

TOPIC: FISCAL YEAR 2013 FINANCIAL AID ALLOCATIONS

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I. SUMMARY

Each year, pursuant to state law (C.R.S. 23-3.3-102 [2]), the Colorado Commission on Higher Education takes action to allocate state-funded student financial aid programs to eligible institutions of higher education.

This item includes the proposed financial aid allocations for undergraduate need, graduate need and work-study programs for FY 2012-13. The allocations were calculated using the allocation method that was originally adopted in 2007 and later adjusted by the Commission at its February 2012 CCHE meeting.

II. BACKGROUND

The Commission's financial aid policy is designed to achieve three goals:

- Maximize the amount of financial aid funds available for Colorado residents;
- Direct state need-based dollars to all students with the least ability to pay; and,
- Recognize the student responsibility in paying higher education costs.

In the 2012 legislative session, the General Assembly decreased need-based aid by \$808,526 and decreased Work Study by \$180,029. Table One (below) shows FY 2012-13 appropriations by program type compared to the previous fiscal year.

Table One: FY 2011-12 and FY 2012-13 General Fund Financial Aid Appropriations

FY	Need	Work Study	LAW/ POW	Native American	Total
2011-12	74,607,417	16,612,357	364,922	11,785,002	103,369,698
2012-13	73,798,891	16,432,328	364,922	12,773,557	103,369,698
Dollar Change	-808,526	-180,029	0	988,555	0
% Change	-1.08%	-1.08%	0.00%	8.39%	0.00%

III. STAFF ANALYSIS

1. Need-Based Aid

In 2007, the Commission adopted Colorado's College Responsibility Program (CCRP) as the method for calculating undergraduate and graduate need-based aid allocations for each institution. As stated above, this method was adjusted slightly to fit the FY2012-13 undergraduate aid allocations.

A. Colorado's College Responsibility Grant

Colorado's College Responsibility Grant program is the undergraduate component of the CCRP. Need-based grant allocations are based on the number of Level 1 students at each institution. Level 1 students are those with an expected family contribution (EFC) between \$0 and 150% of the amount necessary to qualify for a Federal Pell Grant. Institutions are allocated a flat payment amount from the state for each Level 1 student enrolled. Payment amounts differ by type of institution and are categorized in tiers to address the differences in attendance costs at the institutions. Payment per student is based on average cost of attendance at the institution as reported in the financial aid files collected by the Department of Higher Education.

Following the passage of SB 10-003, state-supported institutions and non-profit private institutions have the flexibility to award financial aid according to the priorities of their respective governing boards. Proprietary institutions continue to award need based aid to students as outlined under the Department guidelines.

B. Critical Careers Funding for Graduate Students

This program allocates graduate need-based financial aid funding to students in critical career programs as identified by National Science and Mathematics Access to Retain Talent Grant Program. Critical Career Grant allocations are based on the number of Level 1 graduate students in the list of approved programs. The amount of funding set aside for graduate grant programs \$5,249,987.

2. Work-Study Financial Aid

The General Assembly reduced the appropriation for Work Study aid for FY 2012-13 slightly to \$16,432,328. For the past several years, the Commission has allocated work-study funds based on a needs assessment and those allocations have not changed since 2009. Staff recommends that the FY 2012-13 appropriation be distributed using the existing allocation. Statute requires that 70 percent of the appropriation go to need-based students; institutions are permitted to award the remainder without regard to a student's demonstrated need.

3. Categorical Financial Aid

Categorical Financial Aid covers the Native American Tuition Assistance program and Law/POW grants, which are entitlements that go directly to eligible students. The Native American Tuition Assistance Program provides tuition for all eligible Native American students at Fort Lewis College under a treaty agreement between the U.S. government and the State of Colorado.

Funding for these programs increased in FY 2013 to reflect actual utilization. Table Two (below) illustrates the costs of these categorical programs.

Table Two: Summary of State Categorical Financial Aid Programs

Type	Law/Fire	Native American
2012	\$364,922	\$11,785,002
2013	\$364,922	\$12,773,557

IV. STAFF RECOMMENDATION

That the Commission approves the financial aid allocations for fiscal year 2013 that appear in ATTACHMENT A.

STATUTORY AUTHORITY

C.R.S. 23-3.3-102 (2) Assistance program authorized - procedure - audits.

(1) The general assembly hereby authorizes the commission to establish a program of financial assistance, to be operated during any school sessions, including summer sessions for students attending institutions.

(2) The commission shall determine, by guideline, the institutions eligible for participation in the program and shall annually determine the amount allocated to each institution.