ARIZONA
AUDITOR GENERAL

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July 15, 2020

The Honorable Anthony Kern, Chair
Joint Legislative Audit Committee

The Honorable Rick Gray, Vice Chair
Joint Legislative Audit Committee

Dear Representative Kern and Senator Gray:

Our Office has recently completed a 36-month followup of the Arizona Foster Care Tuition Waiver Pilot Programs regarding the implementation status of the 7 audit recommendations presented in the performance audit report released in June 2017 (Auditor General Report No. 17-106). These recommendations were made to 10 community college districts around the State, the Arizona Board of Regents (ABOR), the State's 3 universities, and the Legislature.

As the attached grid indicates, the community college districts, and ABOR, in collaboration with the universities, have implemented the recommendations to varying degrees. Specifically:

- ABOR, in collaboration with the State's 3 universities, either implemented or were in the process of implementing the 4 recommendations directed to them.

- 10 community college districts either implemented or were in the process of implementing at least 1 of the recommendations directed to them. However:

  o 2 community college districts did not implement 1 recommendation.

  o 1 community college district did not implement 2 recommendations.

  o 2 community college districts indicated in their responses to the performance audit report that they did not agree with some findings and would not implement the 3 associated recommendations.

- 2 legislative recommendations are no longer applicable, and 1 recommendation that was implemented applied to only 1 community college district.

Unless otherwise directed by the Joint Legislative Audit Committee, this concludes our follow-up work on the June 2017 performance audit report of the Arizona Foster Care Tuition Waiver Pilot Programs.

Sincerely,
Dale Chapman, Director
Performance Audit Division

cc: John Arnold, Executive Director
      Arizona Board of Regents

      Arizona Board of Regents members

      Dr. Daniel P. Corr, President   Yuma/La Paz Counties Community College
      Arizona Western College   District Governing Board members

      Dr. Jacquelyn Elliott, President/CEO   Pinal County Community College District
      Central Arizona College   Governing Board members

      Dr. James D. Rottweiler, President   Cochise County Community College District
      Cochise College   Governing Board members

      Dr. Colleen A. Smith, President   Coconino County Community College
      Coconino Community College   District Governing Board members

      Todd Haynie, President   Graham County Community College District
      Eastern Arizona College   Governing Board members

      Dr. Steven Gonzales, Interim Chancellor   Maricopa County Community College District
      Maricopa Community Colleges   Governing Board members

      Dr. Stacy Klippenstein, President   Mohave County Community College District
      Mohave Community College   Governing Board members

      Mark H. Vest, President   Navajo County Community College District
      Northland Pioneer College   Governing Board members

      Lee D. Lambert, Chancellor   Pima County Community College District
      Pima Community College   Governing Board members

      Dr. Lisa B. Rhine, President   Yavapai County Community College District
      Yavapai College   Governing Board members

      Dr. Michael M. Crow, President
      Arizona State University

      Dr. Rita Hartung Cheng, President
      Northern Arizona University

      Dr. Robert C. Robbins, President
      The University of Arizona

Arizona Foster Care Tuition Waiver Pilot Programs
Auditor General Report 17-106
36-Month Follow-Up Report

Recommendation	Status/Additional Explanation

Finding 1: Programs have assisted recipients, but data management needs improvement, and changes to some requirements may increase Programs' reach

1.1   The community college districts, and ABOR in collaboration with the universities, should each establish processes for collecting and/or reporting data on the Programs using one of the following options:

- If each community college district, and if ABOR in collaboration with the universities, continue using an outside service provider to collect the Programs' data, they should develop and implement policies and procedures for providing accurate and consistent data to the outside service provider and ensure that all appropriate staff are trained on these policies and procedures; or

  Implemented at 36 months
  One university has implemented policies and procedures for providing accurate and consistent data to the outside service provider and trained its staff on these policies and procedures.

  Implementation in process
  Two universities and 6 community college districts have developed some policies and procedures for providing data to the outside service provider; however, these policies and procedures do not address all areas for collecting and/or reporting data, such as updating information on whether students accepted or rejected offered student loans.

  Not implemented
  One community college district has not developed policies and procedures for providing consistent and accurate data to the outside service provider.

  Also, as indicated in their responses to the performance audit report, 2 other community college districts reported that they did not agree with the finding and would therefore not implement the recommendation.

- If each community college district, and if ABOR in collaboration with the universities, do not continue using an outside service provider to collect the Programs' data, they should develop and implement policies and procedures for collecting key program data that the Provider currently collects, such as who applied for a waiver, who received a waiver, and the reasons waivers were denied, and ensure that all appropriate staff are trained on these policies and procedures.

  Implementation in process
  One community college district has developed some policies and procedures for collecting and reporting key program data without relying on the Provider, such as who applied for and received the waiver. However, these policies and procedures do not provide community college district staff with adequate guidance on how to properly enter this information into the community college district's information technology systems. For example, the policies and procedures do not address what information staff should enter into the community college district's information technology systems when an application is denied.

Recommendation	Status/Additional Explanation
1.2 If the Legislature continues the Programs and determines that further assessment of their effectiveness should be performed, it should consider, in consultation with relevant stakeholders—including the community college districts and ABOR—what program outcome data, such as graduation and dropout rates, should be tracked and reported.	**No longer applicable** The Legislature enacted A.R.S. §15-1809.01 during the 2018 legislative session to continue the Programs. However, A.R.S. §15-1809.01 does not include a requirement to assess the Programs' effectiveness.
1.3 If the Legislature determines to continue the Programs, it should consider studying, in consultation with relevant stakeholders, the impacts and increased costs of modifying some requirements or adding additional supports to expand the reach of the Programs, such as: • Requiring the community college districts and ABOR, as well as other State agencies such as the Arizona Department of Child Safety, to coordinate outreach efforts to ensure all eligible current and former foster youth are aware of the Programs and receive correct information about them; • Increasing the age cap on eligibility to better reflect the educational trajectory of former foster youth; • Modifying the eligible educational expenses or the order in which financial assistance is applied to increase the amount of financial aid available to current and former foster youth for other educational expenses; and • Encouraging on-campus support programs to help meet current and former foster youths' non-financial needs.	**No longer applicable** See explanation for Recommendation 1.2. In addition, A.R.S. §15-1809.01 did not substantially modify program requirements or provide additional program supports.

Finding 2: ABOR and community college districts should improve Programs' implementation

Recommendation	Status/Additional Explanation
2.1 The community college districts, and ABOR in collaboration with the universities, should each review their policies and procedures for processing waiver applications to ensure that they provide adequate and appropriate guidance for verifying that applicants meet all eligibility requirements before awarding a waiver. As part of this review, they should ensure that the policies and procedures align with the eligibility requirements governing foster care tuition waivers and that appropriate community college district and university staff who process waiver applications have been trained on the policies and procedures.	**Implemented at 16 months and 36 months** Seven community college districts and ABOR, in collaboration with the universities, implemented this recommendation at 16 months. Another community college district implemented this recommendation at 36 months. **Not implemented** Two community college districts reported that they did not agree with the finding and would not implement the recommendation.

Recommendation	Status/Additional Explanation
2.2 If the community college districts, and if ABOR, in collaboration with the universities, identify any deficiencies in their policies and procedures or training as part of their review, they should modify their policies and procedures and/or train all relevant staff as appropriate.	**Implemented at 16 months** Eight community college districts and ABOR, in collaboration with 2 universities, have implemented this recommendation. **Implementation in process** Two community college districts and 1 university reported that they reviewed their policies and procedures for processing waiver applications and trained staff appropriately. However, their policies and procedures still lack key guidance for verifying all eligibility requirements before awarding a waiver. For example, the 2 community college districts' policies and procedures do not address verifying that applicants are Arizona residents.

2.3   The community college districts, and ABOR in collaboration with the universities, should each determine whether they will continue using an outside service provider to assist in the Programs' operation, and then implement one of the following options:
 	
• If the community college districts, and if ABOR in collaboration with the universities, continue using an outside service provider, they should each enter into a contract with an outside service provider that clearly defines the roles, responsibilities, and requirements for each party, including how the outside service provider will be monitored, how the Programs' data will be managed, and when the Programs' application will be made available to applicants; or
 	
• If the community college districts, and if ABOR in collaboration with the universities, do not continue using an outside service provider, they should each develop processes for:
 	
   o Ensuring that applicants have a method for applying for the Programs, including how to evaluate recipients if the Programs are not continued;
 	
   o Ensuring that applicants meet the foster care eligibility requirement;
 	
   o Ensuring that the Programs' application(s) are opened and/or reviewed each semester on a date that ensures applicants have adequate opportunity to make critical decisions about their college attendance and seek additional financial aid; and
	As of June 2020, none of the community college districts, nor ABOR, in collaboration with the universities, had entered into a contract with the outside service provider.
	
	Implementation in process
	Five community college districts, and ABOR in collaboration with the universities, reported that they are researching the feasibility of a contract or data sharing agreement with the Provider.
	
	Not implemented
	Two community college districts reported that they intend to continue using the Provider's services without pursuing a contractual agreement.
	
	Also, as indicated in their responses to the performance audit report, 2 community college districts disagreed with the finding and indicated they would not implement the recommendation.
	
	Implemented at 36 months
	One community college district has developed an internal process to administer its Program, including using information from the Free Application for Federal Student Aid (FAFSA) to identify potential students who may be eligible for the waiver. In addition, it has developed policies and procedures requiring students to provide documentation of being in foster care and for ensuring that the required volunteer hours are completed.

Recommendation	Status/Additional Explanation

     o   Ensuring that statutorily required volunteer hours are completed.

2.4	The community college districts, and ABOR in collaboration with the universities, should each develop and implement procedures for ensuring that applicants receive, understand, and have sufficient time to complete any required forms or documentation that the universities or community college districts may require as part of the application process, such as supplemental forms that require applicants to self-certify that they have met the waiver eligibility requirements.	**Implemented by 1 community college district at 16 months** **Not applicable** This recommendation did not apply to the other 9 community college districts, ABOR, or the universities.