
COLORADO COMMISSION ON
 **HIGHER
EDUCATION**

ACCESS TO HIGH-QUALITY, AFFORDABLE EDUCATION FOR ALL COLORADANS

**COLLEGE OPPORTUNITY FUND
STATUS REPORT
FY07-08**

NOVEMBER 2008

INTRODUCTION & OVERVIEW

Pursuant to C.R.S. §23-18-207, the Colorado Commission on Higher Education is pleased to submit to the Education Committees of the Senate and the House of Representatives and to the Joint Budget Committee the annual report on the College Opportunity Fund (COF).

Under the COF program, the traditional funding of institutions of higher education through direct appropriations from the state legislature was replaced with taxpayer-funded higher education vouchers (known as tuition stipends) fee-for-service contracts (used to “purchase” specified higher cost educational programs) and performance contracts. The tuition stipends and fee-for-service contracts were intended to improve access to and awareness of higher education as well as increase transparency and accountability. Performance contracts were negotiated with each governing board to improve access and retention, quality, institutional efficiency and the state’s priority needs. In exchange, institutions have more flexibility and less state oversight. Finally and most critically, the COF program put all publicly funded institutions into enterprise status, removing them from the TABOR restrictions.

For private institutions which elect and qualify to participate in COF, the tuition stipend amount is set at one-half the amount for students in public institutions and is available only to students who are eligible for federal Pell grants. In this sense, these COF payments are actually a form of state need-based financial aid to Colorado resident students at University of Denver and Regis University, the only two private institutions that currently participate.

COF STATISTICS AND DATA

A. Participating Institutions:

Four Year Public Colleges

- Adams State College
- Colorado School of Mines
- Colorado State University
- Colorado State University-Pueblo
- Fort Lewis College
- Mesa State College
- Metropolitan State College of Denver
- University of Colorado at Boulder
- University of Colorado at Colorado Springs
- University of Colorado at Denver and Health Sciences Center
- University of Northern Colorado
- Western State College

Two Year Colleges

- Arapahoe Community College
- Colorado Northwestern Community College
- Community College of Aurora
- Community College of Denver
- Front Range Community College
- Lamar Community College
- Morgan Community College
- Northeastern Junior College
- Otero Junior College
- Pikes Peak Community College
- Pueblo Community College
- Red Rocks Community College
- Trinidad State Junior College

Private Colleges

- Regis University
- University of Denver

B. Stipend Projections and Actual Stipends Paid

FY 07-08 Table B.1 COF Stipend - Actual vs. Projected

Institution of Higher Education	Actual (Total amount Paid)	Projections (Long Bill Appropriation)	Difference (Actual - Projected)
CU System	\$73,652,240	\$73,075,230	\$577,010
CSU System	\$51,120,902	\$51,234,630	(\$113,728)
Adams State College	\$3,667,925	\$3,770,040	(\$102,115)
Mesa State College	\$11,701,293	\$12,087,090	(\$385,797)
Metro State College	\$40,888,137	\$40,696,140	\$191,997
Western State College	\$3,731,330	\$3,866,160	(\$134,830)
Fort Lewis College	\$6,775,801	\$6,829,860	(\$54,059)
Univ. of Northern Colorado	\$22,126,286	\$23,317,110	(\$1,190,824)
Colorado School of Mines	\$7,079,258	\$7,235,700	(\$156,442)
Community College System	\$108,195,901	\$104,020,530	\$4,175,371
<i>Public Institutions' Total</i>	\$328,939,073	\$326,132,490	\$2,806,583
Privates (DU and Regis)	\$1,065,330	\$934,500	\$130,830
Total	\$330,004,403	\$327,066,990	\$2,937,413

Note: FY07-08 stipend amount for eligible students at state institutions was \$2670 or \$89 per credit hour. The stipend amount for eligible students at participating private institutions was \$1,335 or \$45 per credit hour.

C. Fee-For-Service

Table C.1- FY07-08 Fee-For-Service Contract Chart

Institution	Amount	Services Purchased	Total Dollars by Category	Per Cr Hr Rate	Total Credit Hours Purchased
Adams State College					
FFS	\$9,956,155	Career development, retraining, and specialized high cost education	\$5,765,509	\$351	16,445
Stipend	\$3,667,925	Graduate I (Master level)	\$4,190,646	\$451	9,302
Total	\$13,624,080				
Mesa State College					
FFS	\$10,675,047	Graduate I (master level)	\$693,486	\$531	1,306
		Career development and retraining	\$2,831,691	\$198	14,302
		Specialized courses and professional degrees	\$7,149,870	\$198	36,110
Stipend	\$11,701,293				
Total	\$22,376,340				
Metro State College					
FFS	\$3,756,773	Aerospace Science, Nursing, Engineering Technologies, Computer & Information Sciences, Biological & Life Sciences, and Physical Sciences	\$3,756,773	\$177	21,186
Stipend	\$40,888,137				
Total	\$44,644,910				
Western State College					
FFS	\$7,624,361	Reciprocal programs	\$18,690	\$89	210
Stipend	\$3,731,330	Career development and retraining	\$7,605,671	\$345	22,018
Total	\$11,355,691				

Colorado State University System					
FFS	\$82,669,027	Graduate I (master level) at CSU Ft. Collins	\$12,298,362	\$775	15,869
		Graduate I (master level) at CSU Pueblo	\$1,567,035	\$606	2,586
		Graduate II (doctorate level) at CSU Ft. Collins	\$10,819,178	\$1,000	10,819
		Specialized education services and high cost undergraduate programs at CSU Ft. Collins	\$15,416,563	\$269	57,311
		Specialized education services and high cost undergraduate programs at CSU Pueblo	\$2,724,664	\$207	13,163
		Veterinary medicine	\$9,869,611	\$1,253	7,877
		State Forest Service	\$4,725,280	\$777	6,081
		CSU Extension Program	\$11,508,980	\$11	1,070,603
		Agricultural Experiment Station	\$10,968,748	\$23	484,485
		Career development, retaining, and specialized high cost education	\$2,745,840	\$207	13,265
		Reciprocal programs	\$24,766	\$89	278
Stipend	\$51,120,902				
Total	\$133,789,929				
Fort Lewis College					
FFS	\$4,878,134	Reciprocal programs	\$224,280	\$89	2,520
		Specialized Educational Programs	\$4,653,854	\$314	14,825
Stipend	\$6,775,801				
Total	\$11,653,935				
University of Colorado System					
FFS	\$121,334,100	Graduate I (master level)	\$38,775,413	\$298	129,962
		Graduate II (doctorate level)	\$21,189,767	\$613	34,551
		Health Sciences professional service programs	\$61,368,920	\$2,677	22,925
Stipend	\$73,652,240				
Total	\$194,986,340				

Colorado School of Mines					
FFS	\$14,658,014	Graduate services	\$1,898,532	\$660	2,877
		Specialized educational services	\$12,759,482	\$505	25,259
Stipend	\$7,079,258				
Total	\$21,737,272				
University of Northern Colorado					
FFS	\$19,029,884	Graduate I (master level)	\$6,316,373	\$497	12,709
		Graduate II (doctorate level)	\$2,861,712	\$1,904	1,503
		Specialized education services	\$9,851,799	\$196	52,326
Stipend	\$22,126,286				
Total	\$41,156,170				
Community College System					
FFS	\$24,133,791	Vestibule labs	\$1,879,454	\$89	21,117
		Reciprocal programs	\$187,945	\$89	2,112
		Educational services in rural communities	\$12,635,034	\$308	41,065
		Differential Specialized Instructional Educational Services	\$9,431,358	\$35	271,960
Stipend	\$108,195,901				
Total	\$132,329,692				

Sources: SB07-239; HB07-1256; HB08-1375; JBC 1331; FY2007-08 Fee-for-service contracts between Department of Higher Education and respective governing boards.

D. Colorado Christian University Lawsuit

In 2004, the Colorado Commission on Higher Education denied Colorado Christian University's (CCU) application to participate in the COF program on the basis that CCU was a "pervasively sectarian" institution and was therefore ineligible under state law.

CCU filed suit in federal court challenging the CCHE decision on 1st Amendment grounds. On July 23, 2008, the U. S. Court of Appeals for the 10th Circuit reversed the decision of the U.S. District Court for Colorado, which had granted summary judgment for CCHE, and ruled that the state could not properly apply its "pervasively sectarian" standard and should accept CCU's application to participate in COF and state financial aid programs.

CCHE decided not to appeal to the U.S. Supreme Court. The Department of Higher Education is currently working with CCU to comply with the decision of the 10th Circuit and process CCU's

application to participate in the COF program in accordance with the statutory provisions not affected by the Court's decision.

E. Evaluation of COF Program.

In July of 2008, the Department of Higher Education contracted with the Western Interstate Commission for Higher Education (WICHE) to conduct a study of the College Opportunity Fund (COF) and evaluate how well it is working for students and the state's institutions of higher education. The study will examine COF's effect on student participation in higher education, and administrative costs and benefits to the colleges, and the extent to which the original objectives of the program are being achieved.

This study will meet the reporting requirement of the original COF legislation, requiring the Department of Higher Education to evaluate the program and report to the legislature by 2010. The study also comes after some criticism that the COF stipend is cumbersome for colleges and universities to administer and that many students are not aware the funding is available.

WICHE will report on its findings and present options for any policy changes that appear warranted. The report will be provided to the General Assembly prior to the 2010 legislative session.

APPENDIX A
ADDITIONAL INFORMATION

ADDITIONAL INFORMATION

CCHE College Opportunity Fund Policies:

Part D

Policy for Public Institutional Reporting College Opportunity Fund Student Credit Hour Stipend Enrollment, Effective July 1, 2005 (8/1/06)

<http://highered.colorado.gov/Publications/Policies/Current/ii-partd.pdf>

Part E

Policy for Participating Private Institutional Reporting on College Opportunity Fund Student Stipend Enrollment, Effective July 1, 2005 (8/1/06)

<http://highered.colorado.gov/Publications/Policies/Current/ii-parte.pdf>

CCHE College Opportunity Fund Reporting Guidelines

http://highered.colorado.gov/Finance/COF/COFGuidelines_082108.pdf

College Opportunity Fund Institutional Implementation FAQ's

http://highered.colorado.gov/Finance/COF/COFimplFAQ_031407.pdf

College Opportunity Fund FAQ's

<http://cof.college-assist.org/cofapp/cofapp/default.aspx?pageid=3>

College Opportunity Fund Application

<https://cof.college-assist.org/cofapp/cofapp/Default.aspx>