

STATE FINANCIAL AID APPROPRIATIONS

- The level of funding for financial aid programs is inadequate to meet the need of individuals who cannot afford the costs of a postsecondary education. Of the total of 92,681 students identified as having some financial need in FY 2001, only 33,773 (36%) received state financial aid dollars.
- According to a statement by the Colorado Commission on Higher Education in January 2003, "It is estimated that, of the students that apply for need-based financial aid, approximately $\frac{1}{4}$ of the need is met by federal Pell grants. Of the remaining need, estimated at \$194 million, the state's need-based aid programs meet approximately 10% of the total." This poor performance has worsened over the past year, due to increasing enrollment and decreasing financial aid appropriations. In a statement made before the General Assembly in January 2004, the total student need for financial aid is estimated at \$590 million, while the total need-based aid appropriations in FY 2004 covered only 6.4% of that need.
- Although CCHE was able to hold financial aid appropriations harmless from budget cuts in FY 2002 and FY 2003, FY 2004 was the first year during the past decade that financial aid appropriations were reduced.
- Need-based financial aid programs that provide targeted assistance to low-income students were severely impacted by this decrease in General Fund support. In FY 2004, appropriations for need-based grants were reduced by 13%, from \$43.5 million in FY 2003 to \$38 million.
- Work-Study funds, which are awarded primarily to low-income students, were axed by 9.5%, from \$16.6 million to \$15 million.
- Only the Governor's Opportunity Scholarship (GOS) program was spared from reductions, with its funding level maintained at \$8 million.
- The most dramatic drop in General Fund appropriations for financial aid was experienced by merit-based grants. Appropriations dropped by 54%, from \$14.8 million to \$6.8 million.
- For the next year, the Governor requests a restoration of funding at FY 2003 levels for all the programs discussed, except GOS, for which he requests a 12.5% increase (\$1 million). In contrast, CCHE is requesting much higher increases over both FY 2003 and FY 2004 levels of funding.

FISCAL YEAR	NEED-BASED	MERIT-BASED	WORK-STUDY	GOS
2003 Appropriation	\$43,550,101	\$14,874,498	\$16,612,357	\$8,000,000
2004 Appropriation	\$38,002,682	\$6,877,309	\$15,030,062	\$8,000,000
2003-04 Change	-12.7%	-53.8%	-9.5%	0%
2005 Governor's Request	\$43,550,101	\$14,874,498	\$16,612,357	\$9,000,000
2004-05 Governor's Change	+12.7%	+53.8%	+9.5%	+12.5%
2005 CCHE Request	\$47,701,515	\$16,164,258	\$16,927,988	\$16,168,000
2004-05 CCHE Change	+25.5%	+135%	+12.6%	+102%

Changes in General Fund Appropriations for Financial Aid, FY 02-03 to FY 03-04



