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Report

TOPIC: THE GOVERNOR'S OPPORTUNITY SCHOLARSHIP REPORT

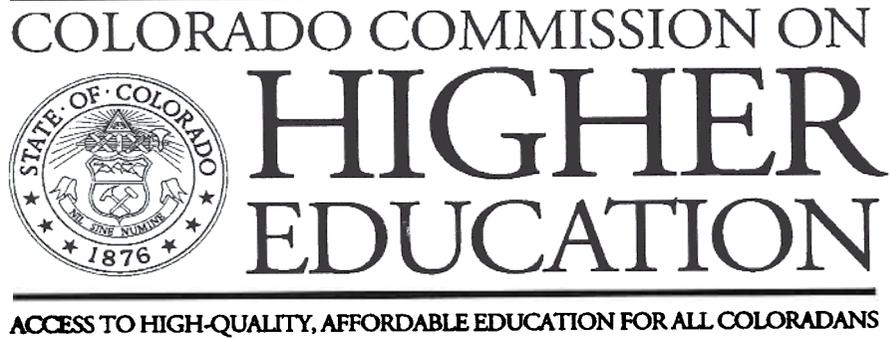
PREPARED BY: BRIDGET MULLEN

I. SUMMARY

The attached report is a summary of the Governor's Opportunity Scholarship Program. Since its inception in 1999, Colorado awarded more than 1,700 Governor's Opportunity Scholarships (GOS), and this report reflects the success of the recipients.

II. BACKGROUND

Governor Owens and the Colorado Commission on Higher Education established the Governor's Opportunity Scholarship in 1999 with the purpose of getting more of Colorado's low-income students to attend a postsecondary institution.



THE GOVERNOR'S OPPORTUNITY SCHOLARSHIP
PROGRESS REPORT
FEBRUARY 2003

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The Governor's Opportunity Scholarship Program

Historically participation in higher education has been closely associated with a student's socio-economic status and the probability of obtaining a college education today remains unequal in the United States. Nationally, over the past three decades, the percentage of students going on to higher education has risen in each of the income quartiles. The top income quartile, with the highest college participation rates, reported little change in participation over the past 30 years, increasing its rate from 72% in 1970 to 75% in 2000. The third income quartile rose from 58% to 68% and the second income quartile increased significantly from 47% to 68% in participation for the period. The bottom income quartile, however, reported relatively little change over 30 years, rising only from 28% in 1970 to 35% in 2000. A predominant barrier to entry continues to be the lack of financial assistance that is targeted to students and families with the least ability to pay. There is a mound of evidence that suggests that financial aid in the form of loans, especially for low-income and first generation students, is less effective than grant aid in recruiting students to higher education and helping them to stay in college and complete their degree.

Colorado is no different from the rest of the nation. Despite the economic prosperity over the past decade that has brought unprecedented wealth to the state and to many families, Colorado's low-income students continue to confront significant financial barriers that limit their ability to access and stay in college. As a result, the college entry and completion rates of low-income students in Colorado continue to lag well behind their middle-income and upper-income peers. Nationally, the college participation rate of students from the bottom income quartile lags 40 percentage points behind those families in the top quartile. The difference is even greater in Colorado. Under-participation and lack of degree completion continues to take its toll on the lifetime earnings of today's low-income students. In turn, these factors also impact the economic productivity and prosperity of the state.

College Participation Rates

College participation rates are strong indicators of a state's economic vitality. Although Colorado ranks first in the number of residents with at least a baccalaureate degree, Colorado's low-income students have a lower college participation rate than the national average of 25%. In Colorado, only 17% of low-income students go on to college. Colorado's growing economy will not benefit low-income residents unless enrollment patterns change.

Estimated Chance for College by Family Income Quartile (2000)

Income Quartile	Chance for College	Chance for Completion by Age 24
Top	75%	52%
Third	69%	25%
Second	56%	14%
Bottom	35%	7%

Source: Tom Mortenson, Post-secondary Education OPPORTUNITY, October 2001

As seen from the data presented above, there is a direct correlation between family income and higher education participation and completion. The majority of recent high school graduates from the top income quartile are more likely to attend an institution of higher education and obtain a bachelor's degree by age 24 than not, compared to a similar student from the bottom quartile, who has a 35% chance of going on to higher education and only a 7% chance of obtaining a bachelor's degree by age twenty-four.

Furthermore, national data suggest a strong relationship between educational attainment levels and income. People who live in households in the United States with increasing income levels have higher educational levels and people in households with decreasing incomes have lower educational attainment levels. According to the U.S. Census Bureau Current Population Survey, the average income for a high school graduate was \$30,400, while a college graduate earned 72% more at \$52,200.

Average Annual Income for Persons 25 Years and Over by Educational Attainment

Educational Attainment	Average Income (1999)
High School Graduate	\$30,400
Associates Degree	\$38,200
Bachelor's Degree	\$52,200
Master's Degree	\$62,300
Ph.D.	\$89,400
Professional Degree	\$109,600

Source: United States Census Bureau, Current Population Reports via Internet

In order to address the current opportunity gap and avoid a potential access crisis in the future, the Colorado Commission on Higher Education developed the Governor's Opportunity Scholarship program. The Governor and the Commission, with the support of the General Assembly and the state's institutions of higher education, are addressing the access issue by focusing its commitment to low-income families by providing financial assistance to residents who otherwise would not be able to attend college. From a policy perspective, the program is designed to change enrollment and graduation patterns and, at the same time, extend greater economic stability to low-income Coloradans. State and federal financial assistance has been focused on Colorado residents who are least likely to attend college because of financial barriers. The

Governor's Opportunity Scholarships has allowed more than 1,700 Coloradans to attend institutions of higher learning since 1999. An important part of the program is to track the progress of the scholarship recipients. The purpose of this report is to provide progress information and to suggest ways to improve the program in future years.

Parameters of the Governor's Opportunity Scholarship Program

Recipients of the GOS are first-time freshmen with significant financial need. According to the Free Application for Student Aid (FAFSA), these students come from families with incomes of less than \$27,800. The recipients attend community colleges, vocational schools, and various public and private four-year Colorado institutions. Participating institutions actively assist applicants in completing admissions and financial aid forms.

Students are often the first in their families to attend higher education. Recipients receive both academic and financial assistance for 2 or 4 years depending on the type of degree or certificate program in which the student enrolls. Institutions also provided academic support systems, which include tutoring, study groups, academic counseling, and peer mentoring to ensure student retention and academic performance.

Financial assistance is renewed as long as the student maintains academic eligibility at the institution, enrolls full-time, and continues to meet the institution's policy regarding satisfactory academic progress for hours completed. Each institution offers a self-help component of work-study and exclude loans from the student's financial aid package. The students are tracked throughout their postsecondary career to determine the effect of the GOS and to measure the academic performance and retention rates.

Financial Aid Received by GOS Students

A student may initially qualify for the Governor's Opportunity Scholarship in one of two ways; the family must have an annual income less than \$27,800 or an expected family contribution of zero. In FY 2002, the average family income of a GOS recipient was \$19,317, and for those families who met the income criteria, average expected family contribution was \$658. Each recipient receives, at a minimum, a federal Pell Grant, a work-study award, and the Governor's Opportunity Scholarship. Institutions are highly encouraged and expected to offer an institutional award as well. In FY 2002, in terms of financial aid received by a GOS recipient, the average Pell grant received was \$2,911, the average work-study award was \$822, and the average GOS was \$5,665. Institutions, on average, awarded \$899 in institutional aid. For FY 2002, the total average amount of financial aid received by a GOS student was \$10,759. It is important to note that the total aid received is 100% grant aid, scholarship aid, and work-study.

GOS Student Population

As of the Fall 2002 semester, 1,710 Coloradans received the Governor's Opportunity Scholarship. Approximately two-thirds of the GOS student population is female. This is consistent among all four entering classes across the two-year and four-year institutions. More than three-fifths of all GOS students attend a public four-year institution. Nearly half of the GOS students are from an ethnic origin other than white, non-Hispanic compared to the state's undergraduate student population of 74% white, non-Hispanic population. Because of the unique qualifications to obtain a Governor's Opportunity Scholarship – the student must be a first-time, full-time, degree seeking undergraduate – the statewide student population used as a comparison group to the GOS population is also first-time, full-time, degree seeking undergraduates. FY 2001 data is being used for the comparison group, the most recent data available. The table below reports the ethnic breakdown of the GOS population and for the Fall 2001 undergraduate student population.

Ethnic Breakdown of GOS Population and the Undergraduate Student Population of Colorado

Ethnic Origin	GOS Students Entering In				
	FY 2000	FY 2001	FY 2002	FY 2003 (Fall 2002)	Fall 2001 Undergrad
White, Non-Hispanic	46%	56%	57%	58%	77%
Hispanic	39%	26%	26%	25%	9%
Black, Non-Hispanic	7%	8%	8%	7%	3%
Asian/Pacific Islander	4%	7%	6%	5%	3%
American Indian	3%	2%	2%	2%	1%
Unknown/Not Reported	1%	1%	2%	4%	7%
Total Number of Students	319	374	541	471	23,455
% Non-White, Non-Hispanic	54%	44%	43%	42%	23%

Source: The Colorado Commission on Higher Education SURDS reports

About 44% of the GOS student population totals are classified as minority students (Asian, Black, non-Hispanic, Hispanic and Native American) as a share of those reporting an ethnic classification. This is compared with a total 23% minority classification for the FY 2001 resident, undergraduate, first-time, full-time, degree seeking comparison group. Over the first four years of the program, Asian Americans comprised 6% of the reported total, Black, non-Hispanics - 7%, Hispanics - 29% and Native Americans - 2%. Thus the GOS student population, on average, contains twice the number of Asian and Native American students, more than twice the number of Black, non-Hispanic students, and three times the number of Hispanic students than the overall student population.

Given the current controversy over affirmative action and the current Supreme Court deliberations on the two University of Michigan cases, it is important to note that the Colorado Commission on Higher Education has chosen to take a different approach to this issue. Instead of focusing on racial and ethnic quotas, Colorado higher education policies are geared toward increasing access and participation for those individuals whose family income places them in the lower brackets. Thus, the GOS program has served to enhance college admissions of low-income students and has also served to increase minority students at higher education institutions, an outcome consistent with Commission policies. By using economic factors as a qualification rather than race or ethnic considerations, the GOS student population is significantly more diverse than the overall student population.

There is a significant difference in the age of GOS recipients between four-year and two-year institutions. Of the students attending four-year institutions, 96% are twenty-four years of age or younger compared to 82% at the two-year institutions. The age differences between four-year and two-year institutions are similar for the first-time, full-time degree-seeking undergraduate student population as compared to the GOS population. Approximately 80% of students at the public two-year institutions are age twenty-four or younger and 99% at the four-year institutions. Only 2% of the GOS student population attending a four-year institution is twenty-five years of age or older, whereas 13% of the two-year GOS population is at least twenty-five years old.

Academic Preparation of the GOS Students

The data summarizing the academic preparation of the GOS students is reported for the four-year institutions only. In addition, the average high school grade point average, average ACT composite score, and CCHE admission's index is not reported for all GOS students attending a public four-year institution. Of the data reported, the academic preparation of the GOS recipients has changed substantially over the four years of the program. As an example, the average high school GPA rose from 2.6 for the FY 2000 class to 3.5 for the class entering Fall 2002. In addition, the average ACT Composite score jumped significantly from 19.9 to 21.9 for the respective years. In FY 2000, only 41% of the GOS recipients met the institutions minimum admission's index. It is important to note that GOS students admitted in FY 2000 who did not meet an institution's admissions index were not included in the institution's window calculation. Of the GOS recipients entering in FY 2001, 90% met the minimum index, 85% for FY 2002 and 89% in Fall 2002. The table below summarizes the academic preparation of the entering GOS recipients from only the four-year public institutions.

Academic Preparation of GOS Population and the Undergraduate Student Population of Colorado

Academic Preparation	GOS Students Entering In				
	FY 2000	FY 2001	FY 2002	FY 2003 (Fall 2002)	Fall 2001 Undergrad
Average HS GPA	2.62 (N = 173)	3.39 (N = 181)	3.32 (N = 246)	3.48 (N = 174)	3.32 (N=17,193)
Average ACT Composite	19.9 (N = 133)	21.6 (N = 173)	21.3 (N = 229)	21.9 (N = 175)	22.7 (N=14,003)
% Meeting Institution's Minimum Index	40.8% (N = 169)	90.1% (N = 181)	84.6% (N = 246)	89.1% (N = 183)	79.6% (N=17,449)

Source: The Colorado Commission on Higher Education SURDS reports

GOS Student Progress

Academic progress and retention rates are important indicators in measuring student success. GOS students are required to maintain full-time status. Full-time is defined as 12 credit hours per semester. The table below presents cumulative credit hours completed through the Fall 2002 semester. At the end of the Fall 2002 term, each cohort exceeded the minimum requirement of full-time enrollment. As an example, those entering in Fall 1999, cohort 1, at the end of the Fall 2002 term, completed, on average, 84 credit hours at the four-year institutions and 67 at the two-year institutions. After seven semesters, a recipient is expected to complete 84 credit hours at the four-year institutions. Cohort 4, entering in Fall 2002, is expected to complete 12 credit hours. The recipients at both the two-year and four-year institutions, on average, significantly exceeded the minimum, averaging 14.6 and 17.5 credit hours respectively. Comparing this cohort to the undergraduate student population, the GOS students, on average, accumulated more credit hours than the total population. In addition to credit hours completed, academic progress is also measured by grade point average. GOS students must maintain satisfactory academic progress to remain eligible to receive the award. The table below reflects cumulative grade point averages on a 0 to 4.0 scale through the Fall 2002 semester. **At the two-year institutions all GOS cohorts, on average, are performing at least as well as the undergraduate comparison group (within one-hundredth of a point). For example, cohorts 1,2,3 and 4 have cumulative GPAs of 2.75, 2.77, 2.79 and 2.49 respectively as compared to 2.50 for the overall two-year student population. For the four-year institutions, GOS students have earned GPAs of 2.62, 2.98, 2.75 and 2.69 all within one-tenth of the undergraduate student population GPA of 2.72.**

Cumulative Credit Hours and Grade Point Average Through Fall 2002

GOS Cohort Entering in Summer/Fall	Cumulative Credit Hours	Cumulative GPA
Entering Fall 1999		
Four-Year Public	83.7	2.62
Two-Year Public	66.9	2.75
Entering Fall 2000		
Four-Year Public	73.8	2.98
Two-Year Public	58.5	2.77
Entering Fall 2001		
Four-Year Public	46.3	2.75
Two-Year Public	43.4	2.79
Entering Fall 2002		
Four-Year Public	17.5	2.69
Two-Year Public	14.6	2.49
<i>All Undergraduates Entering Fall 2001</i>		
<i>Four-Year Public</i>	<i>16.1</i>	<i>2.72</i>
<i>Two-Year Public</i>	<i>12.1</i>	<i>2.50</i>

Retention rates are a key measure of the program's success. The statewide retention rates for all first-time, full-time, degree-seeking freshmen one-year retention rates at the original institution entering Fall 1999 is 73.1% for four-year public institutions and 50.7% for two-year institutions. For Fall 2000, the retention rates were 72.6% and 50.1% for four-year and two-year public institutions respectively. The table below reports retention rates at the original institution for all entering cohorts after one, two, and three years after entry. After one year, 65.6% of cohort 1, 78.3% for cohort 2, and 77.4% of cohort 3 were retained at the original institution in which the students enrolled. Retention rates for cohort 1 at the four-year institutions are slightly lower than its QIS comparison group. However, cohort 2 exceeds its QIS comparison group by one percentage point. Looking at the two-year institutions, cohort 1 exceeds its QIS comparison group by seventeen percentage points and cohort 2 again exceeds its QIS counterpart by thirteen percentage points. Overall, GOS students are performing at or above their peers.

Retention Rates of GOS Students at Entering Colorado Public Institutions

GOS Cohort Entering in Summer/Fall	Enrolled One-Year After Entry	Enrolled Two-Years After Entry	Enrolled Three-Years After Entry
Entering Fall 1999			
Four-Year Public	65.6%	49.4%	40.6%
Two-Year Public	67.3%	37.4%	12.1%
Entering Fall 2000			
Four-Year Public	78.3%	63.0%	
Two-Year Public	63.2%	34.6%	
Entering Fall 2001			
Four-Year Public	77.4%		
Two-Year Public	63.5%		

Source: The Colorado Commission on Higher Education, SURDS Enrollment Files

Conclusion

Data show the long-term benefits of acquiring a bachelor's degree are great. The knowledge-based economy, which sets the United States apart from the rest of the world, has made a college education more important than ever. Nearly 60 percent of jobs today require at least some college. This will only increase in the future. The baccalaureate degree is becoming the equivalent of a high school diploma in the old economy. Yet, students from low-income families do not pursue a postsecondary education. The most significant barrier to entry into higher education for these students is financial: they simply are not able to pay for college. Low-income families also do not view student loans as a way of overcoming that barrier. On the other hand, they do view grants and scholarships as incentives but find limited resources at both the federal and state levels.

Students from low-income families also face cultural issues as first generation attendees at institutions of higher learning. An important goal of the GOS program is to provide assistance for students to not only enroll in an institution of higher education but also to provide counseling so that these students complete their program.

In order to narrow the gaps in postsecondary participation, persistence and degree completion, the Commission, in its master plan, has made student access an important goal. The state's financial aid system should ensure, at a minimum, that the decision of low-income students to attend an institution of higher education should not be constrained solely by unmet need. In order to achieve this, the Commission has refocused financial aid, in particular, need-based grants, toward those students who might not otherwise go to college without the assistance. The Governor's Opportunity Scholarship represents an effort by the Governor, the Colorado Commission on Higher Education, and the General Assembly to change the postsecondary enrollment patterns of low-income students.

The Commission will continue to monitor this program and encourage institutions to support these goals. The Commission will partner with Colorado high schools, non-profit outreach organizations, and the institutions to search out and encourage low-income students to enroll and complete postsecondary education. In addition, they will work with institutions to assure that each GOS student succeeds.

TOPIC: QUALITY INDICATOR SYSTEM REPORT FOR FY 2001-02

PREPARED BY: RAY KIEFT

I. SUMMARY

The results from the annual administration of the Quality Indicator System (QIS) is required by statute (CRS 23-13-105 (5) (a)) to be reported to the Governor, Joint Budget Committee, Senate and House Education Committees, and the governing boards. The results of the FY 2001-02 administration of QIS are included in the attached report (Attachment A).

The governing boards, in turn, are required by statute (CRS 23-13-105 (6)) to respond to the QIS Report. In their responses, the governing boards are asked to provide a description of strategies and/or programs they intend to undertake to address any areas of substandard or declining performance as indicated by QIS.

Appendix A

STATUTORY AUTHORITY

C.R.S. 23-13-105 (5) (a) On or before December 1, 1998 and on or before December 1 of each year thereafter, the commission shall provide to the persons specified in section 23-1-105(3.7) (a), to the education committees of the house of representatives and the senate, and to each governing board a report of the data collected through the quality indicator system indicating the overall performance of the statewide system of higher education and each governing board's and institution's performance in achieving the statewide expectations and goals.

C.R.S. 23-13-105 (5)(b) It is the general assembly's intent that the governing boards and the institutions shall respond appropriately to the information provided in the quality indicator report and take such corrective actions as may be necessary to improve the quality of education provided by each institution.

C.R.S. 23-13-105 (6) On or before January 30, 1999, and on or before January 30 of each year thereafter, the commission and the governing boards shall report to the education committees of the house of representatives and the senate and to the joint budget committee on the information received from the quality indicator system and the actions being taken or planned by the governing boards in response to the information.