement through the segments of Arizona's higher education system toward a baccalaureate degree; and reduction or elimination of the financial barriers 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. The second strategy is to establish or participate in collaborative action groups or task forces, informed by research, to plan strategies to develop opportunities or solve problems identified by the Commission.

3.1 Arizona Minority Education Policy Analysis Center (AMEPAC): Research for Policy Decisions

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 and non-profit organizations 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 published (print and web-based) research papers and the initiation of forums or roundtable discussions on pressing issues related to the mission.

AMEPAC issued its fourth report focusing on minority student success in Arizona. This study also published in 2003, 2005, and 2007 provides a 'snapshot' of the educational achievement of minority students in Arizona, from kindergarten through college. It is designed to furnish a structure for evaluating progress regarding minority educational success. The study titled *Minority Student Progress Report 2009: A Snapshot of Arizona's Educational Achievement* was printed (1,250 copies) and distributed in April of 2010.

In FY 2008-09 AMEPAC members commissioned Nancy Welch of the Morrison Institute to prepare a report determining what questions Arizona's needs answered to develop its human capital. Ms. Welch's report was issued in two phases, Phase I was titled *To Learn and Earn: Arizona's Unfinished Business in Human Capital*. This extensive review of current research regarding the educational success of students revealed agreement that both the U.S. and the state of Arizona were not educating its citizens adequately. The Phase I report culminated in the following questions to investigate the experiences of Arizona's youth and young adults in the Phase II paper including:

Planning and Good Jobs: PK-12 Education

- What should career planning be and do in Arizona's PK-12 system?
- How do students and parents view "good" jobs and the preparation needed to

Experiences from School to Work: Secondary and Postsecondary Education

- What would young adults who are employed and unemployed say about their secondary and postsecondary time and its relationship to their work experiences?
- What do their experiences say about successful school to work transitions in Arizona? How can more Arizonans make successful transitions from school to work?

Learning and Earning: Workforce Systems

- What will bring low-skill adults back to learning in companies and educational institutions?
- What will improve the chances of those already participating in learning to complete courses, transition to quality career paths, and stay on them?
- What models are working best for Arizona employers in learning, training, and upgrading?
- What lessons should educators and policy makers take from employers' experiences?

Completing Arizona's Unfinished Business: State Policies

- Given new information and insights, what policies will help complete Arizona's unfinished business?
- What specific tools will help Arizona continue to align education with workforce needs and truly integrate education, economic development, and employment?

AMEPAC secured sponsorships from USA Funds and Helios Education Foundation to completed Phase II of this report. The Morrison Institute is completing the report and it will be issued in the spring of 2011.

3.2 Initiatives to Develop Opportunities and Solve Problems: Developing Arizona's Human Capital Conference and Pathways to Education Awards

The development of a tenth higher education conference is underway. It will take place on November 17 and 18, 2011, in the greater Phoenix area. Sponsorships are under development. The goal is for leaders in higher education, business, philanthropy, and policy to gather with issue experts and participate in a dialogue that examines Arizona postsecondary education from the bird's eye view down to the level of decisions made by students, families, and employers.

The *To Learn to Earn* Phase II research paper will serve as a framework to view Arizona's higher education system and to review the goals set forth by the ABOR in Vision 2020, the progress of the Getting AHEAD initiative, and the work of the P-20 Coordinating Council. Dr. Martha Kantor, Under Secretary, US Department of Education has been invited as a keynote speaker.

Additionally, the 2011 conference the ACPE will present the 10th Pathways to Postsecondary Education awards to outstanding college access programs representing K-12, postsecondary education, business, community, and public/private partnership. In addition, college access professionals will also be invited and provided programming that will include information on establishing evaluation metrics, best practices across the state in access programming, and opportunities for connections to be made among professionals and programs for the benefit of their professional development

3.3 Collaboration and Partnerships which Address Common Opportunities and Problems Across Postsecondary Education

Collaboration and partnerships are a critical component of the work of the Arizona Commission for Postsecondary Education. Shared efforts allow the important agenda of postsecondary education access and success to move forward without duplication and with efficiency.

Initiatives led by ACPE staff and Commissioners as described in Goals 2 & 3 rely on partnerships and collaboration for both funding and for execution. Goals 2 and 3 are made possible through collaborative action across all of Arizona higher education and are funded through fees, donations, and support from foundations and non-profit entities. These initiatives include the College Goal Sunday Financial Literacy Initiative, the Arizona Minority Policy Analysis Center, the Developing Human Capital Conference, Pathways to Higher Education Awards, the College Champion Network, and the Foster Youth Mentoring Program.

Likewise, collaboration allows the ACPE, in spite of the staff and budget reductions, to provide pertinent and state-specific college awareness and student financial assistance information to Arizonans through the distribution of 27,500 *Rapid Guides to Financial Aid*, 15,000 copies of the Arizona College and Career Guide, 800,000 copies of the informational college-going publication, Countdown to College Sunday insert in the *Arizona Republic* and the *Tucson Daily Star*, and more than 106,000 visits annually to the ACPE sponsored websites.

Each of these programs, resources, and college awareness publications are offered at no expense to the State, but rather are sponsored through grants, collaboration, or sales. For example, more than \$130,000 of in-kind assistance was received from partners such as the public universities, community colleges, high schools, guidance counselors, and Work Force Connections and staff to establish the 30 statewide sites. Moreover, the partnership with the Arizona Financial Aid Administrators Association provided more than 400 financial aid professionals to help families complete a form, the FAFSA, documented in research papers to be more difficult for low income families to complete than the annual income tax reporting requirement that opens the door to federal financial aid. The program costs were paid through grants from USA Funds, Lumina and the YMCA of the USA.

To meet the goals of the State the support of the Arizona Commission for Postsecondary Education of other Arizona wide initiatives is equally important. The ACPE Executive Director participates on the Governor's P-20 Coordinating Council, the Making Opportunity Affordable Steering Committee or Getting AHEAD Steering Committee, College Depot Advisory Committee, and the Casey Family Education Summit for Foster Care Youth. Moreover, the ACPE is partnering with the Governor's Office in the administration of the College Access Challenge grant by developing the Arizona College Access Network (AzCAN) and administering the College Access Challenge Scholarship portions of the grant.

Conclusion

This report reflects the outcomes of the strategic plan initiated by ACPE Commissioners and outlines the impact of the recent budget and staff reductions on achieving the goals and statutory responsibilities of the ACPE. The goals identified in the strategic plan are (1) increasing available student financial resources; (2) implementing strategies to help students and families prepare for, plan, and achieve success in postsecondary education, 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.

The ACPE was impacted in FY 2008-09 and FY 2009-2010 both by legislative action and budget reductions linked to the economic downturn. Massive budget and staff reductions of 48% and 62%, respectively, present challenges to the Commission's efforts to effectively and fully implement initiatives and to attain their maximum benefits for students, families, and the State. Moreover, all general funds available to support

the agency operations have been cut from the budget; therefore, all salaries and agency expenses are now supported through fees, sales, donations and sponsorships.

Most importantly the loss of nearly ½ of all budgeted funds (appropriated/non-appropriated) for the ACPE directly translates into students who will not receive financial aid. The fund reductions for the Postsecondary Education Grant (PEG) Program, the Private Postsecondary Education Student Financial Assistance Program (PFAP), and the Early Graduation Scholarship ranged from 50% to 77%. A result of these reductions is that at the close of FY2009-2010, more than 8,800 student applications were on a waiting list.

Even more reductions are represented in the Executed FY 2010-2011 where the Postsecondary Education Grant (PEG) and the Private Postsecondary Financial Assistance Program (PFAP) are zeroed out and the grants suspended, the Foster Youth Case Manager line-item is zeroed out, and the moratorium on the Early Graduation Scholarship Program is continued.

The ACPE on June 30, 2010 had a reduced staff to five FTE representing a 62% reduction in personnel. The Executed FY 2010-2011 budget proposes an on-going appropriation limit of 5 FTE. In response, the small ACPE staff has focused their work on the core financial assistance programs.

These essential functions include (1) communication with students and families who have lost grant funding; (2) effective administration of existing grant programs using web-based automated grant administration software such as the Arizona College Access Aid (ACAAP), Leveraging Educational Partnership Grant, and the Special Leveraging Educational Assistance (SLEAP); (3) building an automated loan repayment program to address imminent statutory obligations; and (4) continued coordination and improvement of the College Goal Sunday Financial Literacy Initiative which is needed by families more than ever due to difficult economic times.

Administration and oversight responsibilities of the Arizona Family College Savings Program (AFCSP) continue to grow with the program. In the past year, the program has been recognized in several publications for exceptional investment performance and desirable investment options. Moreover, attractive conservative, FDIC insured investment options have been recently added and mutual funds with reduced fees have been added as options. The Arizona Family College Savings program is assisting families prepare for the costs of college through tax-deferred and tax free investment earnings and currently holds over 57,000 college savings accounts and more than \$500M in assets.

Under Goal 2 the Commission implements strategies to help students and families plan, enroll, and succeed in postsecondary education. Building the nascent College Access Network, College Goal Sunday Financial Literacy Initiative, and the Campus Champion Network for former foster youth are all designed to provide assistance from knowledgeable adult professionals at critical transition points to vulnerable groups of prospective students. Relevant and current information is provided through print and

web-based publications to thousands of Arizonans. Printed documents are supplied to more than 400,000 households annually and more than 106,000 visits are made to ACPE websites each year. No general funds are used to support these programs; funds come from fees, donations and sponsorships.

Finally, the forum provided by the Arizona Commission for Postsecondary Education promotes dialogue and identification of common issues among all sectors of higher education. Like Goal 2, Commission Goal 3 of providing a forum for all sectors of higher education to dialogue, partner, and problem solve issues of mutual interest is funded through grants, fees, and donations. These goals are supported through policy analysis and research, collaborative action led by ACPE staff, and participation in college access initiatives led by foundations, government, or non-profit entities with similar missions.

The Arizona Commission for Postsecondary Education has identified a mission of *expanding access and increasing success in postsecondary education for Arizonans*. The Commission looks forward to continuing to fulfill its core responsibilities of administering student financial assistance programs; helping students and families prepare, plan, and succeed in college; and providing a forum for postsecondary education seek opportunities and solve problems. In addition, in FY 2011 the Commissioners and ACPE staff members look forward to assisting the Governor's Office in building the nascent Arizona College Access Network and administering the new College Access Challenge Scholarships.