

# **COLORADO COLLEGEINVEST SCHOLARSHIP PROGRAM**

## **Fiscal Year 2008 Report to the Colorado Legislature through the Senate and House Education Committees**

**February 25, 2009**

Colorado Revised Statute §23-3.1-206.9 requires the Board of Directors for CollegeInvest to report annually on the Colorado Achievement Scholarship Program (the “Program”), established in 2005 by Senate Bill 05-003 and refined in 2008 by HB08-1201. This report covers fiscal year 2008.

The Program, intended to increase access to postsecondary education for low-income Colorado students, consists of the CollegeInvest Early Achievers Scholarship (CEAS) Program and a trust fund established to fund the scholarships provided through that program. Both the scholarship program and the trust fund are administered by CollegeInvest, a nonprofit arm of the Colorado Department of Higher Education, with oversight by its Board of Directors.

### **The Trust Fund**

CollegeInvest established the Trust fund in 2005 with contributions totaling \$74,850,000 from CollegeInvest and College Assist. In 2007, CollegeInvest and its Board of Directors chose Russell Trust Company (RTC) to manage the assets and serve as trustee for the Program to ensure its long term financial health. An agreement with RTC and related Investment Policy Statement were approved in June 2007, and effective June 28, 2007, the assets were transferred to RTC and allocated to the asset classes and investment vehicles as approved by the CollegeInvest Board.

From June 30, 2007 to June 30 2008, capital market volatility resulted in a decrease of the fund’s net assets of approximately \$5.4 million—from \$80.8 million to \$75.4 million. Since June 2008, significant losses in equity markets have further reduced the trust’s assets. As of December 31, 2008 the value of the trust assets was \$65.6 million. This represents an overall annual negative return of 17.8% from July 1, 2007 to December 31, 2008. Diversity of the trust assets, including investment in student loans, has helped the fund performance when compared to overall market declines of over 30 percent for the same period. The overall investment strategy and target asset allocation of 40 percent in large cap equity, 5 percent in small cap equity, 15 percent in international equity, and 40 percent in fixed income investments has not changed.

### **The CollegeInvest Early Achievers Scholarship Program**

The CEAS program will provide scholarships to assist low-income students attend a Colorado college or university. To encourage students to begin planning for college

early, the CEAS program requires students to apply for the scholarship by July 1 of their ninth grade year, and to complete high school coursework with a minimum cumulative, weighted grade point average of 2.5. The scholarship may be used at any eligible Colorado college, university, community college or technical college. To receive a scholarship, a student must apply for the College Opportunity Fund (COF), qualify for resident tuition, and be eligible for a Pell grant. Half-time students may receive a proportionate scholarship, and eligibility continues for five years, provided the student makes satisfactory academic progress.

Because the first students enrolled in the Program are just becoming eligible for scholarships in academic year 2008-09, no scholarships were been awarded as of the end of FY 2008 in June, 2008.

### **CEAS Outreach Efforts**

Consistent with the goals of the Program, CollegeInvest has focused its outreach activities on 7<sup>th</sup>, 8<sup>th</sup> and 9<sup>th</sup> graders. The CollegeInvest Outreach Team presented 92 scholarship workshops across the state, with a particular emphasis on free and reduced lunch schools to reach the target audience of Pell eligible students. Additionally, CollegeInvest partnered with a variety of community based organizations, such as Denver Scholarship Foundation, GEAR UP, Mile-High United Way, and College In Colorado, to reach audiences outside of schools.

In FY 2008, CollegeInvest participated in a total of 130 events and distributed the following quantities of CEAS material across Colorado:

- CEAS Applications (English) – 16,004
- CEAS Applications (Spanish) – 1415
- CEAS Flyers (English) – 4501
- CEAS Flyers (Spanish) – 375
- CEAS Brochures (English) – 375

As a result of these aggressive outreach efforts, CollegeInvest received over 5700 applications in FY 2008, for a total of over 19,000 since the beginning of the program.

In May 2008, CollegeInvest sent letters to 1805 high school seniors from the total pool of applicants asking them to certify a 2.5 or higher high school grade point average and to indicate which college or university they plan to attend. CollegeInvest received 431 responses. Also in FY 2008, outreach and operations staff conducted training and provided training materials to post-secondary institutions in anticipation of the first award year, academic year 2008-2009. CollegeInvest created a dedicated, secure information portal, [www.ceas.collegeinvest.org](http://www.ceas.collegeinvest.org), for schools to use as they determine CEAS recipients. It continues to offer student and counselor-focused information at [www.collegeinvest.org/ceas](http://www.collegeinvest.org/ceas).

### **Fiscal Year 2008 Costs**

As noted above, no scholarships have yet been awarded under the Program. In fiscal year 2008, CollegeInvest spent \$242,000 administering the Program, half of the budgeted amount. These expenditures covered legal fees; trust administration; audit fees; marketing and collateral; outreach to students, schools, and communities (described above); and computer and operational system development costs. CollegeInvest identified business requirements and processes required to support the operational management of the scholarship program and developed the computer system to administer the program.