

COLLEGE OPPORTUNITY FUND REPORTING GUIDELINES August 28, 2006

Part 1

Statutory Authority

Statutory Authority C.R.S. 23-18-101, et. seq., establishes the College Opportunity Fund (COF) and changes how higher education is funded in Colorado. Higher education institutions no longer receive direct state funding through General Fund appropriations. Under COF, eligible undergraduate students receive a stipend that is submitted on their behalf to the institution of their choice. Funding through the College Opportunity Fund applies to the state institutions listed in C.R.S. 23-18-102(10)(a) as well as participating private institutions outlined in C.R.S. 23-18-102(8) and (9). At their meeting on June 2, 2005, the Colorado Commission on Higher Education (CCHE or the Commission) approved policies related to COF stipend reporting. The POLICY FOR PUBLIC INSTITUTIONAL REPORTING COLLEGE OPPORTUNITY FUND STUDENT CREDIT HOUR STIPEND ENROLLMENT, EFFECTIVE JULY 1, 2005 (Section II, Part D) is available on the Commission website at <http://www.state.co.us/cche/policy/newpolicies/ii-partd.pdf>. The POLICY FOR PARTICIPATING PRIVATE INSTITUTIONAL REPORTING ON COLLEGE OPPORTUNITY FUND STUDENT STIPEND REPORTING, EFFECTIVE JULY 1, 2005 (Section II, Part E) is available at <http://www.state.co.us/cche/policy/newpolicies/ii-parte.pdf>.

Overview

The primary goals of the College Opportunity Fund are to bring awareness to Colorado resident students that state funds are provided to help finance their college education and to ensure that the per credit hour stipend is the same for each eligible undergraduate student regardless of the institution they attend.

This document is meant to supplement the CCHE policies listed above and the FULL-TIME EQUIVALENT (FTE) REPORTING GUIDELINES and PROCEDURES, June 2002 (which remain in effect) and provides guidance as institutions determine student, course, and enrollment eligibility for the COF stipend and submit their COF invoice and reconciliation files to the Colorado Student Loan Program (CSLP) each term. The Commission recognizes that these guidelines may not address every possible

circumstance. When situations arise that the policy or the guidelines do not explicitly address, institutions should request an *interpretation* from the Commission. CCHE’s formal, written interpretation will then apply to and be shared with all participating institutions. In contrast, *exemptions* approved by CCHE staff and entered into the public record do not alter or establish the state policy, but only apply to an institution for a particular circumstance and for a specified time period. CCHE staff shall keep the official record of Commission-approved changes to the policy and any exemptions that have been approved.

Compliance with the policy and these guidelines is subject to audit by the Commission and/or the State Auditor’s Office. The Commission and/or the State Auditor’s Office shall report any eligibility deviations to the governing board of the institution in question. The Commission recognizes that the College Opportunity Fund is new and that unanticipated situations may arise during implementation of the program. Likewise, legitimate administrative decisions or errors may occur that may allow COF eligibility. In these situations, the institution should maintain adequate paper trails to justify COF eligibility decisions made at the institutional level.

Institutions submit two COF reports per academic term to the Colorado Student Loan Program, an invoice file and a reconciliation file. These reports must be submitted to CSLP within the following time windows:

Semester Schools	
Fall 200X	Invoice File – September 18 (earliest date to submit) Reconciliation File – January 31 (latest date to submit)
Spring 200X	Invoice File – February 1 (earliest date to submit) Reconciliation File – May 31 (latest date to submit)
Summer 200X*	Invoice File – June 1 (earliest date to submit) Reconciliation File – September 15 (latest date to submit)

Quarter Schools	
QTR1	Invoice File – October 1 – October 31 Reconciliation File – December 1 – December 31
QTR2	Invoice File – January 1 – January 31 Reconciliation File – March 1 – March 31
QTR3	Invoice File – April 1 – April 31

	Reconciliation File – June 1 – June 31
QTR4	Invoice File – July 1 – July 31 Reconciliation File – August 1 – August 31

*Institutions must submit their first summer invoice file by June 15th of each year to allow adequate time for CSLP to process payments by the end of the fiscal year (June 30th). This invoice should include students enrolled in summer courses that began prior to June 30th. The summer reconciliation file can be submitted from July 1st until September 15th and includes adjustments to the invoice as well as stipend requests for students enrolled in summer courses that began after July 1st. The Commission and CSLP recognize that the deadlines for spring and summer submissions may be challenging to institutions, but they are necessary due to state fiscal rules related to year end payment processing.

All questions about these guidelines should be directed to members of the CCHE Finance Staff.

In general, undergraduate student enrollments that were reported as FTE for the purposes of state funding in the past are now COF stipend eligible.

Part 2

Public Institutions

This section applies to all public four-year institutions and to colleges within the Colorado Community College System. As of the 2005-06 academic year, the local district community colleges are not participating in the College Opportunity Fund program. For participating institutions, Colorado Revised Statutes define certain eligibility requirements for COF stipends. These requirements relate to the type of student, the type of course, and the type of enrollment within a course. In addition, COF eligibility may be affected by one or more of the following situations: whether the student has exceeded his/her lifetime credit hour limitation, whether the student has been granted a credit hour limitation waiver from their institution or from the Commission, or the student's drop/add/withdrawal activity.

Eligibility Parameters

Student Eligibility

According to Colorado Revised Statutes, students who meet the following qualifications may receive a stipend from the College Opportunity Fund:

- Students “enrolled at a state institution and ... classified as an in-state student for tuition purposes” (C.R.S. 23-18-102(5)(a))
- Students who have applied and been accepted into the COF program (C.R.S. 23-18-202(5)(a))
- Students who have requested that a payment from the COF is made on their behalf to the institution(s) they are attending (C.R.S. 23-18-202(5)(a))
- Students who are classified as undergraduate students and have not exceeded their lifetime-credit-hour limitation (145 hours) or have already completed their baccalaureate degree and are eligible to receive stipend payments for an additional 30 undergraduate credit hours (C.R.S. 23-18-202(5)(c)(I))

These are the only requirements listed *in the statute* that directly relate to *student* eligibility for COF. In addition, the following student types are eligible for COF stipends, provided they apply and are accepted into the COF program. Students receiving institutional scholarships granted to a special group of students, such as employees or employees’ dependents, are eligible to receive the COF stipend if the following criteria are met: the eligible employee or dependent must pay the tuition and fees when registering for the course, and there is a published application process under which recipients qualify.

Children and grandchildren of the displaced Auraria residents who are granted free tuition and Native-American students attending Fort Lewis College under its statutory role and mission are eligible for COF stipends.

U.S. Military personnel or their dependents, and Olympic trainees, whose out-of-state tuition is waived under C.R.S. 23-7-103 and 23-7-105, respectively, are eligible for COF stipends.

Students participating in the Colorado Education Exchange Program (CEEP) are eligible for COF stipends (Note: No student may participate in CEEP for more than one year).

Students enrolled in CCHE-approved reciprocity agreements are *not* eligible for COF stipends. Institutions receive funding for these students through their fee for service contracts.

Although they receive in-state or reduced tuition, Canadian military personnel and their dependents, and WICHE Undergraduate Exchange Program (WUE) students are *not* eligible for COF stipends.

Students enrolled in the Post Secondary Enrollment Options (PSEO) or Fast Track programs are *not* eligible for stipend funding for these courses in fiscal year 2005-06 only. Beginning in fiscal year 2006-07 (July 1, 2006), these courses are eligible for stipend funding under SB05-132. PSEO and Fast Track courses taken with COF stipends

will count against a student's 145 credit hour limitation beginning in fiscal year 2006-07. However, in the event the student exceeds this limit, the student can request a one-year waiver of the lifetime credit hour limitation from the institution attended when the student reaches the limit. According to the statute, PSEO and Fast Tracks students *shall* be granted a waiver from the institution if needed and requested prior to the granting of waivers to other students (see below for further clarification on Lifetime Credit Hour Limitation Waivers).

Students may elect not to use their stipend for eligible courses. At their discretion, institutions can allow students to apply the stipend to all or none of their eligible credits, or allow students to apply the stipend on an individual credit hour basis. Institutions should develop specific guidelines regarding COF eligible students who choose not to use their stipend. These guidelines must be made available to students upon registration and may be incorporated into standard institutional registration materials and should clearly explain that students who do not use their stipend for eligible credit hours are responsible for the total cost of instruction (Student Share of Tuition plus the COF stipend).

Course and Enrollment Eligibility

The Commission defines the criteria that institutions must use to determine if various types of instruction are eligible for COF stipend support. To qualify for COF, the credit hours must meet the following criteria:

1. Credit hours attempted by eligible students
2. Credit hours attempted in courses congruent with an institution's statutory role and mission
3. Credit hours offered within an institution's boundaries including credit hours earned from any Internet course or interactive television course delivered by a Colorado public institution of higher education

In addition, concurrent enrollment courses (other than PSEO and Fast Tracks in fiscal year 2005-06), state-funded off-campus programs identified and approved by CCHE, and graduate course enrollments taken by undergraduate students as part of their baccalaureate degree program may be funded through the COF stipend.

Specific course enrollments are not eligible for COF funding, even in the situation where the student enrolled in the course meets the student eligibility criteria. These courses may be funded through a fee for service contract established between the institution and the Commission. Specifically, the following course enrollments are ineligible for COF stipend support:

- Basic Skills courses as defined in C.R.S. 23-1-113(1)(b)(II)(A.7)*
- Transcribed credits not directly attributed to college instruction, such as AP, ACE, IB, and CLEP
- Off-campus, extended campus, or continuing education courses that are not state-funded, unless approved by CCHE.

- Non-credit courses
- Audited courses
- Courses and instruction that are fully funded under an institution's fee for service contract
- All course sections where the enrollment is closed to the general public, the curriculum is customized for an employer or the course is funded by customized job training dollars that are separately appropriated and outlined in C.R.S. 23-60-306 and 307
- All courses offered on a military base (Note: If SB06-031 passes, these courses become eligible for COF stipend support in fiscal year 2007-08)

*Basic Skills courses are *not* eligible for stipend funding for fiscal year 2005-06 only. Beginning in fiscal year 2006-07 (July 1, 2006), these courses are eligible for stipend funding under SB05-132. The statute says that Basic Skills courses *will not* count against the students 145 credit hour limitation beginning in fiscal year 2006-07 (C.R.S. 23-18-202(5)(c)(I)(B)). For example, if a student enrolls in 15 credit hours (9 core credits and 6 Basic Skills credits), the institution will receive 15 credit hours of COF stipends payments, however only 9 credit hours will count against the student's 145 credit hour limitation.

The Commission recognizes the memorandum of understanding (MOU) between the three Auraria institutions: Metropolitan State College of Denver, the Community College of Denver, and the University of Colorado at Denver and Health Sciences Center for CCD to provide Basic Skills courses to students at Metro and UCDHSC. Under the agreement, Metro and UCDHSC will submit Basic Skills courses credit hours as the agent for CCD for their respective students. The COF dollars collected by Metro and UCDHSC will be transferred to CCCS on behalf of CCD. The Commission understands this process will be transparent and may review this transfer during periodic compliance audits.

Institutions should consider both student and course enrollment criteria when determining whether an enrollment is eligible for COF support and therefore should be submitted to CSLP for the stipend.

Lifetime Credit Hour Limitation Waivers

As mentioned above, each eligible student is limited to 145 credit hours of COF stipends. If a student exceeds this limit prior to meeting his/her academic goals, he/she is responsible for the Total Tuition (Student Share of Tuition plus the COF stipend). However, he/she may apply for a waiver from the lifetime credit hour limitation. There are two types of waivers: waivers granted by the institution and waivers granted by the Commission.

Colorado Revised Statutes state: "A state institution of higher education may annually grant a one-year waiver of the lifetime credit hour limitation for up to five percent of the eligible undergraduate students enrolled in the state institution of higher education"

(C.R.S. 23-18-202(5)(f)). Institutions will grant these waivers each fiscal year. An eligible student can only receive one waiver from an institution.

Institutions must calculate their five percent limit based on the previous fiscal year's credit hours converted to student FTE. For example, if an institution bills for 3000 credit hours in fiscal year 2005-06, they may grant waivers for an additional 150 credit hours (five percent of 3000) in fiscal year 2006-07. Basing the waiver limit on student FTE is necessary because institutional budgets are based on student FTE and funding for COF waivers will be included in the Long Bill. At their discretion, institutions may establish their own waiver policy to meet the needs of the institution, as long as this policy complies with statute and the institution does not bill for more than five percent of the previous fiscal year's credit hours converted to student FTE each year.

For fiscal year 2005-06, priority for institutional waivers is given to students who are receiving instruction for purposes of job retraining. Due to SB05-132, beginning in fiscal year 2006-07, priority will be given to students who exceeded the limit and used COF stipends for courses taken while participating in the PSEO or the Fast Track programs. The institution shall grant the waiver if needed and requested only if the student exceeds the lifetime credit hour limitation. After granting waivers to students who participated in the PSEO and Fast Track programs, the institution shall give priority to students who are receiving instruction for purposes of job retraining.

The institutional waiver will always precede the Commission waiver. In other words, students can apply for a waiver from the Commission as necessary after receiving an institutional waiver, or if a waiver is not available from their respective institution (presumably because the institution already granted waivers to five percent of credit hours converted to student FTE). An institution's waiver application must inform students of the availability of waivers from the Commission.

The COF statute is very specific in defining the criteria that must be met in order for a student to qualify for a Commission waiver from the lifetime credit hour limitation. According to C.R.S. 23-18-202(5)(e), the Commission may grant a waiver in the following situations:

- The student has extenuating circumstances that exist related to his/her health or physical ability to complete the degree program within the lifetime credit hour limitation
- The student's enrolled degree program requires more than 120 credit hours to complete and the Commission has approved this program
- While the eligible undergraduate student was enrolled in a specific degree program, the Commission approved and the institution implemented an alteration of degree requirements or standards for the specific degree
- Requiring the eligible undergraduate student to pay the full amount of Total Tuition for credit hours that exceed the limitation would cause substantial economic hardship on the student and/or the student's family

A student may apply once to the Commission for a waiver using the application found on the Commission's website. However, if extenuating circumstances occur after the waiver is denied which significantly affect the student's need and/or eligibility for the waiver, a student may reapply to the Commission for a waiver. The Commission's decision shall be final. The Commission will notify the student whether the waiver request is granted or denied within 30 days of the receipt of the application. The Commission will also notify the student's institution and CSLP of its decision to grant or deny the waiver at this time.

The Commission shall accept waiver applications throughout the year as needed.

If granted, the waiver shall only be valid for courses needed to complete in order to meet the requirements for the degree program in which the student is enrolled at the time he/she applied for the waiver. As part of the waiver application process, a student will be required to meet with an academic advisor to determine the specific courses the student needs to graduate or to complete their enrolled program. The waiver will be good for the specific number of credit hours and it is the student's responsibility to ensure he/she enrolls in the appropriate courses. For example, if a student is granted a waiver for four specific three credit courses, CCHE will notify the institution and CSLP that the student has been granted a waiver for twelve credit hours.

Course Drop/Add/Withdrawal Activity

In the past, an institution's funding was tied to the amount of reported FTE. These same policy and procedures guide an institution's COF reporting and determine COF eligibility. How a student's enrollment activity affected institutional FTE reporting prior to the COF program affects an institution's invoice and reconciliation reports to CSLP in the same manner.

The census date is the last date of the registration adjustment period. Typically, census date falls within the first 15 percent of the term, however, it can vary depending upon the course. Up to and including the official course census date, students can adjust their schedules without academic or financial penalty. The course census date affects three enrollment adjustments, which, in turn, may affect COF eligibility.

1. **Course Drops:** Student formally process out of a course prior to course census date and his/her transcript does not record enrollment in this class. Institutions are not eligible to receive COF stipend support for course drops. If an institution has already received a stipend payment for a dropped course, the institution must refund the applicable amount to the College Opportunity Fund. The credits for which the stipend is refunded shall not count against the eligible undergraduate student's lifetime-credit-hour limitation.
2. **Course Adds:** Institutions can claim COF stipend support for students who add a course before the course census date. For students who are allowed by the institution to add a course after the course census date, the institution is not eligible to claim COF stipend support for the added course.

3. **Course Withdrawals**: Students formally process out of a course after the course census date and they receive a “W” or “NC” on their official transcripts. Because the schedule adjustment occurs after the course census date, the institution can still receive COF stipend support for this course enrollment. Credit hours for dropped courses will count against the student’s lifetime-credit-hour limitation.

Changes in total COF eligible enrollments should be reflected in the reconciliation reports sent each term to CSLP

College Opportunity Fund Cash Advances

C.R.S. 23-18-208 allows institutions to apply for and receive a cash advance from the College Opportunity Fund in order to manage its cash flow. The advances are non-interest bearing and must be paid back in full within the same fiscal year in which the advance was made. To receive a cash advance from the Fund, CCHE Policy (Section II-D-6, Paragraph 4.05) states that a governing board must provide the following information in writing to the Commission:

- Purpose of the advance
- Reason and justification for the advance
- Cash flow statement that demonstrates the need for the advance
- The expected term of repayment
- A signed statement from a member of the governing board certifying that the advance will be paid in full by the end of the fiscal year in which it was made

Upon approval by the Commission, CSLP will process the cash advance and transfer the applicable amount to the institution.

When an institution applies for a cash advance from the College Opportunity Fund, they are basically borrowing against their future student stipend reimbursement; therefore, an institution should not be able to borrow more than their expected stipend reimbursement for the fiscal year. An institution’s cash advance cannot exceed the total amount forecasted by legislative staff to be reimbursed through stipends in the current fiscal year. In addition, since an institution is receiving a cash advance against future student stipend reimbursements, it must pay back the amount of the cash advance each term that corresponds to the amount submitted through the institution’s reconciliation file within 30 days of receiving the normal stipend payment. For example, if institution X receives a cash advance for \$100,000 in September and then submits a reconciliation file for \$50,000 on December 15th, the institution must pay back \$50,000 of the cash advance by January 14th.

