

**Schedule 10
Summary of Change Requests**

Department Name: Department of Higher Education
 Submission Date: 11/1/07
 Total Number of Decision Items: 9
 Total Number of Base Reduction Items: 0

Priority Number	IT Request	Title	Total	FTE	GF	CF	CFE	FF
1	No	College Opportunity Fund Stipends and General Fund Place Holder	\$97,106,402	0.0	\$48,553,201	\$0	\$48,553,201	\$0
2	No	State Funded Student Assistance Programs	\$7,270,600	0.0	\$7,270,600	\$0	\$0	\$0
3	No	Area Vocational Schools	\$731,509	0.0	\$731,509	\$0	\$0	\$0
4	No	Local District Junior College	\$444,690	0.0	\$444,690	\$0	\$0	\$0
5	No	Office Relocation	\$136,194	0.0	\$0	\$136,194	\$0	\$0
6	No	Personal Service Funding for Appropriated FTE	\$60,242	0.0	\$0	\$60,242	\$0	\$0
7	No	Restore Work Study Funding to FY 02-03 Level	\$1,728,057	0.0	\$1,728,057	\$0	\$0	\$0
8	No	Additional Funding for Pre-collegiate Program	\$800,000	0.0	\$800,000	\$0	\$0	\$0
NP-1	No	C-SEAP Program Staffing	\$241	0.0	\$0	\$63	\$178	\$0
Decision Item Subtotal			\$108,277,694	0.0	\$9,528,057	196,436	\$48,553,201	
TOTAL			\$108,277,694	0.00	\$9,528,057	196,436	\$48,553,201	

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 Supplemental FY 07-08 Budget Request Amendment FY 08-09
 College Opportunity Fund Stipends and General Fund
 Place Holder
 Department of Higher Education
 Dept. Approval by: *[Signature]* Date: *10/29/07*
 OSPB Approval: *[Signature]* Date: *10/29/07*

Fund	10									
	1	2	3	4	5	6	7	8	9	10
Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10	
Total of All Line Items	2,112,654,618	1,971,132,506	0	1,971,132,506	2,281,682,506	97,106,402	2,378,788,908	0	97,106,402	
FTE	18267.5	18957.5	0.0	18957.5	18957.5	0.0	18957.5	0.0	0.0	
GF	578,102,044	314,832,356	0	314,832,356	314,832,356	48,553,201	363,385,557	0	48,553,201	
GFE	0	310,700,000	0	310,700,000	310,700,000	0	310,700,000	0	0	
CF	0	150,000	0	150,000	0	0	0	0	0	
CFE	1,534,552,574	1,659,185,826	0	1,659,185,826	1,656,150,150	48,553,201	1,704,703,351	0	48,553,201	
FF	0	0	0	0	0	0	0	0	0	
(4) College Opportunity Fund Program (A) Stipends	319,465,920	13,331,314	0	13,331,314	324,031,314	4,608,420	328,639,734	0	4,608,420	
FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
GF	319,465,920	13,331,314	0	13,331,314	13,331,314	4,608,420	17,939,734	0	4,608,420	
GFE	0	310,700,000	0	310,700,000	310,700,000	0	310,700,000	0	0	
CF	0	0	0	0	0	0	0	0	0	
CFE	0	3,035,676	0	3,035,676	0	0	0	0	0	
FF	0	0	0	0	0	0	0	0	0	
(4) College Opportunity Fund Program General Fund Place Holder	258,636,124	301,501,042	0	301,501,042	301,501,042	43,944,781	345,445,823	0	43,944,781	
FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
GF	258,636,124	301,501,042	0	301,501,042	301,501,042	43,944,781	345,445,823	0	43,944,781	
GFE	0	0	0	0	0	0	0	0	0	
CF	0	0	0	0	0	0	0	0	0	
CFE	0	0	0	0	0	0	0	0	0	
FF	0	0	0	0	0	0	0	0	0	

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 Base Reduction Item FY 08-09 Supplemental FY 07-08 Budget Request Amendment FY 08-09

College Opportunity Fund Stipends and General Fund

Request Title:

Department: Department of Higher Education

Priority Number: 1

Dept. Approval by:

OSPB Approval:

Date:

Date: 10-29-07

Fund	1	2	3	4	5	6	7	8	9	10
	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10
(S) Governing Boards cash funds exempt Place Holder										
Total	1,534,552,574	1,656,300,150	0	1,656,300,150	1,656,150,150	48,553,201	1,704,703,351	0	1,704,703,351	48,553,201
FTE	18,267.5	18,957.5	0.0	18,957.5	18,957.5	0.0	18,957.5	0.0	18,957.5	0.0
GF	0	0	0	0	0	0	0	0	0	0
GFE	0	0	0	0	0	0	0	0	0	0
CF	0	150,000	0	150,000	0	0	0	0	0	0
CFE	1,534,552,574	1,656,150,150	0	1,656,150,150	1,656,150,150	48,553,201	1,704,703,351	0	1,704,703,351	48,553,201
FF	0	0	0	0	0	0	0	0	0	0

Letternote revised text: a. This amount shall be from the General Fund Exempt Account created in Section 24-77-103.6 (2), C.R.S.
b. This amount shall be from the balance in the College Opportunity Fund created in Section 23-18-201, C.R.S.

Cash Fund name/number, Federal Fund Grant name:

Request Affects Other Departments: Yes No

If Yes, List Other Departments Here:

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Higher Education
Priority Number:	I
Change Request Title:	College Opportunity Fund Stipends and General Fund Place Holder

SELECT ONE (click on box):

- Decision Item FY 08-09
- Base Reduction Item FY 08-09
- Supplemental Request FY 07-08
- Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

For FY 2008-09, the Department of Higher Education is requesting a \$48,553,201 General Fund increase for the College Opportunity Fund Program.

Of the total increase, the Department is requesting that \$4,608,420 General Fund be allocated to the College Opportunity Fund Program Stipends which is based on a three year average of FTE to project student growth. This increase is based on a stipend amount of \$2,670 per 30 credit hours (FY 2007-08 level) for an eligible full-time equivalent student attending state institutions.

The remaining portion of the requested increase is \$43,944,781 General Fund. The Department of Higher Education is requesting that this amount be considered as a "placeholder" for the College Opportunity Fund Program.

The allocation and distribution of the "placeholder" General Fund amount will be determined following the completion of a total funding model developed by the

Department. It is anticipated that this total funding model will be completed in December 2007. Upon completion of the funding model the Department of Higher Education will submit its request on behalf of the Executive Branch in the form of a Budget Amendment and/or Amendments for the following:

- final College Opportunity Fund stipends increase based on enrollment and any associated change in the stipend amount per credit hour;
- final College Opportunity Fund fee-for-service increase;
- allocation and distribution to Governing Boards; and
- requested tuition increases for Governing Boards.

The Department's subsequent request and/or requests will utilize the "placeholder" \$43,944,781 General Fund amount in addition to the associated \$48,533,201 cash funds exempt spending authority increase for the Governing Boards.

Background and Appropriation History:

The College Opportunity Fund established a new funding system for the Department of Higher Education and Colorado's public institutions of higher education. Private institutions in Colorado are also allowed to participate in funding through the stipend program if they meet specific criteria outlined in statute. Private institutions must also enter into a performance contract with the Commission in order to participate; to date, there are two participating private institutions – Regis University and the University of Denver.

The College Opportunity Fund Stipend is available to any eligible resident undergraduate student attending one of the participating public or private institutions. The stipend is not tied to income criteria for students attending public institutions and is not considered financial aid. Students attending participating private institutions must be eligible for federal Pell need-based grants and the stipends are considered financial aid for students at half the public stipend rate.

The College Opportunity Fund program creates a mechanism to allow higher education tuition to not count against the TABOR limit, thereby creating greater flexibility for institutions. The FY 2007-08 stipend was set at \$2,670 for a full-time student (defined as a 30-credit hour load) and funded for an estimated 122,147 FTE, totaling \$326,132,490. An additional \$934,500 was appropriated to private institutions for 700 estimated eligible students. The total FY 2007-08 stipend dollar amount was \$327,066,990. The Department is requesting no inflationary increase in the stipend amount of \$2,670 and has calculated the public FTE for FY 2008-09 at 123,873. The Department is not requesting any increases to the number of eligible private-school FTE students since the most recent data reflects the 700 students submitted last year. The Department receives FTE reports from public institutions and financial aid reports from private institutions that may change these numbers after this submission and will be addressed in the Budget Amendment and Budget Supplemental process as needed in conjunction with the funding model.

Fee-for-Service contracts allow funding for graduate education, special education services, rural education and career development and retraining. The purpose of Fee-for-Service contracts is to allow the department to purchase both types of services so that citizens may learn and become well educated while at the same time the economic vitality of this state is protected. The economic development and preservation services allowed for in statute have been counted by the State Auditor against the Tabor limit while the other services are considered enterprise funds and are outside the Tabor provisions. The Commission, however, recognizes the important economic impact of having institutions located throughout the state and considers the economic development services provided by institutions as measurable and valuable services for state investment. The Department will therefore continue to work with the State Auditor to bring these services within the enterprise fund calculation.

General Description of Request:

The College Opportunity Fund legislation established a trust fund administered by the Colorado Student Loan Program for stipends payable on behalf of students. The eligible student directs the stipend money to a particular institution by applying for the program and registering at a participating institution of higher education. Students taking courses pursuant to the Postsecondary Enrollment Options Act and High School Fast Track

programs are also eligible for the College Opportunity Fund stipend. The stipend for eligible resident undergraduate students is based on a per credit hour rate set annually by the General Assembly through the budget process. The stipend is currently set at \$2,670 for students taking 15 credit hours per semester (30 for the academic year) at a participating public institution and at \$1,335 for students taking 15 credit hours per semester (30 for the academic year) at a participating private institution.

CCHE is authorized by statute to enter into contracts with eligible public institutions of higher education to provide educational services for a fee for service. The fee-for-service contracts require institutions to annually negotiate fees for the various services purchased by the CCHE on behalf of the state.

As a result of the requested General Fund increase provided in this change request the College Opportunity Fund Program is requested to be \$677,121,233 in total funds in FY 2008-09. The requested allocations will be determined following the completion of the funding model in December 2007.

Consequences if Not Funded:

No increase in funding will result in Colorado's institutions of higher education being funded at an even lower level than their national peers. A 2006 analysis conducted by the National Center for Higher Education Management Systems (NCHEMS), a well-established private nonprofit organization, showed that Colorado institutions of higher education are funded at a level over \$800 million less than the average level of funding given to institutions nationwide on an annual basis. The College Opportunity Fund program creates a mechanism to allow higher education tuition not to count against the TABOR limit, thereby creating greater flexibility for the institutions of higher education. Without this modest increase of \$48,553,201 General Fund to the College Opportunity Fund Program, institutions of higher education in Colorado will continue to fall behind their peers.

Calculations for Request:

Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$97,106,402	\$48,553,201	\$0	\$48,553,201	\$0	0.0
(4) College Opportunity Fund Program (A) Stipends	\$4,608,420	\$4,608,420	\$0	\$0	\$0	0.0
(4) College Opportunity Fund Program General Fund Place Holder	\$43,944,781	\$43,944,781	\$0	\$0	\$0	0.0
(5) Governing Boards cash funds exempt Place Holder	\$48,553,201	\$0	\$0	\$48,553,201	\$0	0.0

Assumptions for Calculations:

The enrollment projections are based on a three year average of FTE from FY 2005-06 through FY 2007-08. Given that the fall census for FY 2007-08 is not reported at this time, the Long Bill FTE is used as a proxy for the enrollment in FY 2007-08. Additionally, the Department is currently collecting data on private school financial aid recipients which should be completed by mid November. Since updated FTE reports are currently unavailable, College Opportunity Fund stipend figures are calculated based on 'place-holder' numbers in this request.

Impact on Other Government Agencies:

Increased College Opportunity Fund funding should require no additional full-time employees or administrative costs to the Department of Higher Education or higher education institutions

Cost Benefit Analysis:

2009 enrollment estimates used in this budget request show a total of 120,548 resident undergraduate FTE students. FY 2006-07 resident graduate FTE students have been reported at 10,380. The College Opportunity Fund program will allow Colorado institutions of higher education to offer reasonable tuition rates to these students. Without these stipends, barriers to higher education access for Colorado residents would be much higher. The myriad of economic and social benefits of higher education have been well documented. Providing increased access to higher education for over 130,000 students through the College Opportunity Fund far outweighs the below the average investment that the state of Colorado currently contributes to Higher Education.

Implementation Schedule: N/A

Task	Month/Year
Start-Up Date	7/08

Statutory and Federal Authority:

This request is consistent with the directive in 23-18-202 C.R.S. and 23-5-129 C.R.S.

23-18-202 C.R.S There is hereby created in the department of higher education the college opportunity fund program, which shall be administered by the Colorado student loan program. The college opportunity fund, created in section 23-18-202, shall be a trust fund for the benefit of eligible undergraduate students. It shall consist of a stipend for each undergraduate student in Colorado who applies for the stipend and who is admitted and registers to attend a state or participating private institution of higher education and is determined to be eligible by the Colorado student loan program to receive a stipend. An eligible undergraduate student may use the stipend for undergraduate courses and graduate-level courses that apply toward the student's

undergraduate degree that are taken at a state or participating private institution of higher education at a fixed rate per credit hour, set annually by the general assembly.

23-5-129 C.R.S (5) (a) Beginning January 2006, and each January thereafter, the department of higher education shall report to the members of the education committees of the senate and the house of representatives and the members of the joint budget committee of the general assembly the financial effect of the provisions of each performance contract with regard to funding for the affected governing board of a state institution of higher education and overall funding for the statewide system of higher education, any exemptions granted pursuant to subsection (4) of this section, and a review of each state or private institution's operations under the institution's performance contract. The term of a performance contract may be up to ten years. The department of higher education may renew a performance contract at its discretion, with the agreement of the governing board.

Performance Measures:

The Departmental staff audits the fee for service and stipend programs to determine institutional compliance with statute and Commission policy.

Quantitative benefits to the State for funding the College Opportunity Fund can be measured by the following performance indicators:

- 1) Appropriate levels of student enrollment, transfer, retention, and graduation rates and institutional programs specifically designed to assist students in achieving their academic and, in the case of community colleges, vocational goals
- 2) Comparative cost and productivity data in relation to peer institutions
- 3) Assessment of financial indicators compared to national benchmarks commonly used to measure financial performance in higher education according to the type of institution

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 Base Reduction Item FY 08-09 Supplemental FY 07-08 Budget Request Amendment FY 08-09
 Request Title: State Funded Student Assistance Programs
 Department: Department of Higher Education
 Priority Number: 2

Dept. Approval by: *Debra McFarland*
 OSPB Approval: *FA 10-29-07*

Date: 10-29-07
 Date: 10-29-07

Fund	1	2	3	4	5	6	7	8	9	10
	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 08-10
Total	52,136,963	67,023,546	0	67,023,546	67,023,546	7,270,600	74,294,146	0	74,294,146	7,270,600
FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GF	52,136,963	67,023,546	0	67,023,546	67,023,546	7,270,600	74,294,146	0	74,294,146	7,270,600
GFE	0	0	0	0	0	0	0	0	0	0
CF	0	0	0	0	0	0	0	0	0	0
CFE	0	0	0	0	0	0	0	0	0	0
FF	0	0	0	0	0	0	0	0	0	0
(3) Colorado Commission on Higher Education Financial Aid (A) Need Based Grants										
Total	52,136,963	67,023,546	0	67,023,546	67,023,546	7,270,600	74,294,146	0	74,294,146	7,270,600
FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GF	52,136,963	67,023,546	0	67,023,546	67,023,546	7,270,600	74,294,146	0	74,294,146	7,270,600
GFE	0	0	0	0	0	0	0	0	0	0
CF	0	0	0	0	0	0	0	0	0	0
CFE	0	0	0	0	0	0	0	0	0	0
FF	0	0	0	0	0	0	0	0	0	0

Letternote revised text:
 Cash Fund name/number, Federal Fund Grant name:
 IT Request: Yes No
 Request Affects Other Departments: Yes No
 If Yes, List Other Departments Here:

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Higher Education
Priority Number:	2
Change Request Title:	State Funded Student Assistance Programs

SELECT ONE (click on box):

- Decision Item FY 08-09
- Base Reduction Item FY 08-09
- Supplemental Request FY 07-08
- Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Department of Higher Education is requesting an increase of \$7,270,600 General Fund in need-based aid for FY 2008-09. The new funds are requested to increase the minimum amount of Colorado's College Responsibility Grant awarded to all qualified students to have the greatest impact on low income students.

Background and Appropriation History:

In FY 2007-08, General Fund support for all financial aid increased by \$8,173,119 from the previous fiscal year to a total of approximately \$97.0 million General Fund. FY 2007-08 Long Bill appropriation shows a return to FY 2002-03 funding levels. Since FY 2002-03, General Fund support for financial aid decreased by \$14.3 million, from \$91.0 million to \$76.7 million in FY 2005-06. Increased financial aid for students will always provide a benefit to the state. Prior fiscal year increases now gives the state the opportunity to increase aid at less dramatic level to compliant with percentage increases in student assistance programs required by statute, however there is still a substantial amount of unmet need for low income students in the state (detailed in the "General Description of Request).

The following chart illustrates state appropriations to financial aid from FY 1996-97 to FY 2007-08:

Fiscal Year	Need Based Aid	Governor's Opportunity Scholarship	Merit-Based Aid	Work-Study	Work, Need and Merit	Special Purpose - Categorical	Total Financial Aid
1996-1997	27,356,431		12,340,481	12,277,995	51,974,897	5,360,322	57,335,219
1997-1998	30,489,141		12,726,591	12,707,714	55,923,446	5,883,699	61,807,145
1998-1999	34,109,227		13,417,490	13,702,494	61,229,251	6,162,131	67,391,382
1999-2000	36,623,152	1,800,000	13,826,078	14,248,944	66,498,174	6,513,899	73,012,073
2000-2001	38,399,077	3,800,000	14,371,810	14,811,367	71,382,254	7,177,010	78,559,264
2001-2002	41,598,002	6,000,000	14,874,498	15,359,754	77,832,254	7,424,066	85,256,320
2002-2003	43,550,101	8,000,000	14,874,498	16,612,357	83,036,956	7,983,044	91,020,000
2003-2004	40,002,682	8,000,000	6,877,309	15,030,062	69,910,053	8,230,701	78,140,754
2004-2005	37,935,202	8,000,000	6,434,287	15,003,374	67,372,863	8,767,891	76,140,754
2005-2006	42,672,088	8,000,000	1,500,000	15,003,374	67,130,462	9,589,915	76,720,377
2006-2007	52,136,963	8,000,000	1,500,000	15,003,374	76,640,337	12,260,822	88,901,159
2007-2008	67,023,546		1,500,000	14,884,300	83,407,846	13,666,432	97,074,278

Colorado's College Responsibility Program (Primary Need-Based Aid Program)

- Colorado's College Responsibility Grant** is for undergraduate students enrolled at approved 2 year, 4 year, and research institutions. Institutions receive a flat payment from the state for each student enrolled whose Estimated Family Contribution (EFC) is 150% or less for Pell eligibility. Payment to the institution would differentiate between 2 year, 4 year, and research institutions. Payment will be based on average, actual Cost of Attendance-EFC at 2 year, 4 year, and

research institutions as reported by the institutions. The institution would then provide every eligible student with a standard minimum grant amount regardless of the type of institution attended. The institutions will have appropriate flexibility to make adjustments based on special circumstances; existing students will be grandfathered out of this new need based aid program.

- **Critical Career Grant** is for graduate students in critical career programs areas, outlined by the new National Science and Mathematics Access to Retain Talent grant (SMART) adopted by Congress late last year. Health Care programs critical to Colorado will also be included. Eligible students will be enrolled at approved 2 year, 4 year, and research institutions. This program will utilize actual COA for graduate students in these critical career programs and allocate to institutions based on eligible FTE .
- **Graduation Bonus** is a financial bonus for each student (whose Estimated Family Contribution (EFC) is 150% or less for Pell eligibility) who graduates with a certificate or undergraduate degree. Funds for the graduating bonus will be split into a separate pot and given proportionately to the institutions based on the number of graduates. Awarding of those dollars is determined by the institution but must be used for financial aid. The graduation bonus piece of the program will be implemented with the first graduating class in the CCRP program.

Additional Need-Based programs

- Colorado Leveraging Educational Assistance Partnership Program (CLEAP) is a federal/state partnership to stimulate expansion of grant assistance to undergraduate students with substantial financial need.
- Supplemental Leveraging Educational Assistance Partnership Program (SLEAP) provides a maximum of \$5,000 per year to undergraduate or post baccalaureate students who are enrolled in teacher education. First priority must go to students

in their student teaching semester. After those students are awarded, funds can go to enrolled teacher education students.

Merit-Based Grants:

- Colorado Centennial Scholar awards are competitive awards students must qualify for each year. To be eligible for an award the student must be enrolled, be degree or certificate seeking and be a Colorado resident undergraduate student. Students must demonstrate academic excellence by achieving a 3.75 GPA at the time of award and maintaining at least a 3.5 cumulative college GPA. This aid is used to keep Colorado's brightest students in the state as well as to reward high achieving students.

Categorical Programs:

- Loan Match provides funds for match to federal student loan programs: Perkins Loan Program, Health Professions Loan Program and Nursing Student Loan Program. The federal government eliminated the Perkins match in Fiscal Year 2006. Dependents Tuition Assistance Program provides tuition comparable to that charged by a state institution and comparable room and board. The program provides financial assistance to attend eligible institutions for dependents of a deceased or permanently disabled law enforcement officer, firefighter, or member of the National Guard, prisoner of war or person missing in action.
- The appropriation for the National Guard Tuition Assistance is not included in these discussions but is a categorical program specifically funding National Guard members and is administered by the Department of Veterans and Military Affairs. Any unspent funds can be transferred into the need-based financial assistance program. .

General Description of Request:

Student financial aid seeks to provide equal opportunity to otherwise qualified students whose personal or family resources are insufficient to cover the cost of attending college. A primary goal of the Colorado Commission on Higher Education is to expand student

access to Colorado's institutions of higher education. One way to meet this goal is through greater emphasis on student assistance programs.

Increasing state-funding levels for need-based financial aid will help decrease the amount of need being met through loans, savings and credit card debt for Colorado students with the greatest financial need, increase the number of students qualifying for need-based aid that actually receive aid, and increase the amount of aid per student to bring Colorado into the upper half of national rankings.

In FY 2005-06, the average actual total cost of attendance for an undergraduate student at a public research institution was \$14,039, at a four-year institution it was \$12,826 and at a public two-year institution the average cost was \$10,496. Currently, the state need based grant covers, on average, between 5 percent and 6 percent of the total costs to attend a public institution of higher education in Colorado. According to the most recent annual National Association of State Student Grant and Aid Programs (NASSGAP) Colorado ranks 26 out of 52 states (including Puerto Rico and Washington D.C.) in need-based grant funding per undergraduate FTE (\$260.82 per FTE) and 30 out of 52 in total grant dollars per undergraduate FTE (\$304.97). This puts Colorado in the middle to lower half of undergraduate aid per student when compared with the rest of the nation.

Unmet need in Colorado is measured by the Cost of Attendance at an institution and deducts the amount the family/student is expected to pay and the aid the student receives. The resulting number is considered unmet need. In FY 2005-06, there were approximately 50,000 low income undergraduate students (average income approximately \$13,500) attending a 2 year, 4 year, or research institutions in Colorado. The combined unmet need for these students, after student contribution, is around \$680 million. Moreover, of these low income students, approximately 8,000 did not receive any financial aid from any source (state, federal, institutional). That need is met through a combination of federal and private loans as well as family contributions through cash and PLUS loans as well as other individual sources of income such as savings, loans and credit card debt.

Consequences if Not Funded:

Not meeting this minimal increase in student assistance programs would result in non-compliance with Section 23-3-3-103, C.R.S. (2007).

Additionally, under funding need-based financial aid decreases college accessibility and undermines a primary goal of the Colorado Commission on Higher Education.

Calculations for Request:

Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$7,270,600	\$7,270,600	\$0	\$0	\$0	0.0
(3) Colorado Commission on Higher Education Financial Aid (A) Need Based Grants	\$7,270,600	\$7,270,600	\$0	\$0	\$0	0.0

Assumptions for Calculations:

The annual appropriations for student financial assistance have to increase by at least the same percentage as the aggregate percentage increase of all general fund appropriations to institutions of higher education. A minimal increase as required by statute would result in an increase of \$6,632,800. This request would increase state funded student funded requests by a level slightly larger than minimum requirements.

Impact on Other Government Agencies:

More financial aid funding will be distributed to students and should require no additional FTE or administrative costs to the Department of Higher Education and the respective institutions.

Cost Benefit Analysis:

The Department of Higher Education Financial Aid 07-08 Footnote Report shows an average need based award of \$1,560 from Fiscal years 2001 through 2006. Based on this average, over 4,600 additional students could receive need-based financial aid awards. The increase should not result in any increased administrative costs to the state.

Implementation Schedule:

Task	Month/Year
Start-Up Date	7/08

Statutory and Federal Authority:

Section 23-3.3-103, C.R.S. (2007). The annual appropriations for student financial assistance under this article shall increase by at least the same percentage as the aggregate percentage increase of all general fund appropriations to institutions of higher education.

Performance Measures:

Quantitative benefits to the State for increasing need-based financial assistance can be measured by the following performance indicators:

- 1) Increases in student retention rates at Colorado institutions as reported to the Department;
- 2) An increase in grant dollars per undergraduate FTE rankings as measured by the Annual Survey Report on State-Sponsored Student Financial Aid conducted by the National Association of State Student Grant and Aid Programs;
- 3) A decrease in the amount of low-income undergraduate students that are not receiving need-based aid as reported to the Department; and,
- 4) A decrease in loan dollar amounts of Stafford, Perkins and PLUS grants being taken out by low-income undergraduate students as reported to the Department.

**Schedule 13
Change Request for FY 08-09 Budget Request Cycle**

Decision Item FY 08-09 Base Reduction Item FY 08-09 Supplemental FY 07-08 Budget Request Amendment FY 08-09
 Area Vocational Schools
 Department of Higher Education
 Priority Number: 3
 Request Title: *Deane M. Linder*
 Department: *DMMS*
 Dept. Approval by: *DMMS*
 OSPB Approval: *DMMS*
 Date: *10-18-07*
 Date: *10/21/07 for 11/1/07*

Fund	1		2		3		4		5		6		7		8		10		
	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 08-10									
Total	9,635,902	10,450,136	0	10,450,136	10,450,136	731,509	11,181,645	0	11,181,645	731,509	0	11,181,645	0	11,181,645	0	11,181,645	0	731,509	
FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
GF	9,635,902	10,450,136	0	10,450,136	10,450,136	731,509	11,181,645	0	11,181,645	731,509	0	11,181,645	0	11,181,645	0	11,181,645	0	731,509	
GFE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
CF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
CFE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
FF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(8) Division of Occupational Education (C) Area Vocational School Support																			
Total	9,635,902	10,450,136	0	10,450,136	10,450,136	731,509	11,181,645	0	11,181,645	731,509	0	11,181,645	0	11,181,645	0	11,181,645	0	731,509	
FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
GF	9,635,902	10,450,136	0	10,450,136	10,450,136	731,509	11,181,645	0	11,181,645	731,509	0	11,181,645	0	11,181,645	0	11,181,645	0	731,509	
GFE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
CF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
CFE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
FF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Letternote revised text:

Cash Fund name/number, Federal Fund Grant name:

IT Request: Yes No

Request Affects Other Departments: Yes No

If Yes, List Other Departments Here:

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Department of Higher Education
Priority Number:	3
Change Request Title:	Area Vocational Schools

SELECT ONE (click on box):

- Decision Item FY 08-09
- Base Reduction Item FY 08-09
- Supplemental Request FY 07-08
- Budget Request Amendment FY 08-09

SELECT ONE (click on box):

- Supplemental or Budget Request Amendment Criterion:
- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

This request is to increase the appropriation for Area Vocational Schools (AVS) by 7%, or \$731,509 General Fund in FY 2008-2009.

Background and Appropriation History:

AVS Appropriations History

	FY 02-03	FY 03-04	% Change	FY 04-05	% Change	FY 05-06	% Change	FY 06-07	% Change	FY 07-08	% Change
	11,660,296	8,505,528	-27%	8,505,528	0%	8,505,528	0%	9,635,902	13%	10,450,136	8.45%

There are four area vocational schools operating in the state of Colorado: Emily Griffith Opportunity School in Denver, T.H. Pickens Technical Center in Aurora, Delta-Montrose Area Vocational-Technical Center in Delta, and San Juan Basin Technical School in Cortez. While each school is affiliated with a local school district or Board of Cooperative Education Services (BOCES), the schools' primary mission is post-secondary vocational training, which means that the general fund support they receive is

their primary source of funding. By providing primarily adult post-secondary vocational and technical training, these schools provide the only low-cost access to business and industry training within their communities. Even though over the past two years these schools have increased 21% of their general fund support, they lost 27% of their general fund support during budget cuts in FY 2003-04..

General Description of Request:

The increased appropriation would be used to offset the increased costs of providing post-secondary vocational programs. While these schools are affiliated with the Local District Junior Colleges (LDJC), their primary source of funding is received from the state via this line item. Vocational programs by nature are high cost to operate: they are capital intensive, have small class sizes, and offer no opportunity for distance education. The increased demand on programs related to high technology and health professions further increases the costs of these programs by requiring the most current technology. Without a 6% increase, it will be difficult for these schools to continue to be responsive to community needs and keep these programs open. The loss of postsecondary certificate programs would have a negative economic impact in the communities served by the schools. Area businesses would be forced to pay higher costs for trained workers, or move to other areas where training is available.

Consequences if Not Funded:

In order to keep the current programs operating, increased funding is needed.

Calculations for Request:

Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$731,509	\$731,509	\$0	\$0	\$0	0.0
(8) Division of Occupational Education (C) Area Vocational School Support	\$731,509	\$731,509	\$0	\$0	\$0	0.0

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$731,509	\$731,509	\$0	\$0	\$0	0.0
(8) Division of Occupational Education (C) Area Vocational School Support	\$731,509	\$731,509	\$0	\$0	\$0	0.0

Assumptions for Calculations:

The general fund base for AVS in FY 2007-08 is \$10,450,136. Inflate \$10,450,136 by 7% totaling \$731,509.

Impact on Other Government Agencies:

None

Cost Benefit Analysis:

The increased appropriation would be used to offset the increased costs of providing post-secondary vocational programs. If this increase is not funded, it is likely that these Colleges will have to cut programs, which can have a ripple effect on the communities that they serve in terms of loss of jobs and a decrease in skilled workers within the areas. This adjustment would result in no other program growth or additional cost to the State.

Essentially, the \$731,509 increase will result in business as usual at the area vocational schools, allowing them to continue to be the only low-cost access to business and industry

training within their communities. Not funding this increase would make it difficult to meet state performance goals of doubling the amount of degrees and certificates achieved over the next 10 years.

Implementation Schedule:

Task	Month/Year
Start-Up Date	July 2008

Statutory and Federal Authority:

C.R.S. 23-61.5-101 to 23-61.5-203 and 23-71-301 to 23-71-303.

Performance Measures:

Part of the Department's strategic plan is to double the amount of degrees and certificates achieved over the next 10 years to 2018. The Area Vocational Schools are part of this performance measure for the Department and should also increase certificate and degree output at the same rate as public institutions of higher education as a whole.

**Schedule 13
Change Request for FY 08-09 Budget Request Cycle**

Request Title: Decision Item FY 08-09 Supplemental FY 07-08 Budget Request Amendment FY 08-09
 Department: Local District Junior College
 Priority Number: 4 Department of Higher Education

Dept. Approval by: *[Signature]*
 OSPB Approval: *[Signature]*
 Date: 10-18-07
 Date: 10/18/07 for 11/1/07

Fund	1		2		3		4		5		6		7		8		9	
	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10								
Total	13,668,051	14,823,001	0	14,823,001	14,823,001	444,690	15,267,691	0	15,267,691	444,690								
FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0								
GF	13,668,051	14,823,001	0	14,823,001	14,823,001	444,690	15,267,691	0	15,267,691	444,690								
GFE	0	0	0	0	0	0	0	0	0	0								
CF	0	0	0	0	0	0	0	0	0	0								
CFE	0	0	0	0	0	0	0	0	0	0								
FF	0	0	0	0	0	0	0	0	0	0								
(6) Local District Junior College Grants Pursuant to Section 23-71-301, C.R.S.																		
Total	13,668,051	14,823,001	0	14,823,001	14,823,001	444,690	15,267,691	0	15,267,691	444,690								
FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0								
GF	13,668,051	14,823,001	0	14,823,001	14,823,001	444,690	15,267,691	0	15,267,691	444,690								
GFE	0	0	0	0	0	0	0	0	0	0								
CF	0	0	0	0	0	0	0	0	0	0								
CFE	0	0	0	0	0	0	0	0	0	0								
FF	0	0	0	0	0	0	0	0	0	0								

Letternote revised text:
 Cash Fund name/number, Federal Fund Grant name:
 IT Request: Yes No
 Request Affects Other Departments: Yes No
 If Yes, List Other Departments Here:

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Department of Higher Education
Priority Number:	4
Change Request Title:	Local District Junior Colleges

SELECT ONE (click on box):

- Decision Item FY 08-09
- Base Reduction Item FY 08-09
- Supplemental Request FY 07-08
- Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

This request is to increase the appropriation for the Local District Junior Colleges by 3.0% (CPI) or \$444,690 General Fund in FY 2008-09.

Background and Appropriation History:

		LDJC Appropriations History							
		FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	% Change	% Change
14,894,754	11,038,334	11,038,334	11,038,334	11,038,334	12,101,934	13,668,051	14,823,001	0%	8.45%
								-26%	13%

There are two local district junior colleges, Aims Community College and Colorado Mountain College; the Local District Junior Colleges (LDJC) are public, two-year, post secondary institutions dedicated to responding to the educational needs of the local, regional, and global communities. The LDJC serve the immediate and future educational needs of individuals within the Aims and Colorado Mountain College Taxing Districts.

Committed to meeting those needs, the LDJC offers a variety of educational programs and services to these communities.

Aims Community College has four campuses and conducts approximately 2,000 day, evening and weekend courses. The college offers four two-year degrees and numerous shorter career and technical certificates. The certificates/degrees include accounting, health programs including radiology and surgical technology, computer science and criminal justice.

Colorado Mountain College covers six counties in north-central Colorado. Some campuses include one site, while others encompass several locations. Classes are offered at 13 sites in communities throughout the District and Service Area. Programs include degrees and certificates as well as apprenticeships and business training courses. Associate of Arts, General Studies and Science are offered as are Criminal Justice, Nursing and Outdoor Education programs. Programs leaning to the area such as Ski Area Operations and Resort Management and Outdoor Education and Golf Club Management are part of the versatile educational experiences available at the College.

Both colleges offer many four-year transfer credits.

General Description of Request:

The increased appropriation is a cost of living adjustment to maintain the existing commitment to these schools.

Consequences if Not Funded:

The State of Colorado views the programs offered at these colleges as important to the economics of these regions as well as to the entire State. If this increase is not funded, it is likely that these Colleges will have to cut programs, which can have a ripple effect on the small communities that they serve in terms of loss of jobs and a decrease in skilled workers within the areas.

Calculations for Request:

Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$444,690	\$444,690	\$0	\$0	\$0	0.0
(6) Local District Junior College Grants Pursuant to Section 23-71-301, C.R.S	\$444,690	\$444,690	\$0	\$0	\$0	0.0

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$444,690	\$444,690	\$0	\$0	\$0	0.0
(6) Local District Junior College Grants Pursuant to Section 23-71-301, C.R.S	\$444,690	\$444,690	\$0	\$0	\$0	0.0

Assumptions for Calculations:

The general fund base for LDJC in FY 07-08 is \$14,823,001. Inflate \$14,823,001 by 3.0% (CPI) totaling \$444,690.

Impact on Other Government Agencies:

None

Cost Benefit Analysis:

The cost of the requested increase increases is inline with inflation costs measured by the Consumer Price Index. This increase, a relatively small upwards adjustment to the state funds allocated to Aims Community College and Colorado Mountain College will allow these schools to continue current programs. If this increase is not funded, it is likely that these Colleges will have to cut programs, which can have a ripple effect on the small communities that they serve in terms of loss of jobs and a decrease in skilled workers within the areas. This adjustment would result in no other program growth or additional cost to the State.

Implementation Schedule:

Task	Month/Year
Start-Up Date	July 2008

Statutory and Federal Authority:

C.R.S. 23-71-301 (1) (a) Any junior college district operating or organized and operating as such during the entire school year in which a grant is made shall be entitled to a direct grant, from funds appropriated for this purpose, in an amount specified annually by the general assembly.

Performance Measures:

Part of the Department's strategic plan is to double the amount of degrees and certificates achieved over the next 10 years to the year 2018. The Local Area Junior College's are part of this performance measure for the Department and should also increase certificate and degree output at the same rate as public institutions of higher education as a whole.

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 Base Reduction Item FY 08-09 Supplemental FY 07-08 Budget Request Amendment FY 08-09
 Office Relocation
 Higher Education
 5

Request Title:
 Department:
 Priority Number:

Dept. Approval by: *Deane M. Kelly*
 OSPB Approval: *DM*
 Date: *10-17-07*
 Date: *10/18/07 for 11/1/07*

Fund	1		2		3		4		5		6		8		10		
	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10							
Total	325,820	370,956	0	370,956	370,956	136,194	507,150	0	507,150	145,014							
FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0							
GF	0	0	0	0	0	0	0	0	0	0							
GFE	0	0	0	0	0	0	0	0	0	0							
CF	325,820	370,956	0	370,956	370,956	136,194	507,150	0	507,150	145,014							
CFE	0	0	0	0	0	0	0	0	0	0							
FF	0	0	0	0	0	0	0	0	0	0							
(1) Department Administrative Office Leased Space																	
Total	325,820	370,956	0	370,956	370,956	136,194	507,150	0	507,150	145,014							
FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0							
GF	0	0	0	0	0	0	0	0	0	0							
GFE	0	0	0	0	0	0	0	0	0	0							
CF	325,820	370,956	0	370,956	370,956	136,194	507,150	0	507,150	145,014							
CFE	0	0	0	0	0	0	0	0	0	0							
FF	0	0	0	0	0	0	0	0	0	0							

Letternote revised text: (a) Of these amounts, \$693,480 shall be from statewide and departmental indirect cost recoveries, and \$272,831 shall be from various cash funds throughout the Department. The cash funds represent indirect cost recoveries from entities qualifying as enterprises pursuant to Article X, Section 20 of the State Constitution.

Cash Fund name/number, Federal Fund Grant name: Private Occupational Schools Fund/222 (in part)
 IT Request: Yes No
 Request Affects Other Departments: Yes No
 If Yes, List Other Departments Here:

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Higher Education
Priority Number:	5
Change Request Title:	Office Relocation

SELECT ONE (click on box):

- Decision Item FY 08-09
- Base Reduction Item FY 08-09
- Supplemental Request FY 07-08
- Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Department of education is requesting an increase in the Leased Space appropriation of \$136,194 in cash funds in FY 2008-09 to cover the cost of a new lease of office space.

Background and Appropriation History:

This appropriation will fund the costs of leased office space for the Colorado Commission on Higher Education and the Division of Private Occupational Schools. Prior to FY 2006-07, it also funded leased space for the Council on the Arts. This agency was transferred to the Governor's Office on Economic Development effective July 1, 2006.

Leased Space appropriations for the past 5 years were:

FY 2002-03	268,615	general/cash funds
FY 2003-04	321,751	cash/cash funds exempt
FY 2004-05	293,175	cash/cash funds exempt
FY 2005-06	382,352	cash/cash funds exempt
FY 2006-07	353,073	cash/cash funds exempt

General Description of Request:

The offices of CCHE and DPOS are currently located in the Lawrence Street Center at 1380 Lawrence Street, Denver. The current lease ended August 31, 2007. The lease is extended month to month until January 31, 2008. A new lease is being negotiated for office space at 1560 Broadway in Denver. The lease cost, starting July 1, 2008, is \$28.75 per square foot per year.

To acquire the lease, the Department used the services of the Office of the State Architect and their broker, The Staubach Company. The broker surveyed available space in the downtown area and identified seven buildings that could meet the Departments needs. The limiting factor was the large amount of square feet needed to bring together the agencies of the Department, approximately 40,000 square feet. Four buildings responded to the RFP prepared by the Office of the State Architect. The price per square foot ranged from \$28.75 to \$34.00 per square foot. The Staubach Company indicated that demand for office space in Denver is high with companies looking to move into the area.

This move brings together CCHE, DPOS with two other agencies of the Department - College Invest and College Assist. Having these 4 agencies will improve the efficiency of DHE operations. The efficiencies will include less travel time for management meetings, a higher level of interaction in personnel and finance decisions, and better administrative functioning/operations of the COF stipend program.

Consequences if Not Funded:

The Department of Higher Education would not have office space to fulfill its statutory mission. The efficiencies described above would not be realized.

Calculations for Request:

Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$136,194	\$0	\$136,194	\$0	\$0	0.0
CCHE share of office space 80% paid from indirect cost recoveries. \$28.75 times 17,640 times 80%	\$108,955	\$0	\$108,955	\$0	\$0	0.0
DPOS share of office space 20%, paid from Private Occupational Schools Fund (Fund 222) \$28.75 times 17,640 times 20%	\$27,239	\$0	\$27,239	\$0	\$0	0.0

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request [Items below total to this]	\$145,014	\$0	\$145,014	\$0	\$0	0.0
CCHE share of office space 80% paid from indirect cost recoveries. \$29.25 times 17,640 times 80%	\$116,011	\$0	\$116,011	\$0	\$0	0.0
DPOS share of office space 20%, paid from Private Occupational Schools Fund (Fund 222) \$29.25 times 17,640 times 20%	\$29,003	\$0	\$29,003	\$0	\$0	0.0

Assumptions for Calculations:

The lease for FY 2007-08 is \$28.75 per square foot per year. The space leased is 17,640 square feet. Total annual cost is \$507,150. The current appropriation is \$370,956. The net increase is \$136,194.

Impact on Other Government Agencies: None.

Cost Benefit Analysis:

Through knowledge of the Denver downtown market, and through a formal RFP process, the Staubach Company (brokers) and Office of the State Architect identified 1560 Broadway as the least expensive property. The savings at this location is \$66,150 per year compared to the only acceptable location at 1125 17 th Street.			
	1560 Broadway	1125 17 th Street	Savings
FY 2009	\$28.75 times 17,640 is \$507,150	\$32.50 times 17,640 is 573,300	66,150
FY 2010	\$29.25 times 17,640 is 515,970	\$33.00 times 17,640 is \$582,120	66,150

Implementation Schedule:

Start date July 2008.

Statutory and Federal Authority:

Section 23-1-102, C.R.S (2007) and Section 23-1-110, C.R.S (2007)

23-1-102, C.R.S.

(2) There is hereby established a central policy and coordinating board for higher education in the state of Colorado, to be known as the Colorado commission on higher education, referred to in this article as the "commission". The duties and powers delegated to the commission by this article shall apply to all state-supported institutions of higher education, including, but not limited to, all postsecondary institutions in the state supported in whole or part by state funds, and including junior colleges and community colleges, extension programs of the state-supported universities and colleges, local district colleges, and area vocational schools and specifically the regents of the university of Colorado and the institutions it governs. The governing boards and institutions of the public system of higher education in Colorado, including the university of Colorado, are obligated to conform to the policies set by the commission within the authorities delegated to it in this article.

(3) (a) The commission shall consist of eleven members to be appointed by the governor with the consent of the senate. The members of the commission shall be selected on the basis of their knowledge of and interest in higher education and shall serve for four-year terms; except that, of the members first appointed to the commission, five members shall serve for terms of two years, and four members shall serve for terms of four years. No member of the commission may serve more than two consecutive full four-year terms.

Section 23-1-110, C.R.S.

(2) (a) The governor shall appoint, with the consent of the senate, an executive director qualified by substantial training and experience in the field of higher education. The executive director shall be the executive officer of the commission and the department of higher education, shall serve at the pleasure of the governor, and shall receive compensation commensurate with the duties of the office as determined by the governor. The duties and responsibilities of the executive director shall be discharged in accordance with the policies, procedures, and directives of the commission. The executive director shall employ such professional and clerical personnel as deemed necessary to carry out the duties and functions of the commission. Offices held by the executive director and professional personnel are declared to be educational in nature and not under the state personnel system.

Performance Measures:

There is not a specific performance measure for this decision item. This change supports the Department in meeting its statutory obligations.

**Schedule 13
Change Request for FY 08-09 Budget Request Cycle**

Decision Item FY 08-09 Base Reduction Item FY 08-09 Supplemental FY 07-08 Budget Request Amendment FY 08-09

Request Title: Personal Service Funding for Appropriated FTE

Department: Higher Education

Priority Number: 6

Dept. Approval by: *David M. [Signature]*
OSPB Approval: *[Signature]*

Date: 10-18-97
Date: 10/18/07 for 11/1/07

Fund	1		2		3		4		5		6		7		8		10	
	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10								
Total of All Line Items	584,770 6.0 0 0 559,279 22,295 3,196	643,211 7.8 0 0 572,007 61,620 9,584	0 0.0 0 0 0 0 0	643,211 7.8 0 0 572,007 61,620 9,584	704,931 7.8 0 0 589,042 97,169 18,720	60,242 0.0 0 0 60,242 0 0	765,173 7.8 0 0 649,284 97,169 18,720	0 0.0 0 0 0 0 0	765,173 7.8 0 0 649,284 97,169 18,720	57,032 0.0 0 0 57,032 0 0								
(2) Division of Private Occupational Schools	537,737 6.0 0 0 537,737 0 0	533,977 7.8 0 0 533,977 0 0	0 0.0 0 0 0 0 0	533,977 7.8 0 0 533,977 0 0	533,977 7.8 0 0 533,977 0 0	59,090 0.0 0 0 59,090 0 0	593,067 7.8 0 0 593,067 0 0	0 0.0 0 0 0 0 0	593,067 7.8 0 0 593,067 0 0	56,003 0.0 0 0 56,003 0 0								
(1) Departmental Administrative Office SB 04-257 Amortization Equalization Disbursement	47,033 0.0 0 0 21,542 22,295 3,196	90,400 0.0 0 0 31,473 50,996 7,931	0 0.0 0 0 0 0 0	90,400 0.0 0 0 31,473 50,996 7,931	129,473 0.0 0 0 41,682 73,612 14,179	784 0.0 0 0 784 0 0	130,257 0.0 0 0 42,466 73,612 14,179	0 0.0 0 0 0 0 0	130,257 0.0 0 0 42,466 73,612 14,179	784 0.0 0 0 784 0 0								

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Higher Education, Division of Private Occupational Schools
Priority Number:	6
Change Request Title:	Personal Service Funding for Appropriated FTE

SELECT ONE (click on box):

- Decision Item FY 08-09
- Base Reduction Item FY 08-09
- Supplemental Request FY 07-08
- Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

This request is to increase spending authority for the Division of Private Occupational Schools ("DPOS" or "Division") in FY08-09 by a total of \$60,242 to fund 1.0 FTE, already allocated in the Long Bill. It does not represent new revenue. The increased authority will help to fund the further enactment of programmatic reforms identified in April 2005 by the Office of the State Auditor (www.state.co.us/OSA/OSA_Audit Reports), as being needed specifically to: Strengthen compliance monitoring of approved in-state, out-of state schools, and Internet schools (distance education); establish a proactive enforcement program (monitoring and compliance) of licensing requirements on unlicensed (unapproved/illegal) schools; enhance compliance and enforcement efforts concerning deceptive sales or trade practices, particularly in establishing a compliance monitoring program in respect to false or misleading advertising (both web-based activity and printed materials); and for the overall purposes of continuing to provide public/consumer protection in the regulation of all private occupational schools operating within the State.

Background and Appropriation History:

The Private Occupational Educational Act of 1981 ("Act"). Section 12-59-101, et seq., C.R.S., as amended governs private occupational schools in Colorado. Its purpose is "... to provide standards for and to foster and improve private occupational schools and their educational services and to protect the citizens of this state against fraudulent or substandard private occupational schools...." DPOS is responsible for ensuring all private occupational schools in the State are licensed and compliant with statutory and regulatory standards.

The Division is entirely cash-funded through statutorily authorized fees which are established by the Board of Private Occupational Schools ("Board") and paid by the private occupational schools. Statute requires the Board to establish a fee schedule that reflects the direct and indirect costs of administering the Act. The major fees representing the Division's revenue consists of quarterly student assessment fees (currently each quarter schools pay a \$3 for every fulltime student enrolled); new school application fee of \$2000; renewal school application fee of \$1,000 for non-accredited schools and \$500 renewal fee for accredited schools; agent fee of \$150 (person authorized to recruit and enroll students in the school); and an application fee for submittal of each new/revised educational programs and courses.

The current appropriation for the Division for FY 2007-08 is \$689,157 with a direct long bill appropriation of \$533,977 and the DPOS share of appropriations made centrally to the Department of \$155,180 and an allocation of 7.8 FTE. Current Division staffing consists of 6.0 FTE: a director, deputy director, three program supervisors and one administrative assistant. All staff, excepting the administrative assistant, is exempt from the state classified personnel system.

Table 1 below shows the Division's revenues, expenditures, fund balance and appropriated FTE for FY 2002-03 to FY 2006-07:

TABLE 1

Category	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	Percentage of Change
Revenues	628,758	671,500	624,157	682,088	546,292	-13%
Expenditures	624,502	632,768	624,936	611,014	646,076	3%
Net Income (loss)	4,256	38,732	(769)	71,074	(99,784)	
Fund Balance	82,309	121,041	120,272	191,345	91,562	11%
Appropriated FTE	7.8	7.8	7.8	7.8	7.8	0
Staffed FTE	5.5	5.5	5.5	5.0/6.0	6.0	

Source: Data from DPOS Access database

The Division's current fee schedule was effective on July 1, 2006, and is based on a division study of actual costs. In April 2005 the Board and the Division underwent a performance audit conducted by the Office of the State Auditor to evaluate the methodology, functionality and effectiveness of the Board and Division in implementing its broad authority to oversee private occupational schools operating in the State. The Audit Report revealed a number of operational and administrative deficiencies in the regulation of private occupational schools. The audit set forth specific recommendations for immediate, intermediary and long-term programmatic reforms and implementation, it with an emphasis on compliance monitoring and enforcement in fulfilling its regulatory mandate. In response to concerns expressed in the audit concerning the Division's fee assessment and collection, the Division conducted an analysis of the amount of time and resources reasonably required to perform and complete tasks associated with each fee type. Using these estimates, the Division multiplied the hours required to complete each fee related tasks by the Division's hourly expenditure, a figure calculated by dividing the total annual spending authority by the number of hours that could be completed by 5.5 FTE (September 2005) in 50 weeks per year. This figure was then increased by 10% to compensate for indirect expenses.

Division revenue (fees) has generally outpaced expenditures for FY 2002-03 to FY 2006-07. The Board approved a procedure in September 2005 whereby the Division Director reviews revenue collected after the third quarter of the fiscal year and makes a determination if a reduction in the collection of student assessment fees is needed in order to maintain the Division's collection of revenue at or below 110% of the fiscal year's spending authority. This is in an effort to remain compliant with state fiscal rules not to exceed allowable cash reserves. In FY 2004-05, the Division collected \$733,772 in revenue, \$108,846 above total expenditures. As a result, the Division refunded \$108,846, or 14.8% of total revenue collected, to the schools. For FY-06, 4th quarter assessment fees were waived by the Division and for FY 2006-07, assessment fees were reduced to \$2 for the first, second and third quarters to remain within the Division's spending authority and eliminate excess cash reserves.

Current fees assessed to the private occupational schools are representative of capturing the actual costs of administering the Act. It is anticipated that this budget request to increase the Division's spending authority for FY 2008-09 by a total amount of \$60,242 to fund 1.0 FTE already appropriated will allow the Division to grow in proportion with the increasing number of new private occupational schools, as well as implement in the Division's continuing response to the audit, more stringent enforcement monitoring of unethical and false advertising of schools and the enforcement of unlicensed schools as set forth more fully below in this request.

General Description of Request: The Division and Board's primary responsibility is the regulation of private occupational schools. Section 12-59-103, C.R.S., defines private occupational schools as: "... any entity or institution for profit or not for profit located within or without this state which offers educational credentials or educational services that constitute occupational education in this state" The section further defines occupational education as classes and programs designed to improve the vocational, technical, and/or occupational skills of persons seeking improved employment opportunities in occupations that do not require a four-year college degree. There are currently 323 private occupational schools approved to operate in Colorado and 27 out-

of-state schools, with a total student population of approximately 32,000 students enrolled. The number of new schools approved each year has steadily increased by an average of 5.7%. Recent state demographics and much publicized predicted increases in the cost of higher education at publicly funded colleges and universities and those private institutions awarding degrees as defined under the Degree Authorization Act indicate that an ever increasing number of students are and will continue to seek more affordable alternative higher education which permits them to enter or re-enter the job market sooner with credentials to work in an occupational trade. Therefore it is reasonable to identify that the number of students attending private occupational schools is growing.

Table 2 below reflects the Number of Approved Schools and Average Student Attendance per Quarter for Fiscal Years 2003-2007:

TABLE 2

Year	Number of Schools In-State/Out of State	% of change from previous year	Number of Full-time Students Enrolled (In-state schools only)	% of change from previous year
2003	272/NA		27,037	
2004	284/15: 299		30,392	12.4
2005	298/22: 320	7.0	34,166	12.4
2006	312/23: 335	4.7	31,799	-6.9
2007	323/27: 350	4.5	32,493	2.2

Source: Data from DPOS

The Division's two main functions are to assess applications for licensure and to monitor private educational institutions which are occupational in nature for statutory compliance. Private occupational institutions offering educational services to students in Colorado, as defined by statute, are required to obtain and maintain a certificate of approval (license) to operate. Otherwise they are considered as unauthorized or illegal. Statutory exemptions from regulation under the Act are provided, contingent upon Division review, determination and continued annual eligibility for exemption. Division staff evaluates applications for school licenses; exemption from regulation requests; programs and

course curriculum; instructor qualifications; agent (sales) permits; surety bonding levels; and educational solicitation/advertisements to determine if the schools and their respective operations meet statutorily defined minimum educational and financial standards. These standards include schools demonstrating sufficient financial resources to operate and surety bond coverage to fulfill contractual commitments made to students, as well as having adequate facilities and instructors to provide the educational services represented and approved by the Board of Private Occupational Schools ("Board"). In respect to schools teaching students of "minor" age, staff facilitates compliance, reviews and preserves criminal background reports statutorily mandated for all such instructors.

In addition, the Division requires and monitors for continued compliance, annual school filings reporting continued statutory compliance in respect to maintenance of adequate surety coverage, instructional staff qualifications, placement and other requirements of operation. Per the audit, the Division was to implement enhancements to its monitoring and enforcement activities, including increasing not only its initial reviews and assessments of a new school, but perform regular follow-up activities in respect to all of its licensed schools. This requires the Division to have sufficient resources for its staff to not only perform the periodic physical onsite school visits determined by when a particular school is up for renewal of application to operate, but to in addition, conduct regular periodic visitations to examine on-going compliance with the applicable laws and regulations related to the respective educational programs, facilities, enrollment procedures, and student record keeping. The Division is also statutorily mandated to investigate student complaints seeking tuition refunds; or which allege a violation of the minimum standards (i.e. in adequate instruction, facilities, or equipment); Board initiated complaints; and complaints filed by any person demonstrating harm in which a deceptive trade or sales practice is asserted, including claims of false or misleading advertisement and the operation of an unauthorized/illegal school or a "diploma mill" (money taken but no educational training provided or required to receive a "certificate or completion").

As a result of the audit, the Board and Division have made tremendous progress in implementing and enacting the State Auditor's recommendations. However, much of the monitoring and compliance efforts continue to be primarily reactive rather than proactive

due to current staffing being unable to keep pace with the increasing number of schools coming under the Division's statutory authority and the scope of compliance monitoring needed in order to continue to make qualitative strides to further fully enact the identified programmatic recommendations and which in turn, more importantly, will continue to lead to more fully protection the public against fraudulent or substandard private occupational schools, as well as against unfair competition by institutions operating without authorization or who seek unwarranted exemption.

Of particular concern in the Audit Report was that there are a significant number of suspected unlicensed schools operating in the State and the increasing use of out of state entities soliciting students over the Internet purporting to offer on-line private occupational education. Statute requires that all entities offering educational services defined as "occupational education to the public" be approved by the Board. When an unlicensed school comes to the attention of the Division that the school may be operating illegally within the jurisdiction of the Board, the alleged unlicensed school is contacted by the Division to make a determination of jurisdiction. If an unlicensed school meets the definition of a private occupational school the school is requested to submit an application for licensure for approval by the Board. If a school fails to comply, statute provides legal measures the Board may exercise when pursuing unlicensed schools.

Closely akin to unlicensed schools is the proliferation of Internet/online private institutions advertising and otherwise offering online education. These increasing electronic, web-based solicitations (whether bona fide or not) reaching the people of the state of Colorado require additional review, monitoring and compliance enforcement efforts by the Division. Unauthorized operations and "diploma mills" are identified as a growing national consumer concern affecting multiple states across the Union. Often leads of unauthorized internet educational solicitations and "diploma mills" come from other similarly situated out-of-state regulatory agencies and state regulatory professional associations, as well as competitor schools. More frequent proactive monitor of internet solicitations is of particular importance in order to protect the student and other consumers due to the often "fly by night nature" of the less scrupulous educational enterprises.

Generally, the Division is only able to address the advertising, exemption, unauthorized schools or "diploma mill" situation; and monitor and assist school with meeting the statutory minimum standards to operate, in a less than regular and often reactive manner. The requested increase in spending authority would enable the Division to step-up not only the frequency but quality of such monitoring, taking a more pro-active stance as recommended by the Office of the State Auditor. The increased spending authority sought would provide the Division with the necessary resources to redistribute the quantitative workload among an additional program supervisor, thereby increasing the extent and quality of the Division's in providing assistance, guidance, compliance monitoring and enforcement efforts as detailed, herein. Currently, the Division due to its current workload, all too frequently still must rely on tips reported by licensed schools (business competitors) of unlicensed schools, to learn about matters of possible non-compliance, placing it in a reactionary position, monitoring and enforcing only those matters "brought to it." The Division has identified other sources which uncover unlicensed school operations, including printed advertisement (i.e. local phone books, newspapers, fliers, etc.), Internet solicitations, and through the Secretary of State business filings; however limited staff and resources prevent the Division from begin ably to fully utilize these resources on a regular basis and therefore from being effective in the monitoring and enforcement of unlicensed schools.

In addition, currently given the number of approved schools, their geographical disbursement throughout the entire state, the number of Division staff and limited time frame, the Division is unable to fully implement the frequency of school visitations needed to fully implement the audit-recommended programmatic improvement.

Based on this, the Division is requesting to increase its spending authority for FY08-09 by an additional \$59,944 to hire 1.0 FTE for the purpose of continuing to implement the State Auditor's recommendations which will strengthen compliance monitoring of approved private occupational schools, unlicensed schools and Internet schools and unethical and false and misleading advertising.

Consequences if Not Funded:

The Division will continue to operate in a reactive rather than proactive approach to full compliance monitoring and statutory enforcement. Private occupational schools will likely continue to increase as will the number of students expecting and deserving of protection against deceptive and fraudulent practices. The state will continue to experience a growth in unauthorized schools and diploma mills, which results not only in unprotected students, but in unfair competition and other illegal trade practices which adversely impact privately owned occupational schools duly operating in compliance with law and the Colorado consumer at large.

Calculations for Request:

Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request [Items below total to this]	60,242	0	60,242	0	0	0
Personal Services						
Salary	49,000		49,000			
PERA (10.15%)	4,974		4,974			
Medicare (1.45%)	711		711			
Operating						
Start up costs	4,405		4,405			
Department Administrative Office						
AED	784		784			
Departmental Administrative Office						
SAED	368		368			

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request [Items below total to this]	57,032		57,032			
Personal Services						
Salary	49,000		49,000			
PERA (10.15%)	4,974		4,974			
Medicare (1.45%)	711		711			
Operating						
Ongoing costs	950		950			
Department Administrative Office						
AED	784		784			
Departmental Administrative Office						
SAED	245		245			

Assumptions for Calculations:

The Program Supervisor position is a fulltime, non-classified position (exempt from State Personnel Rules) responsible for ensuring the regulation of private occupational schools and its educational programs and services are in accordance with state law and regulatory standards. The starting gross annual salary range is \$45,000 - \$50,000, plus benefits. The position of DPOS Program Supervisor is comparable to the Department of State Personnel job classification description for the position of General Professional III that is described as a fully operational professional position, operating independently in performing a wide range of professional tasks and assignments that requires the use of analysis, discretion and decision-making at the process level (within the limits defined by statute, rules, policies and procedures, systematic guidelines and program objectives). The salary range for the state classified position of General Professional III is minimum monthly gross of \$3,728 and maximum of \$5,376 or an annual gross salary range of \$44,736 - \$64,512.

Impact on Other Government Agencies:

None

Cost Benefit Analysis:

The nature of this budget request is a result in the increase of the Division's case/workload reflective in Tables 1 and 2 demonstrating an increase in the number of approved new schools and increase in student enrollment and indicated in the Division workload indicators referenced on page 14 of this request.

Implementation Schedule:

1 FTE hired in July 2008

Statutory and Federal Authority:

Section 12-59-102, C.R.S. (2007)

(1) It is the purpose of this article to provide standards for and to foster and improve private occupational schools and their educational services and to protect the citizens of this state against fraudulent or substandard private occupational schools by:

(a) Prohibiting the use of false or misleading literature, advertising, or representations by private occupational schools or their agents;

(b) Establishing accountability for private occupational schools and their agents through the setting of standards relative to the quality of educational services, fiscal responsibility, and ethical business practices;

(c) Providing for the preservation of essential records;

(d) Providing certain rights and remedies to the private occupational school division, the private occupational school board created in section 23-60-704, C.R.S., and the consuming public necessary to effectuate the purposes of this article;

(e) Providing for the authorization of appropriate educational credentials by approved schools including, but not limited to, certificates, diplomas, and associate degrees; and

(f) Providing train-out for students of private occupational schools ceasing operation.

(2) To these ends, this article shall be liberally construed.

Division of Private Occupational Schools

Performance Measures:

DPOS Objective	Key Measure: Outcomes	Benchmark/Actual			
		FY 05-06	FY 06-07	FY 07-08 Appropriated	FY 08-09 Request
timely action on student complaints ¹	complete investigations of complaints within 90-days of receipt ²	100%	100%	100%	100%
eliminate unlicensed schools and diploma mills that come to the attention of DPOS ¹	licensing completed or enforcement action taken against unlicensed schools within 120 days ²	N/A	N/A	100%	100%

¹ DPOS provides standards for and offers services to foster and improve private occupational schools and their educational services and to protect the public against fraudulent or substandard schools through licensure, compliance monitoring, school inspections, investigating student complaints and various other statutory requirements. DPOS does not largely have the ability to control any of the contributing factors to carrying out its duties beyond the staff's response to these factors. As such, the DPOS services the public interest and provides these regulatory services to the State regardless of workload due to statutory mandates. For this division workload indicators have been included (refer to page 14) to indicate how much has been done on a year-to-year basis. Through these workload indicators DPOS supports the Department in achieving part of its strategic objective to improve the quality of postsecondary education for citizens of Colorado.

² Goal should always be timely investigations of complaints.

Workload Indicators

<i>Division</i>	<i>Work Item</i>	<i>FY05-06</i>	<i>FY06-07</i>	<i>FY07-08 estimated</i>	<i>FY08-09 projected</i>
Private Occ. Schools	New school applications	36	34	38	40
	School site visits/inspections (includes renewals)	N/A	127	140	150
	Program/Courses Approved	N/A	324	350	375
	Student complaints received	55	71	82	90
	Disciplinary actions imposed	1	4	10	12
	Approved Out of State Schools	23	24	27	30

**Schedule 13
Change Request for FY 08-09 Budget Request Cycle**

Decision Item FY 08-09 Base Reduction Item FY 08-09 Supplemental FY 07-08 Budget Request Amendment FY 08-09
 Restore Work Study Funding to FY 02-03 Level
 Department of Higher Education
 Priority Number: 7
 Dept. Approval by: *Dennis M. Sullivan*
 OSPB Approval: *hm m 26*
 Date: 10-18-07
 Date: 10/18/07 for 11/10

Fund	10									
	1	2	3	4	5	6	8	9	10	
	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10
Total of All Line Items	15,003,374	14,884,300	0	14,884,300	14,884,300	1,728,057	16,612,357	0	16,612,357	1,728,057
FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GF	15,003,374	14,884,300	0	14,884,300	14,884,300	1,728,057	16,612,357	0	16,612,357	1,728,057
GFE	0	0	0	0	0	0	0	0	0	0
CF	0	0	0	0	0	0	0	0	0	0
CFE	0	0	0	0	0	0	0	0	0	0
FF	0	0	0	0	0	0	0	0	0	0
(3) Colorado Commission on Higher Education Financial Aid (C) Work Study										
Total	15,003,374	14,884,300	0	14,884,300	14,884,300	1,728,057	16,612,357	0	16,612,357	1,728,057
FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GF	15,003,374	14,884,300	0	14,884,300	14,884,300	1,728,057	16,612,357	0	16,612,357	1,728,057
GFE	0	0	0	0	0	0	0	0	0	0
CF	0	0	0	0	0	0	0	0	0	0
CFE	0	0	0	0	0	0	0	0	0	0
FF	0	0	0	0	0	0	0	0	0	0

Letternote revised text:

Cash Fund name/number, Federal Fund Grant name:

IT Request: Yes No

Request Affects Other Departments: Yes No

If Yes, List Other Departments Here:

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Department of Higher Education
Priority Number:	7
Change Request Title:	Restore Work Study Funding to FY02-03 Level

SELECT ONE (click on box):

- Decision Item FY 08-09
- Base Reduction Item FY 08-09
- Supplemental Request FY 07-08
- Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Department of Higher Education is requesting that Funding for the state's work study financial aid program should be restored to its FY 2002-03 level. This results in a request for an additional \$1,728,057 General Fund in FY 2008-09 (from \$14,884,300 in FY 2007-08 back to \$16,612,357 in FY 2008-09) with no increase in FTE at the Department.

Background and Appropriation History:

Colorado's work study program funds are used to provide student employment for qualified students at either the attending institution or off campus at either non-profit or for-profit organizations. Seventy percent of an institution's work study recipients must demonstrate need while the remaining thirty percent can be awarded regardless of need. Students may work up to 20 hours per week. Funding for the program steadily increased from FY 1996-97 through FY 2002-03, topping out at \$16,612,357. Since then, funding has fallen to a FY2007-08 amount of \$14,884,300

General Fun Work Study Funding History	
FY 1996-97	\$12,277,995
FY 1997-98	\$12,707,714
FY 1998-99	\$13,702,494
FY 1999-00	\$14,248,944
FY 2000-01	\$14,811,367
FY 2001-02	\$15,359,754
FY 2002-03	\$16,612,357
FY 2003-04	\$15,030,062
FY 2004-05	\$15,003,374
FY 2005-06	\$15,003,374
FY 2006-07	\$15,003,374
FY 2007-08	\$14,884,300

General Description of Request:

The Department requests returning funding levels for the state's work study financial aid program to the FY 2002-03 amount of \$16,612,357, an \$1,728,057 General Fund increase from FY 2007-08. Colorado's work study program funds are used to provide student employment for qualified students at either the attending institution or off campus at either non-profit or for-profit organizations. Seventy percent of an institution's work study recipients must demonstrate need while the remaining 30 percent can be awarded regardless of need. Students may work up to 20 hours per week. According to Department data, in FY 2005-06, the average need-based work study grant was \$1,951. Assuming the grant amount is also \$1,951 in FY 2008-09, adding \$1,728,057 General Fund to the program should enable an additional 871 need-based students to receive work study aid. This assumes all of the new funding is allocated to need-based students.

It is assumed that the majority of work study recipients will work on campus and many studies indicate the benefits to students of on campus employment. Looking at data from 1990 through 1994, the National Center for Educational Statistics (NCES) found that

working on campus part time (work studies are limited to 20 hours per week) facilitated social integration, supporting previous research. It appears on campus employment may increase retention and, consequently, graduation rates. A 2004 study by Cermak and Filkins found that students working on campus reported higher satisfaction with the institution of higher education and demonstrated higher graduation rates.

It is apparent that more and more students need to work while attending an institution of higher education. According to an Indiana University study, in 1961 40 percent of students worked, while in 2000, 80 percent of students worked while in college. These numbers and numerous studies that show on-campus employment leads to greater engagement and higher retention/graduation rates for student indicate that putting more funding towards work-study is one step to improving these rates among Colorado students.

Consequences if Not Funded:

Program will continue to be under funded and not meet the demand for this type of financial aid program state-wide. The number of students receiving aid will remain low, possibly decreasing retention and graduation rates across Colorado.

Calculations for Request:

Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$1,728,057	\$1,728,057	\$0	\$0	\$0	0.0
(3) Colorado Commission on Higher Education Financial Aid (C) Work Study	\$1,728,057	\$1,728,057	\$0	\$0	\$0	0.0

STATE OF COLORADO FY 08-09 BUDGET REQUEST CYCLE: Department of Higher Education

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$1,728,057	\$1,728,057	\$0	\$0	\$0	0.0
(3) Colorado Commission on Higher Education Financial Aid (C) Work Study	\$1,728,057	\$1,728,057	\$0	\$0	\$0	0.0

Assumptions for Calculations:

Restoration of FY 2002-03 funding level and no change in FTE for administration of program.

Impact on Other Government Agencies:

More financial aid funding distributed to institutions of higher education. No additional FTE or administrative costs.

Cost Benefit Analysis:

According to Department data, in FY 2005-06, the average need-based work study grant was \$1,951. Assuming the grant amount is also \$1,951 in FY 2008-09, adding \$1,728,057 General Fund to the program should enable an additional 871 need-based students to receive work study aid. This assumes all of the new funding is allocated to need-based students. Department does not anticipate any increase in administrative costs to administer program.

Implementation Schedule:

Task	Month/Year
Start-Up Date	July 2008

Statutory and Federal Authority:

Section 23-3.3-401, C.R.S. (2007). Work-study program established -- requirements.

- (1) The commission shall use a portion of any moneys remaining after meeting the requirements of parts 2 and 3 of this article to provide a work-study program of employment of qualifying students in good standing with the institutions in which they are enrolled in position that are directly under the control of the institution in which the student is enrolled or in position with nonprofit organizations, governmental agencies, or for-profit organizations with which the institution may execute student employment contracts.
- (2) Any in-state student who is enrolled or accepted for enrollment at an institution as an undergraduate may qualify for participation in the work-study program established pursuant to this section.
- (3) Funds appropriated to the commission may also be used by the commission in conjunction with and to supplement funds for current job opportunities or to supplement or match funds made available through any other public or private program for financial assistance. A sum not to exceed thirty percent of the funds allocated by the commission for the work-study program may be used to provide funding on a basis other than financial need. A sum of not less than seventy percent of such money shall be used for students demonstrating financial need.

Performance Measures:

Each governing board has entered into a performance contract with the Department of Higher Education outlining the goals of the institution under the new COF/fee-for-service funding model. These goals include increasing retention rates, graduation rates, and serving more underserved students. Each governing board has established specific percentage increases in these categories that they plan to meet in the next one to two years. Providing additional funding for the work-study program will engage more students participating in programs that are geared to underserved populations and have been shown to improve retention rates across the country. Additional funding should further improve both retention and graduation rates, enabling institutions of higher education to meet the goals outlined in their performance contracts.

**Schedule 13
Change Request for FY 08-09 Budget Request Cycle**

Decision Item FY 08-09 Base Reduction Item FY 08-09 Supplemental FY 07-08 Budget Request Amendment FY 08-09
 Additional Funding for Precollegiate Program
 Department of Higher Education
 Priority Number: 8

Dept. Approval by: *[Signature]*
 OSPB Approval: *[Signature]*
 Date: 10-18-07
 Date: 10/18/07 for 11/1/07

	1	2	3	4	5	6	7	8	10	
	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 08-09
Total of All Line Items	800,000	800,000	0	800,000	800,000	800,000	1,600,000	0	1,600,000	800,000
FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GF	800,000	800,000	0	800,000	800,000	800,000	1,600,000	0	1,600,000	800,000
GFE	0	0	0	0	0	0	0	0	0	0
CF	0	0	0	0	0	0	0	0	0	0
CFE	0	0	0	0	0	0	0	0	0	0
FF	0	0	0	0	0	0	0	0	0	0
(3) Colorado Commission on Higher Education Financial Aid (D) Special Purpose-Scholarships for Precollegiate Programs										
Total	800,000	800,000	0	800,000	800,000	800,000	1,600,000	0	1,600,000	800,000
FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GF	800,000	800,000	0	800,000	800,000	800,000	1,600,000	0	1,600,000	800,000
GFE	0	0	0	0	0	0	0	0	0	0
CF	0	0	0	0	0	0	0	0	0	0
CFE	0	0	0	0	0	0	0	0	0	0
FF	0	0	0	0	0	0	0	0	0	0

Letternote revised text:
 Cash Fund name/number, Federal Fund Grant name:
 IT Request: Yes No
 Request Affects Other Departments: Yes No
 If Yes, List Other Departments Here:

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Department of Higher Education
Priority Number:	8
Change Request Title:	Additional Funding for Pre-Collegiate Program

SELECT ONE (click on box):

- Decision Item FY 08-09
- Base Reduction Item FY 08-09
- Supplemental Request FY 07-08
- Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

In FY 2007-08, \$800,000 General Fund was appropriated for pre-collegiate program scholarships. This decision item requests an additional \$800,000 General Fund in FY 2008-09 (doubling this amount to \$1.6 million). This increase will not increase FTE or administrative costs at the Department.

Background and Appropriation History:

The Colorado Pre-Collegiate Academic Competitiveness Grant Match (PACG) is a program designed to provide matching grant funds to Colorado high school graduates who receive a Federal Academic Competitiveness Grant (ACG) with priority going to students who participated in eligible pre-collegiate programs. Institutions determine which students met these requirements and allocate funds accordingly. Moneys for this program cannot be transferred to another state or Federal aid program. Awards may not exceed \$1,000 per student or more than the student's unmet need.

The General Assembly appropriated \$800,000 to the Department of Higher Education for FY 2006-07 to be awarded to students who participated in a pre-collegiate program at the

high school level. The Department developed and the Commission approved in June 2006 a matching grant program for students receiving an ACG award.

General Description of Request:

The Department requests doubling the amount of state General Funds appropriated for the CACG program from \$800,000 to \$1.6 million in FY 2008-09. These funds are used to provide matching funds to students receiving an ACG grant from the Federal government and who participated in an eligible pre-collegiate program, such as Colorado GEAR UP. These programs typically work with students with demonstrated need who are in middle school or high school and are designed to encourage higher education participation among these students. Colorado GEAR UP, for example, works in a number of school districts to educate participants on the benefits of higher education to wage earning ability, on the availability of financial aid, and provides a scholarship upon successful completion of the program. These funds would provide an additional grant to these students.

Consequences if Not Funded:

Program will continue to be under funded and not meet the demand for this type of financial aid program state-wide. The number of students receiving aid will remain low, possibly decreasing retention and graduation rates across Colorado.

Calculations for Request:

Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$800,000	\$800,000	\$0	\$0	\$0	0.0
(3) Colorado Commission on Higher Education Financial Aid	\$800,000	\$800,000	\$0	\$0	\$0	0.0
(D) Special Purpose – Scholarships for Precollegiate Programs						

STATE OF COLORADO FY 08-09 BUDGET REQUEST CYCLE: Department of Higher Education

Summary of Request FY 09-010	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$800,000	\$800,000	\$0	\$0	\$0	0.0
(3) Colorado Commission on Higher Education Financial Aid (D) Special Purpose – Scholarships for Precollegiate Programs	\$800,000	\$800,000	\$0	\$0	\$0	0.0

Assumptions for Calculations:

Increasing FY 2007-08 funding level to \$1.6 million in FY 2008-09 and no change in FTE for administration of program.

Impact on Other Government Agencies:

More financial aid funding distributed to institutions of higher education. No additional FTE or administrative costs.

Cost Benefit Analysis:

Assuming a maximum grant of \$1,000 is awarded per student, this decision item would provide matching grants for an additional 800 students.

Implementation Schedule:

Task	Month/Year
Start-Up Date	July 2008

Statutory and Federal Authority:

Section 23-3.3-501, C.R.S. (2007). Scholarship and grant program – funding. The commission shall use a portion of the moneys remaining after meeting the requirements of parts 2 and 3 of this article to provide other programs of financial assistance based upon financial need, merit, talent, or other criteria established by the commission for students enrolled at institutions.

Performance Measures:

Each governing board has entered into a performance contract with the Department of Higher Education outlining the goals of the institution under the new COF/fee-for-service funding model. These goals include increasing retention rates, graduation rates, and serving more underserved students. Each governing board has established specific percentage increases in these categories that they plan to meet in the next one to two years. Providing a scholarship match to students participating in programs that are geared to underserved populations should further improve both retention and graduation rates, enabling institutions of higher education to meet the goals outlined in their performance contracts.

**Schedule 13
Change Request for FY 08-09 Budget Request Cycle**

Decision Item FY 08-09 Base Reduction Item FY 08-09 Supplemental FY 07-08 Budget Request Amendment FY 08-09
 Request Title: Statewide C-SEAP Program Staffing
 Department: Higher Education
 Priority Number: NP - 1

Dept. Approval by: *Debra M. Sullivan*
 OSPB Approval: *Jan M. Z...*
 Date: 10-18-07
 Date: 10/18/07 for 11/1/07

Fund	1		2		3		4		5		6		7		8		9		10	
	Prior-Year Actual FY 06-07		Appropriation FY 07-08		Supplemental Request FY 07-08		Total Revised Request FY 07-08		Base Request FY 08-09		Decision/ Base Reduction FY 08-09		November 1 Request FY 08-09		Budget Amendment FY 08-09		Total Revised Request FY 08-09		Change from Base (Column 5) FY 09-10	
Total	16,988		20,284		0	20,284		22,852		241	23,093		23,093		0		23,093		241	
FTE	0.0		0.0		0.0	0.0		0.0		0.0	0.0		0.0		0.0		0.0		0.0	
GF	0		0		0	0		0		0	0		0		0		0		0	
GFE	0		0		0	0		0		0	0		0		0		0		0	
CF	13,884		6,656		0	6,656		5,991		63	6,054		6,054		0		6,054		63	
CFE	3,104		13,628		0	13,628		16,861		178	17,039		17,039		0		17,039		178	
FF	0		0		0	0		0		0	0		0		0		0		0	
(1) Department Administrative Office Workers Compensation	16,988		20,284		0	20,284		22,852		241	23,093		23,093		0		23,093		241	
Total	0.0		0.0		0.0	0.0		0.0		0.0	0.0		0.0		0.0		0.0		0.0	
FTE	0		0		0	0		0		0	0		0		0		0		0	
GF	0		0		0	0		0		0	0		0		0		0		0	
GFE	0		0		0	0		0		0	0		0		0		0		0	
CF	13,884		6,656		0	6,656		5,991		63	6,054		6,054		0		6,054		63	
CFE	3,104		13,628		0	13,628		16,861		178	17,039		17,039		0		17,039		178	
FF	0		0		0	0		0		0	0		0		0		0		0	

Letternote revised text:
 Cash Fund name/number, Federal Fund Grant name:
 IT Request: Yes No
 Request Affects Other Departments: Yes No
 If Yes, List Other Departments Here: