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COLORADO DEPARTMENT OF  
 **HIGHER  
EDUCATION**

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ACCESS TO HIGH-QUALITY, AFFORDABLE EDUCATION FOR ALL COLORADANS

FINANCIAL AID REPORT  
2007-2008  
REVISED  
JANUARY 28, 2009

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1560 Broadway, Suite 1600 • Denver, Colorado 80202 • (303) 866-2723  
DAVID E. SKAGGS, EXECUTIVE DIRECTOR

## **BACKGROUND**

Faced with annual higher education cost increases, students and families – both nationally and in Colorado – combine various personal, state, institutional and federal resources to pay the costs of higher education. For most students and families, the actual costs associated with attending college go beyond traditional tuition and fee expenses. Housing, books and supplies, food, and transportation typically add up to more than tuition and are often underestimated or overlooked when determining the funds needed to attend college.

Some families save for college, putting resources aside early in specifically designated savings programs, such as state 529 savings plans (named for the pertinent IRS section) and Coverdell education savings accounts, which offer some tax advantages, and individually managed mutual funds or savings programs parents themselves manage.

Student loans continue to be an increasingly important financing source for many students. Through federally supported programs – the Stafford loan program, available to students through the Federal Family Education Loan Program, the William D. Ford (direct lending) program and the Perkins loan program (a federal-institution partnership) – the student loan industry has grown as more students borrow larger amounts to meet rising college costs. Besides these federal programs, a large and ever-growing private loan market – often with higher interest rates and borrower credit qualification requirements – helps students meet education costs. Few data sources track these loans or the number of parents who use home equity credit lines, personal lines of credit, or borrow against their retirement or insurance portfolios to finance college for their children. In addition, credit cards play an increasing role in helping parents and students pay education expenses, although good data is not available about how much credit card debt can be attributed to higher education expenses.

Tables 12 and 13 at the end of this report show the cumulative debt of students graduating with associate and baccalaureate degrees in Colorado over the past four fiscal years. The debt load of Colorado students is slightly lower than the national average but remains a key component in evaluating the cost of higher education.

Federal student aid, anchored by the federal Pell grant program and various loan programs, is the single largest aid resource for most students. However, the amount of institutional aid available for students has seen a more significant shift in the past fiscal year, as state public institutions have been required to devote 20% of revenue from tuition increases above the Consumer Price Index (CPI) to institutional financial aid. Most of these programs require students' parents to qualify under state and federal need-based aid calculations based on family income.

Grants and scholarships play a major role for some students. Many scholarships are specifically tied to achievement goals, student abilities (e.g., athletic or musical), specific group membership, and competitions for the students seeking the awards, or other specific criteria, such as field of study. The following table is a breakdown of the sources of student aid in Colorado for Fiscal Year 2008. It illustrates the increasing importance of institutional aid for Colorado students and continued reliance on loans.

**Table 1: Sources of Aid in Fiscal Year 2008**

| <i>Type of Aid</i> | <i>Amount</i>   |
|--------------------|-----------------|
| Institutional      | \$288,198,524   |
| Federal            | \$211,985,549   |
| State              | \$96,973,437    |
| Loans              | \$988,364,934   |
| Other              | \$53,715,525    |
| Total              | \$1,639,237,969 |

Data Collected by the Colorado Department of Higher Education

Typically, the amount of aid a student receives is determined by aggregating all the parent and student resources reasonably available to cover college costs, subtracting those resources from the total cost of attendance at an institution, and then attempting to put together a “package” of resources from multiple sources to meet a particular student’s “need.”

Students in low-income and some middle-income families often qualify for federal Pell grants, the first choice for many financial aid offices in packaging aid for students. After subtracting the Pell grant funds, an aid officer next examines whether the student might qualify for a Colorado’s College Responsibility Grant at Level 1 (awarded up to 150% of Pell eligibility), which provides a minimum award to Level 1 students in the amount of \$750. FY07-08 was the first year of the program. Allocations were made to schools based on their number of Level 1 full-time enrollment (FTE). However for FY 07-08, institutions were only required to award College Responsibility Grants to freshmen and were given discretion to phase out the prior program, the Colorado Student Grant, for upperclassmen or award the Colorado’s College Responsibility Grant. Awards to Level I students ranged from \$750 to \$5,000 per student. The Colorado Student Grant awards range from a minimum award of \$250 at Level 3 to a maximum award at Level 1 of \$5,000. While students who qualify for the Pell grant are guaranteed an amount, not all Level 1 students receive Colorado need-based aid.

A subsidized federal loan (an advantage for students in lower income groups since the interest is paid by the federal government and does not accrue to the borrower) is likely used to meet the next segment of need. Once subsidized borrowing is factored into the equation, aid officers often turn to institutional resources to help students. This aid can be specific grant or scholarship aid from the school’s foundation, tuition and fee discounting, or other resources available to the institution. In recent years, students often bring outside aid with them to the institution (e.g., Daniels scholars, Boettcher Foundation scholars, National Merit Scholarships and corporate-sponsored scholarships).

For many students from middle and upper income families, Pell grants, Colorado grants and subsidized Stafford are unavailable because of income thresholds. A parent PLUS loan or an unsubsidized Stafford loan are typically the first elements of an aid package for these students. A PLUS loan requires credit qualification and is debt accruing to the parent. Unsubsidized Stafford loans are student debt. If the loan packages – which have annual limits under federal law – do not meet costs, institutions may look at tuition discounting, depending on income levels, or other institutional aid resources. Financial aid offices may then suggest private loans

for these students and their parents. If the student meets academic criteria, a merit award is possible from the limited state pool of aid or institutional resources. Parents of these students are the most likely to use income tax credits to help defray year-to-year higher education borrowing costs.

## **COLORADO FINANCIAL AID RESOURCES**

Student financial aid seeks to provide equal opportunity to otherwise qualified students whose personal or family resources are insufficient to cover the cost of college. A primary goal of the Department of Higher Education is to expand student access to Colorado's institutions of higher education. For Fiscal Year 2008, General Fund support for all state financial aid increased by \$6,886,583 from the prior year; FY2008 is the first year since the economic downturn of 2002 to exceed funding levels of FY 2003.

The state is still recovering from comparable decreases in financial aid. In FY 2005, need-based aid took major decreases and merit was reduced to offset increases in costs of mandatory programs, including the National Guard Tuition Assistance Program and the Law/Fire Dependent Tuition Assistance Program.

Colorado student financial aid is appropriated by the state legislature and allocated by the Department of Higher Education to eligible public, private and proprietary colleges and universities. Institutions then allocate financial aid awards to the students. A variety of aid is available to students based on various criteria including need, merit, work-study, categorical and entitlement programs. The various state-funded programs are described below.

### *Need-Based Aid:*

Most state financial aid is in the form of need-based grants to assist Colorado resident students who cannot otherwise afford to attend college. Need is determined by subtracting a student's expected family contribution from total cost of attendance. Expected family contribution is a commonly used indicator of ability to pay, primarily based on a family's income adjusted for the number of family members, other financial assets and number of family members in college. It is the amount that the parents and the student are expected to contribute to cover the cost of attending college. The total cost to attend college includes tuition and fees, room and board, books and supplies, and travel expenses for students who do not live in reasonable commuting distance. If the cost to attend college exceeds the student's expected family contribution, the student is eligible for financial aid. The difference between the student's calculated need and the amount of financial aid that he/she receives is the student's unmet need.

### *Merit-Based Scholarships:*

The state's merit-based aid programs are intended to recruit and retain outstanding students in Colorado. The Colorado Undergraduate Merit and Colorado Graduate Fellowship programs recognize outstanding student achievements. A student's financial circumstances are not a factor in the award decision and only the student's performance (as measured by grade point average (GPA) or test scores) or recognized talents in a specific area (such as drama, music, and athletics) are considered. A minimum 3.5 GPA is required for award renewal. The Colorado

Graduate Fellowship program has been discontinued until the merit aid appropriation reaches the 2003 level of \$14.9M.

*Work-Based Aid:*

Work-study allows students to earn funds while attending college. It is considered a form of “self-help” assistance, since the student is earning money through employment to help meet his/her educational costs. Colorado work-study allocations may be used for students without documented financial need, but Colorado statutes require that no less than 70% of work-study funds are awarded to students with demonstrated financial need (C.R.S. 23-3.3-401 (3)).

*State-funded Categorical and Entitlement Programs:*

There are three federal programs requiring a matching state appropriation for participation: the Perkins Student Loan Program, certain Health Profession Loans, and the Leveraging Educational Assistance Partnership Program. Colorado provides the required match so that Colorado students may receive the benefits of these programs.

The Law Enforcement/POW/MIA Dependents Tuition Assistance program is a tuition, fee, and room and board assistance program for dependents of deceased or permanently disabled members of the National Guard, law enforcement officers, firefighters, prisoners of war, or military personnel missing in action who were residents of Colorado. The awards are based on statutory guidelines. The Native American Tuition Assistance Program is an entitlement program established pursuant to an agreement with the federal government allowing Native American students to attend Fort Lewis College without paying tuition.

Until the last two years, increasing costs combined with decreasing resources for financial aid combined to create potential barriers for students from both low-income and middle-income families in Colorado. Historically, the Colorado General Assembly has provided increases in funding for student aid programs of between 8% and 9% percent, allowing financial aid increases to outpace tuition increases and improve higher education access to Coloradans. The graph below illustrates tuition increases over the past five years in relationship to state financial aid funding over the same time period. In Fiscal Year 2008, the average statewide tuition increase was 9.93% and the increase in financial aid was 8.44%.

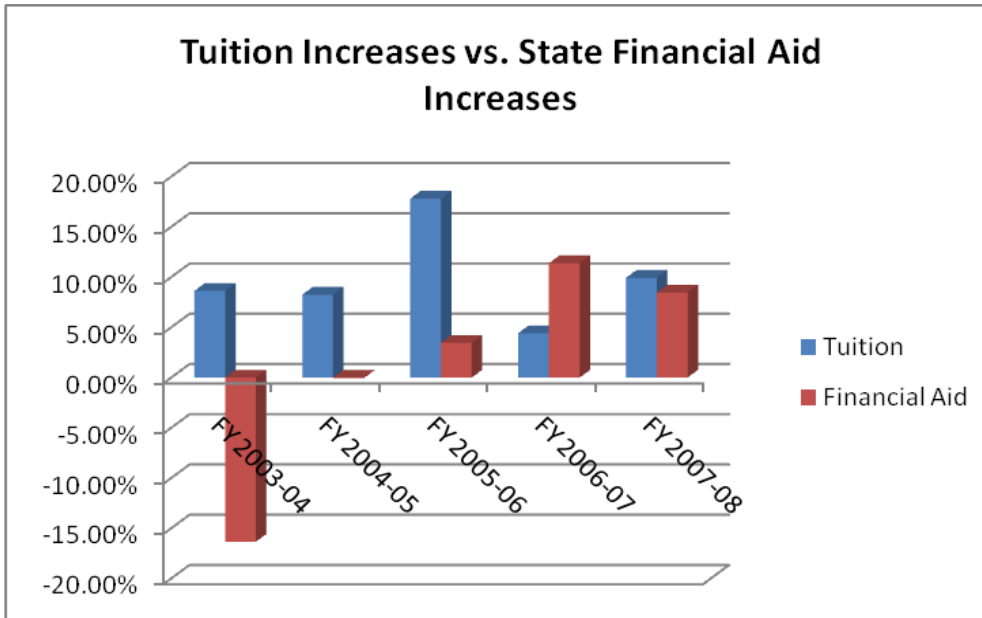


Table 2 below reflects changes in financial aid allocations in the Long Bill. While total financial aid has increased by 54% over the last decade, it has only increased slightly in the last five fiscal years. Last year's report indicated a slight increase 4% over the last five fiscal years. Due to an increase in need-based grants for Fiscal Year 2008, the total state funding in need based grants provided is now above 2003 pre-recession levels. The peak allocation of \$91 million in total state aid was provided in FY 2003. In FY 2008 Colorado caught up with total levels of state aid provided in FY 2003.

**Table 2: Colorado State Funded Student Assistance Programs - Total Appropriations (less Federal Funds) from Appropriations Report**

| Fiscal Year    | Need-Based Grants | Merit-Based Grants | Work-Based Aid | Categorical Programs | Total State Aid |
|----------------|-------------------|--------------------|----------------|----------------------|-----------------|
| 1997-1998      | \$30,489,141      | \$12,726,591       | \$12,707,714   | \$5,883,699          | \$61,807,145    |
| 1998-1999      | \$34,709,277      | \$13,117,490       | \$13,402,484   | \$6,329,826          | \$67,559,077    |
| 1999-2000      | \$38,423,152      | \$13,826,078       | \$14,248,944   | \$6,513,899          | \$73,012,073    |
| 2000-2001      | \$42,199,077      | \$14,371,810       | \$14,811,367   | \$7,177,010          | \$78,559,264    |
| 2001-2002      | \$47,598,002      | \$14,874,498       | \$15,359,754   | \$7,554,066          | \$85,386,320    |
| 2002-2003      | \$51,550,101      | \$14,874,498       | \$16,612,357   | \$8,049,044          | \$91,086,000    |
| 2003-2004      | \$46,002,682      | \$6,877,309        | \$15,030,062   | \$8,296,701          | \$76,206,754    |
| 2004-2005      | \$45,935,202      | \$6,434,287        | \$15,003,374   | \$8,790,113          | \$76,162,976    |
| 2005-2006      | \$52,285,488      | \$1,500,000        | \$15,003,374   | \$10,005,122         | \$78,793,984    |
| 2006-2007      | \$60,096,963      | \$1,500,000        | \$14,884,300   | \$11,281,496         | \$87,762,759    |
| 2007-2008      | \$67,023,546      | \$1,500,000        | \$14,884,300   | \$11,766,432         | \$95,174,278    |
| Change FY03-08 | 30%               | -90%               | -10%           | 46%                  | 4%              |
| Change FY98-08 | 120%              | -88%               | 17%            | 100%                 | 54%             |

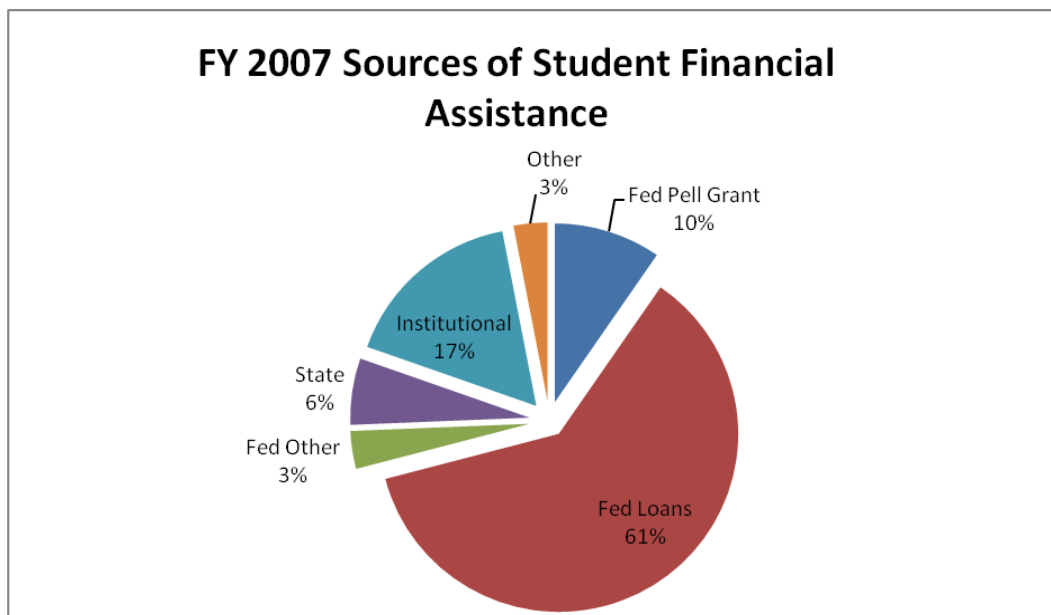
The peak allocation for appropriated need based aid is FY 2008, with just over \$67 million. The peak allocation for work-based aid was FY 2003 at \$16.6 million. Over the decade, state need-based aid has grown substantially, reflecting the Legislature’s and Department’s policy and commitment to focus on providing aid to students from families with incomes at or below 150% of the Pell eligibility levels established by the U.S. Department of Education.

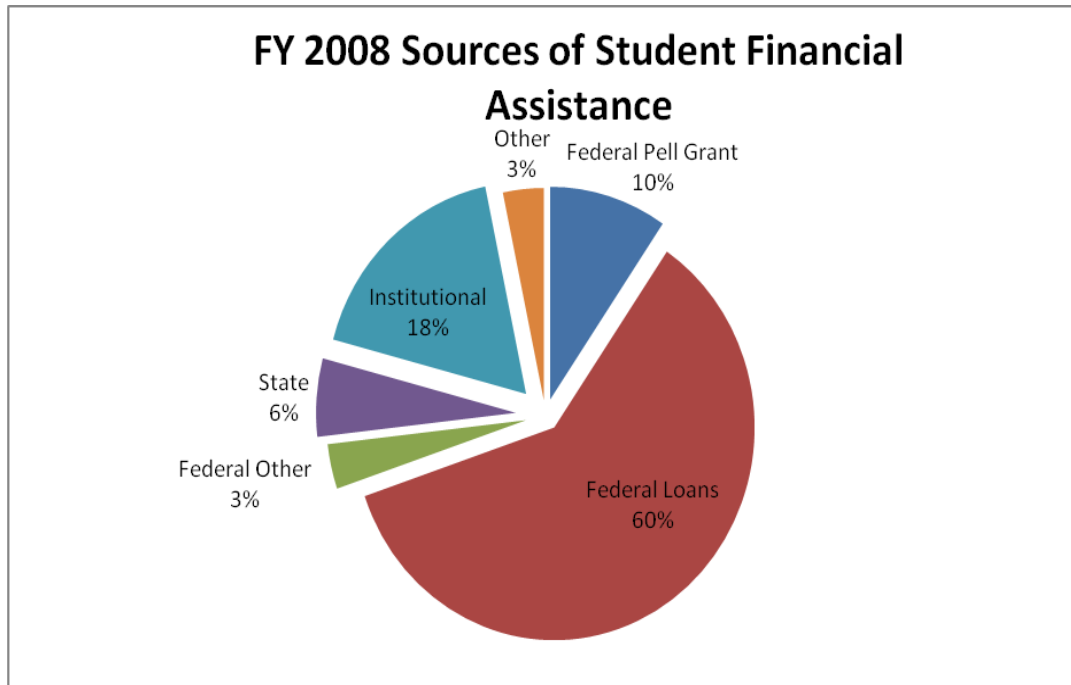
Categorical aid is divided among several different programs and received \$11.8 million in FY2008:

- The Law Enforcement/POW/MIA Dependents Tuition Assistance program assists dependents of deceased or permanently disabled military, law enforcement officers or firefighters; the program allocation grown annually and was \$364,922 in FY2008.
- The Leverage Educational Assistance Partnership Program is a required for a federal match, where the state matches the federal dollars available on a two-for-one basis; the allocation in FY2008 was \$3,026,350, with the General Fund portion totaling \$1,726,350.
- The Native American Tuition Assistance Program covers full tuition for Native American students attending Ft. Lewis College and drives the greatest increases in categorical programs reflecting both increasing tuition costs and student population; the FY2008 allocation was 8,063,560.
- Scholarships for Pre-collegiate Programs amount to \$1,600,000.
- The National Guard Tuition Assistance Program received \$650,000 and the Nursing Teacher Loan Forgiveness Pilot Program \$161,600 in FY2008.

**SOURCES OF FINANCIAL AID**

The following charts illustrate the sources of financial aid distributed to Colorado students in Fiscal Year 2007 and Fiscal Year 2008. In both years, the dependence on federal loans accounts for more than half of total assistance and rose back to the Fiscal Year 2004 level of about 60%. State aid as a share of all sources of financial aid remained essentially constant.





At the national level, according to the most recent data from College Board’s publication, *Trends in Student Aid 2008*, Pell grants returned to their 2004 levels in 2008 after decreases from 2005-2007.

Table 3 shows the six-year historical expenditures in all student aid categories. Total financial aid expenditures for Colorado, a calculation that includes federal financial aid sources, institutional aid, state aid and private financial aid resources increased 46.43% from 2003 to 2008, reflecting an increase in institutional aid by over 92% in the last six years and shows a 54.45% increase for Colorado students in relying on federal student loans. During this same time period, state aid increased only 4.37%. These figures show that the total need of Colorado students has increased substantially while state aid has remained relatively flat. To meet need, institutions have increased the amount of dollars going to aid and, more often and for larger amounts, students are relying on federal loans to cover the costs of attendance.

**Table 3: Total Expenditures on Student Financial Aid**

| <i>Fiscal Year</i> | <i>Federal Pell Grant</i> | <i>Federal Loans</i> | <i>Federal Other</i> | <i>State</i> | <i>Institutional</i> | <i>Other</i> | <i>Total</i>  |
|--------------------|---------------------------|----------------------|----------------------|--------------|----------------------|--------------|---------------|
| 2003               | 126,585,894               | 634,957,192          | 33,108,532           | 92,750,785   | 148,408,762          | 75,402,858   | 1,111,214,023 |
| 2004               | 143,906,521               | 735,276,655          | 32,178,873           | 80,968,637   | 137,255,420          | 65,928,279   | 1,195,514,385 |
| 2005               | 151,545,541               | 817,466,069          | 32,658,968           | 78,152,438   | 194,265,627          | 42,430,273   | 1,316,518,916 |
| 2006               | 141,403,386               | 834,562,469          | 33,571,583           | 79,890,039   | 250,881,750          | 67,636,141   | 1,407,945,368 |
| 2007               | 141,156,387               | 901,930,663          | 50,413,660           | 88,741,013   | 243,682,242          | 44,754,431   | 1,470,678,396 |
| 2008               | 156,053,690               | 988,364,934          | 55,931,859           | 96,973,437   | 288,198,524          | 53,715,525   | 1,639,237,969 |
| Change 03-08       | 23%                       | 56%                  | 69%                  | 5%           | 94%                  | -29%         | 48%           |

On a national basis, research indicates a growing reliance on loans, both federal and private. Private loans are not part of the federal Title IV program where interest rates are established by



the Department of Education based on Congressional formulas. Private loans often require credit-worthiness on the part of the borrower. Rates generally are significantly higher and students often do not have the ability to defer payments or take advantage of other benefits available to student borrowers through the Stafford or Ford loan programs.

In Colorado, Pell dollars increased 22% from 2003 to 2008. Because of declining enrollments of Pell eligible students in FY 2005 and in FY 2006, the number of Pell student's awards decreased over the same time period, with comparable decrease in dollars. Other federal aid – ROTC scholarships, the federal health worker and nursing scholarships, the Bureau of Indian Affairs scholarships, etc. – increased slightly, reflecting the number of students participating in federal categorical programs. Table 4 shows the federal student aid expenditures over the last six years.

**Table 4: Federal Student Aid Expenditures**

| Fiscal Year  | Federal Pell Grant | Federal Loans | Federal Other | Total Federal |
|--------------|--------------------|---------------|---------------|---------------|
| 2003         | 126,585,894        | 634,957,192   | 33,108,532    | 794,651,618   |
| 2004         | 143,906,521        | 735,276,655   | 32,178,873    | 911,362,049   |
| 2005         | 151,545,541        | 817,466,069   | 32,658,968    | 1,001,670,578 |
| 2006         | 141,403,386        | 834,562,469   | 33,571,583    | 1,009,537,438 |
| 2007         | 141,156,387        | 901,930,663   | 50,413,660    | 1,093,500,710 |
| 2008         | 156,053,690        | 988,364,934   | 55,931,859    | 1,200,350,483 |
| Change 03-08 | 22%                | 54%           | 68%           | 51%           |

Table 5 shows the growth of the number of students served by the Pell grant program in Colorado over the past several years. In Fiscal Year 2008, there were 278,478 students participating in federal aid programs and 61,740 students receiving Pell grants. From Fiscal Year 2003 through Fiscal Years 2008 the number of students receiving federal loans increased by 23% while the number receiving federal Pell grants increased 12%.

**Table 5: Number of Students Receiving Federal Student Aid**

| Fiscal Year  | Federal Pell Grant | Federal Loans* | Federal Other | Total Federal |
|--|--------------------|----------------|---------------|---------------|
| 2003   | 55,368             | 151,005        | 19,242        | 225,615       |
| 2004   | 61,000             | 169,540        | 18,626        | 249,166       |
| 2005   | 64,102             | 183,568        | 18,544        | 266,214       |
| 2006   | 60,649             | 180,263        | 17,152        | 258,064       |
| 2007   | 58,897             | 186,555        | 23,412        | 268,864       |
| 2008   | 61,740             | 190,518        | 26,220        | 278,478       |
| Change 03-08   | 12%                | 26%            | 36%           | 23%           |
| <i>*Figures include number of total loans not necessarily number of students</i> |                    |                |               |               |

Table 6 shows the average aid award per student in each of the federal student aid categories. With only one year (2006) of a very slight decline, in Fiscal Year 2008, the average Pell Grant amount increased from \$2,286 in Fiscal Year 2003 to \$2,528. The maximum Pell grant in 2007-2008 was \$4,310. Other sources of federal aid decreased slightly while federal loan amounts for have increased at an increased rate each year since Fiscal Year 2003.

**Table 6: Average Federal Student Aid Expenditure Per Student (Total Enrol Recipients)**

| <b>Fiscal Year</b> | <b>Federal Pell Grant</b> | <b>Federal Loans</b> | <b>Federal Other</b> | <b>Total Federal</b> |
|--------------------|---------------------------|----------------------|----------------------|----------------------|
| 2003               | 2,286                     | 4,205                | 1,721                | 8,212                |
| 2004               | 2,359                     | 4,337                | 1,728                | 8,424                |
| 2005               | 2,364                     | 4,453                | 1,761                | 8,578                |
| 2006               | 2,332                     | 4,630                | 1,957                | 8,918                |
| 2007               | 2,397                     | 4,835                | 2,153                | 9,385                |
| 2008               | 2,528                     | 5,188                | 2,133                | 9,849                |
| Change 03-08       | 11%                       | 23%                  | 24%                  | 20%                  |

## **FEDERAL EDUCATION TAX CREDITS AND DEDUCTIONS**

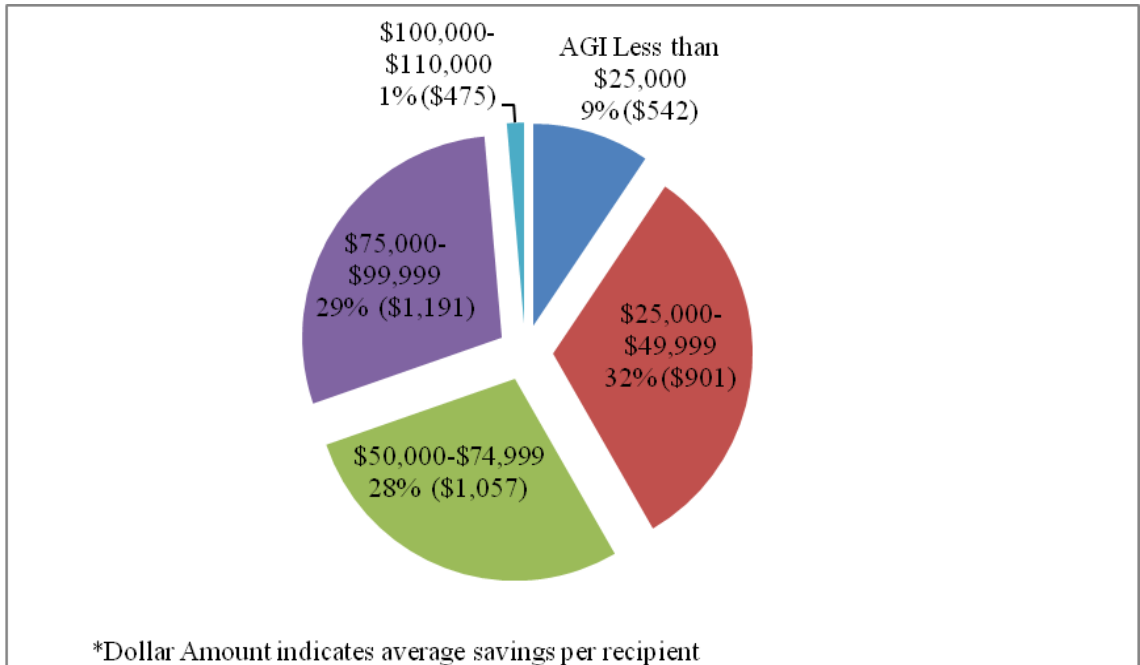
In addition to traditional forms of student assistance, the federal government indirectly provides financial assistance through education tax credits and tax deductions to students attending a postsecondary institution and their families. There are three types of federal education benefits: Hope credits, Lifetime Learning credits, and tuition and fees deductions. These credits tend to benefit middle income families who many not be eligible for other forms of need-based aid, either Pell grants or state aid, whereas students and families that owe no taxes or receive grant aid to cover their entire tuition and fees are not eligible for these benefits. However, through income limits these benefits are targeted primarily to assist middle-income students and their parents. Unlike traditional types of aid, higher education institutions cannot track or report the dollar value of these tax benefits. There is general national data: according to the College Board, for 2006 parents and students received \$5.1 billion in Hope and Lifetime Learning Credits and federal tuition and fee tax deductions reduced tax liabilities by almost \$1.4 billion.

Tax credits and deductions are less likely than other forms of student aid to benefit the lowest income students because they are available only to students and families who have positive federal tax liabilities. In addition, they cover only tuition and fee expenses net of grant aid, not room and board or other education-related expenses. These policies also provide larger subsidies to students paying higher tuition and fees than to those enrolled in the lowest price institutions. Beginning in 2007, the amount of Hope or lifetime learning credit was gradually reduced (phased out) for adjusted gross income (AGI) between \$47, 000 and \$57,000 (\$94,000 and \$114,000 for joint returns); those with an AGI of \$57,000 or more (\$114,000 for joint returns) cannot claim a credit<sup>1</sup>.

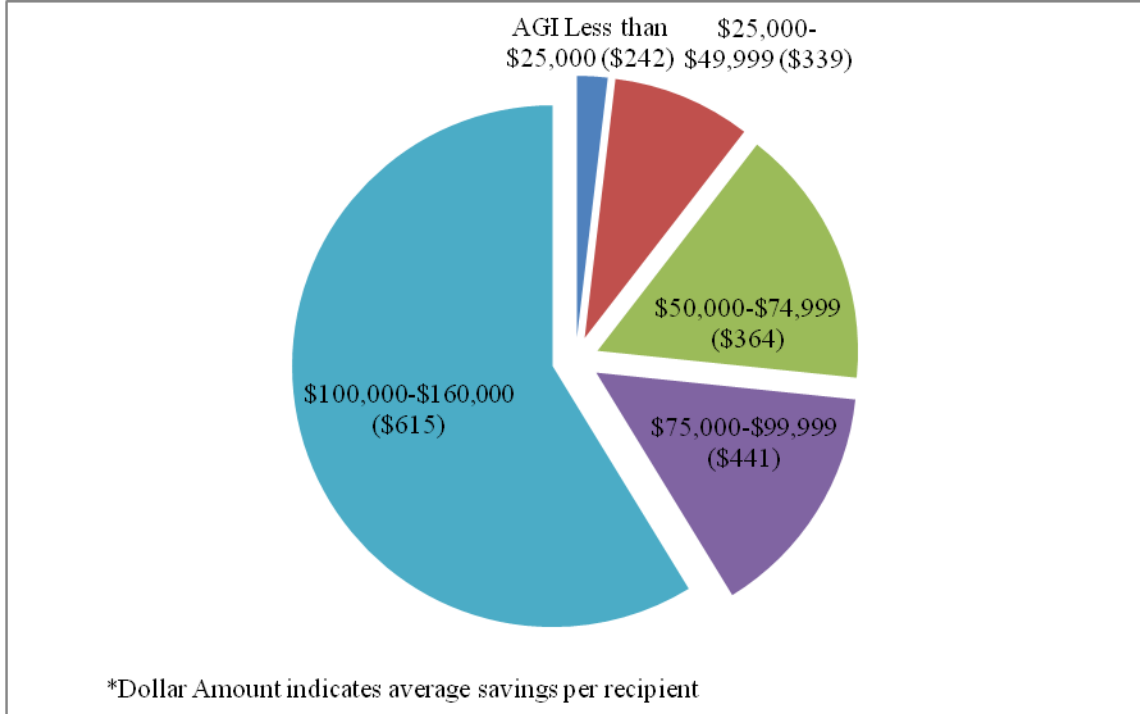
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<sup>1</sup> National Association of Student Financial Aid Administrators, Parent and Student Guide to Federal Tax Benefits for Tuition and Fees, p. 1

**Federal Education Tax Credits: Distribution of Savings by Adjusted Gross Income (AGI) Level, 2006**



**Federal Tuition and Fee Deductions: Distribution of Savings by Adjusted Gross Income (AGI) Level, 2006**



## DISTRIBUTION OF STATE AID

Of the funds available in Fiscal Year 2008, 70% was awarded to students based on need calculations.

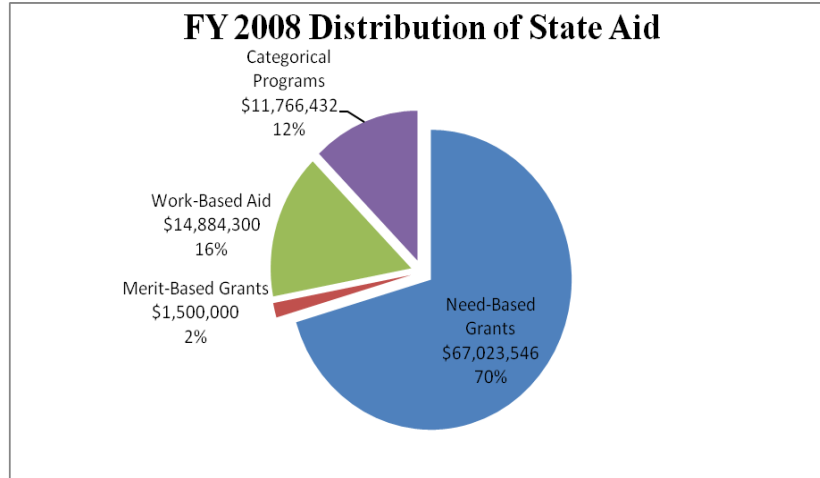


Table 7 shows the six-year picture in terms of actual dollars. Work study has increase slightly over the past three years but not yet returned to Fiscal Year 2003 funding levels. Overall state aid increased by 7% in Fiscal Year 2008. This is the first increase since the economic downturn in Fiscal Year 2003. Need-based aid increased by 40% and categorical aid increased by 50% over the period.

**Table 7: Colorado State Student Aid Expenditures**

| Fiscal Year  | State Need-Based Grant | State Merit | State Work Study | State Categorical | Total State |
|--------------|------------------------|-------------|------------------|-------------------|-------------|
| 2003         | 43,756,452             | 14,879,906  | 17,544,699       | 6,161,020         | 82,342,077  |
| 2004         | 39,977,824             | 6,894,905   | 16,491,207       | 7,159,894         | 70,523,830  |
| 2005         | 37,651,993             | 6,460,706   | 15,711,106       | 7,813,433         | 67,637,238  |
| 2006         | 44,285,061             | 1,497,959   | 15,111,267       | 7,423,434         | 68,317,721  |
| 2007         | 52,179,451             | 1,439,181   | 15,795,439       | 7,975,458         | 77,389,529  |
| 2008         | 66,865,057             | 1,498,621   | 16,131,429       | 9,271,050         | 93,766,157  |
| Change 03-08 | 53%                    | -90%        | -8%              | 50%               | 14%         |

**Table 8 shows the number of students receiving state aid from Fiscal Year 2003 to Fiscal Year 2008.**

| Fiscal Year  | State Need-Based | State Merit | State Work Study | State Categorical | Total State |
|--------------|------------------|-------------|------------------|-------------------|-------------|
| 2003         | 30,842           | 10,552      | 8,887            | 1,010             | 51,291      |
| 2004         | 26,811           | 5,415       | 8,278            | 742               | 41,246      |
| 2005         | 25,508           | 5,363       | 7,875            | 776               | 39,522      |
| 2006         | 28,832           | 1,383       | 8,247            | 774               | 39,236      |
| 2007         | 32,504           | 1,211       | 7,626            | 769               | 42,110      |
| 2008         | 47,985           | 1,158       | 7,433            | 951               | 57,527      |
| Change 03-08 | 56%              | -89%        | -16%             | -6%               | 12%         |

As expected, with the overall reduction in the past several years in merit aid appropriations, both the number of students receiving and the merit allocation have also declined by 89%.

**Table 9: Average Award Colorado Per Student Aid Expenditures**

| <b>Fiscal Year</b> | <b>State Need-Based</b> | <b>State Merit</b> | <b>State Work Study</b> | <b>State Categorical</b> |
|--------------------|-------------------------|--------------------|-------------------------|--------------------------|
| 2003               | 1,419                   | 1,410              | 1,974                   | 6,100                    |
| 2004               | 1,491                   | 1,273              | 1,992                   | 9,649                    |
| 2005               | 1,476                   | 1,205              | 1,995                   | 10,069                   |
| 2006               | 1,536                   | 1,083              | 1,832                   | 9,591                    |
| 2007               | 1,605                   | 1,188              | 2,071                   | 10,371                   |
| 2008               | 1,393                   | 1,294              | 2,170                   | 9,749                    |
| Change 03-08       | -2%                     | -8%                | 10%                     | 60%                      |

Table 9 shows average need based award decreased by 2% in Fiscal Year 2008. This is attributed to the change in structure of the need-based aid program. While the average award has decreased slightly, Table 8 shows the number of students receiving awards increased by 53%.

Since 1999, the Department has followed a policy of focusing financial aid at students in the lowest income quartile in an effort to ensure access for students from the state’s poorest families as costs increase. The Department will continue to target funds toward students with the greatest need as we move forward in Fiscal Year 2009 with the continuation of the need-based aid program known as Colorado’s College Responsibility Program so that:

- All Level 1 students (150% of Pell eligibility) receive some financial aid regardless of when they apply.
- All Level 1 students will receive a standard amount regardless of the institution attended.
- Minimum awards will transfer across institutions.
- Institutions have flexibility to award above minimum amounts but are only required to meet minimums for all eligible students.

## **DISTRIBUTION OF INSTITUTIONAL AID**

For many institutions, institutional aid plays a significant role in financial aid packaging and has increased in importance over the past few years. Those institutions with greater endowment or foundation resources have an advantage in ability to package institutional aid for students. However, all institutions reallocate some internal resources – whether from tuition paid by students, College Opportunity Fund payments, fee-for-service payments received or institutional aid. Institutions are required under Colorado law to allocate to need-based financial aid 20% of any tuition revenue due to rate increases over CPI.

Institutions use this aid to ensure that students whose resources cannot stretch to cover college costs are able to attend. Tables 10 and 11 below, show the growth in the amount of institutional aid for Colorado institutions and the number of students receiving the aid during the first part of the decade. Total institutional aid has increased 93% since Fiscal Year 2003. As one would expect, the total number of students receiving institutional aid has also had a significant increase

in the past several years. Institutional aid at public institutions accounts for nearly 58% of all institutional aid. Institutions with significant institutional aid resources primarily focus aid on needy students who may have not qualified for a Pell grant or for state aid but are still in need of financial resources to attend college.

**Table 10: Institutional/Other Aid Expenditures**

| <b>Fiscal Year</b> | <b>Institutional Aid</b> | <b>Other Aid</b> | <b>Total</b> |
|--------------------|--------------------------|------------------|--------------|
| 2003               | 148,408,762              | 75,402,858       | 223,811,620  |
| 2004               | 137,255,420              | 36,854,544       | 174,109,964  |
| 2005               | 194,265,627              | 42,430,273       | 236,695,900  |
| 2006               | 250,881,750              | 66,341,391       | 317,223,141  |
| 2007               | 243,682,242              | 44,754,431       | 288,436,673  |
| 2008               | 288,198,524              | 53,715,525       | 341,914,049  |
| Change 03-08       | 94%                      | -29%             | 53%          |

**Table 11: Number of Students Receiving Institutional/Other Student Aid**

| <b>Fiscal Year</b> | <b>Institutional Aid</b> | <b>Other Aid</b> | <b>Total</b> |
|--------------------|--------------------------|------------------|--------------|
| 2003               | 45,060                   | 19,592           | 64,652       |
| 2004               | 45,089                   | 18,176           | 63,265       |
| 2005               | 47,689                   | 25,638           | 73,327       |
| 2006               | 70,006                   | 20,869           | 90,875       |
| 2007               | 50,184                   | 15,947           | 66,131       |
| 2008               | 78,940                   | 17,288           | 96,228       |
| Change 03-08       | 75%                      | -12%             | 49%          |

Tables 11a and 11b show student aid by type (excluding loans) at public institutions for students who receive state funded financial aid. Table 11a highlights the total aid received by students at public institution broken out into aid types (excluding loans) awarded to resident, undergraduate students enrolled at least half time. Table 11b breaks down the aid types as a percentage of all aid paid by institution. The graphs of 2008 Sources of Financial Aid on pages 7 and 8 indicate that institutional aid accounts for 18% of all aid sources and state aid makes up only six percent of all aid. The table below indicates that at public institutions, state aid makes up nearly 28% of aid in comparison to the 15% of awards paid from institutional aid. Of the institutional aid at public institutions, roughly 35% is awarded to resident undergraduates who qualify for state aid. The remaining aid is used for resident students who do not apply for financial aid or are not eligible, graduate students and nonresidents.

**Table 11a: Total Grant Aid Received by Institution for Resident, Undergraduates at Public Institutions**

| <b>Institution</b>                        | <b>Sum of<br/>State<br/>Grants</b> | <b>Sum of<br/>Federal<br/>Grants</b> | <b>Sum of<br/>Institutional<br/>Aid</b> | <b>Sum of<br/>Other Aid</b> | <b>Total</b>       |
|---|------------------------------------|--------------------------------------|---|-----------------------------|--------------------|
| Colorado School of Mines                  | 1,361,902                          | 1,854,595                            | 2,880,594                               | 1,229,984                   | 7,327,075          |
| Colorado State University                 | 7,732,767                          | 12,902,709                           | 9,623,878                               | 3,497,679                   | 33,757,033         |
| University of Colorado - Boulder          | 7,145,062                          | 14,534,458                           | 21,592,393                              | 2,801,715                   | 46,073,628         |
| University of Colorado - Colorado Springs | 3,460,217                          | 5,478,041                            | 3,654,522                               | 784,225                     | 13,377,005         |
| University of Colorado Denver             | 4,758,828                          | 7,677,110                            | 4,521,114                               | 1,141,463                   | 18,098,515         |
| University of Northern Colorado           | 5,483,670                          | 5,533,783                            | 5,032,958                               | 1,704,057                   | 17,754,468         |
| Adams State College                       | 2,074,995                          | 3,981,665                            | 894,890                                 | 268,046                     | 7,219,596          |
| Colorado State University - Pueblo        | 3,159,445                          | 6,422,352                            | 1,240,823                               | 593,765                     | 11,416,385         |
| Fort Lewis College                        | 1,559,320                          | 2,147,014                            | 1,466,490                               | 341,709                     | 5,514,533          |
| Mesa State College                        | 3,558,932                          | 5,881,559                            | 729,201                                 | 1,251,284                   | 11,420,976         |
| Metropolitan State College of Denver      | 8,995,651                          | 17,766,535                           | 2,129,005                               | 527,382                     | 29,418,573         |
| Western State College                     | 965,459                            | 1,455,776                            | 930,065                                 | 248,755                     | 3,600,055          |
| <b>Four Year Institutions</b>             | <b>50,256,248</b>                  | <b>85,635,597</b>                    | <b>54,695,933</b>                       | <b>14,390,064</b>           | <b>204,977,842</b> |
| Aims Community College                    | 1,467,508                          | 3,642,140                            | 557,580                                 | 84,637                      | 5,751,865          |
| Arapahoe Community College                | 1,534,436                          | 3,233,567                            | 247,229                                 | 90,769                      | 5,106,001          |
| Colorado Mountain College                 | 519,598                            | 905,987                              | 165,380                                 | 105,528                     | 1,696,493          |
| Colorado Northwestern Community College   | 276,511                            | 444,079                              | 277,305                                 | 9,100                       | 1,006,995          |
| Community College of Aurora               | 1,479,007                          | 3,270,659                            | 54,698                                  | 244,082                     | 5,048,446          |
| Community College of Denver               | 3,038,402                          | 6,160,866                            | 116,010                                 | 198,988                     | 9,514,266          |
| Front Range Community College             | 3,766,660                          | 7,549,544                            | 374,313                                 | 360,284                     | 12,050,801         |
| Lamar Community College                   | 456,202                            | 996,762                              | 396,598                                 | 31,342                      | 1,880,904          |
| Morgan Community College                  | 515,730                            | 1,221,945                            | 105,722                                 | 60,926                      | 1,904,323          |
| Northeastern Junior College               | 669,698                            | 1,276,970                            | 234,703                                 | 351,692                     | 2,533,063          |
| Otero Junior College                      | 966,569                            | 2,300,121                            | 249,400                                 | 141,921                     | 3,658,011          |
| Pikes Peak Community College              | 3,906,602                          | 7,593,378                            | 126,045                                 | 399,135                     | 12,025,160         |
| Pueblo Community College                  | 3,253,411                          | 7,416,314                            | 145,237                                 | 0                           | 10,814,962         |
| Red Rocks Community College               | 1,465,603                          | 3,088,935                            | 66,702                                  | 273,757                     | 4,894,997          |
| Trinidad State Junior College             | 1,360,370                          | 2,258,591                            | 324,374                                 | 126,694                     | 4,070,029          |
| <b>Two Year Institutions</b>              | <b>24,676,307</b>                  | <b>51,359,858</b>                    | <b>3,441,296</b>                        | <b>2,478,855</b>            | <b>81,956,316</b>  |
| <b>Total</b>                              | <b>74,932,555</b>                  | <b>136,995,455</b>                   | <b>58,137,229</b>                       | <b>16,868,919</b>           | <b>286,934,158</b> |

Table 11b below shows the percentage of grant aid received by students who received state funded financial assistance (from chart 11a).

**Table 11b: Percentage of Aid by Type at Public Institutions for All Aid Types Excluding Loans**

| Institution                                | Institutional |               |               |              |
|--|---------------|---------------|---------------|--------------|
|  | State Aid     | Federal Aid   | Aid           | Other Aid    |
| Colorado School of Mines                   | 18.59%        | 25.31%        | 39.31%        | 16.79%       |
| Colorado State University                  | 22.91%        | 38.22%        | 28.51%        | 10.36%       |
| University of Colorado - Boulder           | 15.51%        | 31.55%        | 46.86%        | 6.08%        |
| University of Colorado - Colorado Springs  | 25.87%        | 40.95%        | 27.32%        | 5.86%        |
| University of Colorado Denver              | 26.29%        | 42.42%        | 24.98%        | 6.31%        |
| University of Northern Colorado            | 30.89%        | 31.17%        | 28.35%        | 9.60%        |
| Adams State College                        | 28.74%        | 55.15%        | 12.40%        | 3.71%        |
| Colorado State University - Pueblo         | 27.67%        | 56.26%        | 10.87%        | 5.20%        |
| Fort Lewis College                         | 28.28%        | 38.93%        | 26.59%        | 6.20%        |
| Mesa State College                         | 31.16%        | 51.50%        | 6.38%         | 10.96%       |
| Metropolitan State College of Denver       | 30.58%        | 60.39%        | 7.24%         | 1.79%        |
| Western State College                      | 26.82%        | 40.44%        | 25.83%        | 6.91%        |
| <b>Four Year Institutions</b>              | <b>26.11%</b> | <b>42.69%</b> | <b>23.72%</b> | <b>7.48%</b> |
| Aims Community College                     | 25.51%        | 63.32%        | 9.69%         | 1.47%        |
| Arapahoe Community College                 | 30.05%        | 63.33%        | 4.84%         | 1.78%        |
| Colorado Mountain College                  | 30.63%        | 53.40%        | 9.75%         | 6.22%        |
| Colorado Northwestern Community College    | 27.46%        | 44.10%        | 27.54%        | 0.90%        |
| Community College of Aurora                | 29.30%        | 64.79%        | 1.08%         | 4.83%        |
| Community College of Denver                | 31.94%        | 64.75%        | 1.22%         | 2.09%        |
| Front Range Community College              | 31.26%        | 62.65%        | 3.11%         | 2.99%        |
| Lamar Community College                    | 24.25%        | 52.99%        | 21.09%        | 1.67%        |
| Morgan Community College                   | 27.08%        | 64.17%        | 5.55%         | 3.20%        |
| Northeastern Junior College                | 26.44%        | 50.41%        | 9.27%         | 13.88%       |
| Otero Junior College                       | 26.42%        | 62.88%        | 6.82%         | 3.88%        |
| Pikes Peak Community College               | 32.49%        | 63.15%        | 1.05%         | 3.32%        |
| Pueblo Community College                   | 30.08%        | 68.57%        | 1.34%         | 0.00%        |
| Red Rocks Community College                | 29.94%        | 63.10%        | 1.36%         | 5.59%        |
| Trinidad State Junior College              | 33.42%        | 55.49%        | 7.97%         | 3.11%        |
| <b>Two Year Institutions</b>               | <b>30.11%</b> | <b>62.67%</b> | <b>4.20%</b>  | <b>3.02%</b> |
| <b>Average for All Public Institutions</b> | <b>27.76%</b> | <b>52.20%</b> | <b>14.68%</b> | <b>5.36%</b> |



Tables 12 and 13 show the average student loan debt for degree recipients who took loans, by institution and type of degree granted (either baccalaureate or associates). Tables 14 and 15 include percentages of total degree recipients that received loans. The average cumulative loan debt at graduation from public, four year institutions ranges from \$17,891 to \$23,327. Estimates from the *Annual Survey of Colleges* indicate that for the approximately 60% of 2006-07 bachelor's degree recipients who graduated with debt, average total debt was about \$22,700<sup>2</sup>. Similarly, 63% of all Colorado students completing a bachelor's degree graduated with loan debt. The average debt of graduates in Colorado is \$20,196 putting the state just below the national average.

| <b>Table 12, Average Student Debt Loan at Graduation-Associates Degree</b>  |             |             |             |             |
|---|-------------|-------------|-------------|-------------|
| <b>Institution</b>  | <b>2005</b> | <b>2006</b> | <b>2007</b> | <b>2008</b> |
| Adams State College   | 6,244       | 8,488       | 14,259      | 9,334       |
| Aims Community College  | 8,305       | 8,784       | 9,056       | 10,324      |
| Arapahoe Community College  | 9,149       | 9,955       | 11,806      | 11,587      |
| Colorado Mountain College   | 8,613       | 8,573       | 8,118       | 10,463      |
| Colorado Northwestern Community College   | 9,950       | 11,482      | 13,423      | 13,372      |
| Community College of Aurora   | 9,194       | 10,254      | 9,073       | 10,134      |
| Community College of Denver   | 9,385       | 11,260      | 10,462      | 10,877      |
| Front Range Community College   | 9,863       | 10,408      | 10,241      | 9,899       |
| Lamar Community College   | 6,194       | 7,582       | 6,333       | 9,704       |
| Mesa State College  | 8,651       | 9,681       | 11,481      | 11,181      |
| Morgan Community College  | 7,873       | 7,549       | 10,461      | 14,389      |
| Northeastern Junior College   | 5,135       | 6,077       | 6,480       | 6,919       |
| Otero Junior College  | 7,805       | 8,191       | 8,539       | 9,690       |
| Pikes Peak Community College  | 8,241       | 7,847       | 8,821       | 8,925       |
| Pueblo Community College  | 10,538      | 10,984      | 11,539      | 11,818      |
| Red Rocks Community College   | 8,591       | 8,706       | 9,687       | 10,529      |
| Trinidad State Junior College   | 6,387       | 8,293       | 8,392       | 8,217       |
| LOANS INCLUDED: Federal Stafford Loans Unsubsidized; Federal Perkins Loan; Federal Stafford Loans Subsidized; Federal Health Profession Loans; Other Loans<br><br>NOTE: In this table, Average Students Loan Debt is calculated as the average loan amount per student only for students that have debt upon graduation, not the average debt of all degree receiving students per institution. |             |             |             |             |

<sup>2</sup> College Board, *Trends in Student Aid 2008*, p. 2

| <b>Institution</b>  | <b>2005</b> | <b>2006</b> | <b>2007</b> | <b>2008</b> |
|---|-------------|-------------|-------------|-------------|
| Adams State College   | 15,646      | 16,699      | 17,832      | 18,634      |
| Colorado School of Mines  | 15,591      | 16,103      | 18,653      | 22,453      |
| Colorado State University   | 16,570      | 17,623      | 18,536      | 18,948      |
| Colorado State University - Pueblo  | 18,746      | 20,485      | 21,750      | 21,855      |
| Fort Lewis College  | 15,963      | 15,925      | 16,496      | 17,891      |
| Mesa State College  | 17,047      | 17,763      | 19,754      | 18,028      |
| Metropolitan State College of Denver  | 19,502      | 19,636      | 20,480      | 21,475      |
| University of Colorado - Boulder  | 19,607      | 18,105      | 18,887      | 21,642      |
| University of Colorado - Colorado Springs   | 17,793      | 16,525      | 18,379      | 18,168      |
| University of Colorado at Denver<br>University of Colorado Health Sciences<br>Center*   | 21,719      | 21,552      | 23,945      | 23,327      |
| University of Northern Colorado   | 15,905      | 16,744      | 16,778      | 17,967      |
| Western State College   | 18,872      | 15,956      | 16,596      | 20,613      |
| LOANS INCLUDED: Federal Stafford Loans Unsubsidized; Federal Perkins Loan; Federal Stafford Loans Subsidized; Federal Health Profession Loans; Other Loans<br><br>NOTE: In this table Average Students Loan Debt is calculated as the average loan amount per student only for students that have debt upon graduation, not the average debt of all degree receiving students per institution.<br><br>* Combined with UCD for 2005 through 2008 |             |             |             |             |

**Table 14: Percentage of Graduates with Student Loan Debt-Baccalaureate Degree**

| <b>Institution</b>                        | <b>% of Recipients with Loans</b> | <b>Average Loan Debt</b> |
|---|-----------------------------------|--------------------------|
| Adams State College                       | 77%                               | 18,634                   |
| Colorado School of Mines                  | 66%                               | 22,453                   |
| Colorado State University                 | 66%                               | 18,948                   |
| Colorado State University - Pueblo        | 75%                               | 21,855                   |
| Fort Lewis College                        | 66%                               | 17,891                   |
| Mesa State College                        | 69%                               | 18,028                   |
| Metropolitan State College of Denver      | 75%                               | 21,475                   |
| University of Colorado - Boulder          | 46%                               | 21,642                   |
| University of Colorado - Colorado Springs | 72%                               | 18,168                   |
| University of Colorado Denver             | 69%                               | 23,327                   |
| University of Northern Colorado           | 67%                               | 17,967                   |
| Western State College                     | 75%                               | 20,613                   |

**Table 15: Percentage of Graduates with Student Loan Debt-Associate's Degree**

| <b>Institution</b>                      | <b>% of Recipients with Loans</b> | <b>Average Loan Debt</b> |
|---|-----------------------------------|--------------------------|
| Adams State College                     | 56%                               | 9,334                    |
| Aims Community College                  | 53%                               | 10,324                   |
| Arapahoe Community College              | 70%                               | 11,587                   |
| Colorado Mountain College               | 64%                               | 10,463                   |
| Colorado Northwestern Community College | 63%                               | 13,372                   |
| Community College of Aurora             | 57%                               | 10,134                   |
| Community College of Denver             | 59%                               | 10,877                   |
| Front Range Community College           | 66%                               | 9,899                    |
| Lamar Community College                 | 62%                               | 9,704                    |
| Mesa State College                      | 70%                               | 11,181                   |
| Morgan Community College                | 42%                               | 14,389                   |
| Northeastern Junior College             | 47%                               | 6,919                    |
| Otero Junior College                    | 53%                               | 9,690                    |
| Pikes Peak Community College            | 55%                               | 8,925                    |
| Pueblo Community College                | 72%                               | 11,818                   |
| Red Rocks Community College             | 49%                               | 10,529                   |
| Trinidad State Junior College           | 28%                               | 8,217                    |