

COLORADO COLLEGEINVEST SCHOLARSHIP PROGRAM

Fiscal Report to the Colorado Legislature through the Senate and House Education Committees January 2011

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, refined in 2008 by HB08-1201 and amended in 2009 by SB09-279).

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 division 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. CollegeInvest and its Board of Directors choose Russell Trust Company (RTC) to manage the assets and serve as trustee for the Program to ensure its long term financial health.

The General Assembly passed legislation in 2009 and 2010 to transfer some of the money held in the Trust Fund to the State’s General Fund. A total of \$44.8 million was transferred in FY 2010: \$15 million was transferred July 1, 2009, and an additional \$29.8 million was transferred on June 30, 2010. Finally, on July 1, 2010 \$15.4 million was transferred to the State General Fund leaving approximately \$15 million in the trust. This remaining balance was established at a level projected to be sufficient to fund all students already in the program plus two additional cohorts of participants.

The CollegeInvest Early Achievers Scholarship Program

The CEAS program provides scholarships to assist low-income students attend a Colorado college or university. To date, 27,049 students have applied for the CollegeInvest Early Achievers Scholarship. The scholarship may be used at any eligible Colorado college, university, community college or technical college. To receive a scholarship, a student must have applied during 7th, 8th or 9th grade prior to January 1, 2010, apply for the College Opportunity Fund (COF), qualify for resident tuition, and be eligible for a Pell grant. Students receive up to a maximum of \$1,500/year for four years. Half-time students may receive a proportionate scholarship, and eligibility continues for five years, provided the student makes satisfactory academic progress.

Since January 1, 2010, CollegeInvest has been working Pre-Collegiate programs across the state to increase the number of awarded Early Achiever scholarships. Each scholar will receive up to \$1000/year for four years. To receive the scholarship students must meet all the requirements of the pre-collegiate service provider serving the student in addition to the requirements for the Early Achiever’s Scholarship.

Scholarship Awards:

The first scholarships for the program were awarded for the 2008-2009 academic year. During that time, 76 students received scholarships totaling \$91,000, the average scholarship award was \$1197. Since that time, the following scholarships have been paid out each year:

| School Year | # of new | Total Scholarships | Amount Paid |
|-------------|----------|--------------------|--------------------------------------|
| 2009-10 | 323 | 382 | \$275,788 |
| 2010-11 | 816 | 1,103 | \$521,231 (1 st semester) |

Scholarship Applicants and Awardees:

To date, the pools of applicants and scholarship awardees reflect the diversity of the state and the increasing diversity of younger school students.

Scholarship Applicants by Race and Ethnicity

| Race/Ethnicity | Percentage of Applicant Pool |
|-------------------------------|------------------------------|
| American Indian/Alaska Native | 0.2% |
| Asian or Pacific Islander | 3.0% |
| Black/African American | 7.4% |
| White/Caucasian | 45.8% |
| Hispanic/Latino | 33.5% |
| Multi-Racial/Other | 9.1% |
| Ethnicity Not Provided | 1% |

Scholarship Awardees by Race and Ethnicity

| Race/Ethnicity | Percentage of Scholarship Awardees |
|---------------------------|------------------------------------|
| Asian or Pacific Islander | 5.2% |
| Black/African American | 8.8% |
| White/Caucasian | 46.7% |
| Hispanic/Latino | 29.1% |
| Multi-Racial/Other | 10.2% |

Fiscal Year 2010 Costs

In fiscal year 2010, CollegenInvest spent \$88,000 administering the program. These expenditures covered legal fees; trust administration; audit fees; marketing and collateral; outreach to students, schools, and communities; and computer and operational system development costs.