



COLORADO
Department of
Higher Education

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CCHE adds predictability to innovative financial aid approach

DENVER — March 14, 2014 — The Colorado Commission on Higher Education Friday refined how the state distributes need-based financial aid dollars by tying those awards more closely to the amount of new aid dollars available.

At its regular meeting, the CCHE voted unanimously to approve the grade level increment for the Completion Incentive Model, an innovative approach to allocating aid that rewards institutions of higher education for boosting the number of lower-income students who remain on track to graduate in a timely manner.

The allocation formula is now more closely tied to the amount of state funding available. For fiscal 2014-2015 the financial aid increase ensures at least a 20 percent increase in aid dollars for all public and non-profit private institutions. Presently, in the pilot year, an institution receives a set \$200 in additional need-based aid per grade level for Pell eligible students.

The amended model ties the grade level increment to available funding. For instance, when the new approach, called “rate of change,” is applied to the FY 2014-15 allocation (which represents a 38 percent increase in overall aid funding over the previous year) the grade level increment increases to \$276 - up from the set increase of \$200 under today’s formula.

The \$30 million in need-based aid that is in both Gov. John Hicklenlooper’s budget request and Senate Bill 1, the College Affordability Act, represents a historic infusion in need-based aid in Colorado should either measure become law.

The amended formula builds in guardrails to limit growth and provide a soft landing for institutions that may lose Pell eligible students. In short, the amended formula retains the completion incentive philosophy, places a high value on predictability and dampens the funding swings among the institutions.

In addition, \$5 million in new dollars are slated to be spent on work-study and another \$5 million on restoring merit aid in Colorado. The CCHE also voted to allocate merit aid based on the number of eligible full- and part-time students. As for work-study, commissioners decided to base that funding on the total number of resident, undergraduate enrollments and allocate the proportional share to each institution.

FY 2014-2015 need-based aid allocation using new model

20/50 Predictability 276				
Rate of Change Increment (PelEFC5157)	FY2014	FY2015 Projection	% Change from FY2014	New Money
Four Year Public	40,556,600	55,466,506	36.76%	14,909,906
Two Year Public	27,850,616	38,708,425	38.99%	10,857,809
NonProfit Private	2,572,878	3,597,759	39.83%	1,024,881
AVS	496,665	704,069	41.76%	207,404
98,476,759	Freshman	Sophomore	Junior	Senior
276	891	1,167	1,442	1,718

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