

## Access to Higher Education for Low-income Students

Program Names:                    **Need-based Aid, Governor’s Opportunity Scholarships (GOS),  
Work Study**

Responsible State Agency:    Department of Higher Education, Colorado Commission on Higher  
Education

Goal:                                    ***Preserve the \$68.2 million initially appropriated for these three  
programs in FY02-03 to provide need-based financial aid to  
Colorado students.***

Rationale:

- Colorado ranks 41<sup>st</sup> among all states in providing low-income students an opportunity to attend college, even though the Owens Administration, the Colorado Commission on Higher Education, and the state legislature have made access to higher education a priority.
- With increasing tuition and cost of living, growing enrollment, and the downturn in the economy, there will be more pressure on the current levels of need-based financial aid.
- Research has shown that low-income individuals are especially sensitive to increases in the out-of-pocket costs of higher education. Reductions in need-based financial aid would exacerbate Colorado’s problem of access to higher education.
- A cut of just \$1 million would eliminate approximately 680 students from the Need-based Aid Program, making it less likely these individuals would continue their education and get a college degree.
- The median income for adults age 25 and older is \$24,264 with a high school degree, \$30,773 with an associate degree, and \$43,683 with a bachelor’s degree or more. Cuts in need-based financial aid will cause permanent damage to the future opportunities of many families, with long-term implications for Colorado’s economic and social health.

Funding History: Starting from a very low base of \$22.1 million in FY91-92, Colorado’s general fund appropriations for financial aid targeted at low-income students (Need-based Aid, Work Study, and starting in FY99-00, the Governor’s Opportunity Scholarships) have increased steadily.

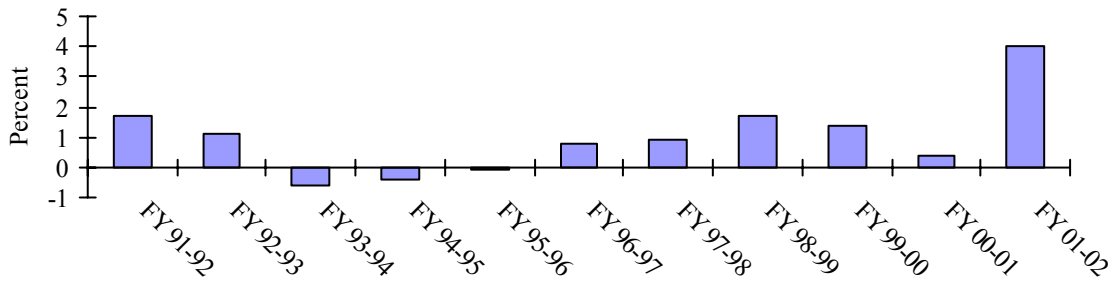
### Colorado Total Appropriations from the Long Bill In Millions, 1999-00 to 2002-03

Year	Need-Based	GOS	Work-Study
1999-00	\$36.6 (40.6)	\$1.8 (1.9)	\$14.2 (15.8)
2000-01	\$38.4 (40.9)	\$3.8 (4.0)	\$14.8 (15.8)
2001-02	\$41.6 (42.3)	\$6.0 (6.1)	\$15.4 (15.6)
2002-03	\$43.5 (43.5)	\$8.0 (8.0)	\$16.6 (16.6)

Note: Numbers in parentheses are adjusted for inflation (2002 dollars)

Changes in Demand, Cost and Service: During economic downturns, higher education enrollment tends to increase. In FY 01-02, corresponding with the current recession, enrollment increased sharply. This has placed greater pressure on student financial aid. The following chart shows the percentage change in resident student full-time equivalent (FTE) from FY 1991-92 through FY 2001-02.

**Percent Change in Resident Student FTE, 1991-92 to 2001-02**



**Recipients and Average State Aid Award for Full-Time Students for FY 2000-2001**

	Total	Average
	Recipients	Award
Need-Based*	25,919	\$1,461
GOS	769	\$5,485
Work-Based	8,433	\$1,865

\*For undergraduate students only

Last revised: 11/18/02