Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☐ Base Reduction Item FY 08-09 ☐ Supplemental FY 07-08 ☐ Budget Request Amendment FY 08-09 ☑

Request Title: Native American Students/Fort Lewis College
Department: Department of Higher Education
Priority Number: BA - 2

Dept. Approval by: [signature] **Date:** 1-22-08
OSPB Approval: [signature] **Date:** 1-22-08

	Fund	1 Prior-Year Actual FY 06-07	2 Appropriation FY 07-08	3 Supplemental Request FY 07-08	4 Total Revised Request FY 07-08	5 Base Request FY 08-09	6 Decision/ Base Reduction FY 08-09	7 November 1 Request FY 08-09	8 Budget Amendment FY 08-09	9 Total Revised Request FY 08-09	10 Change from Base (Column 5) FY 09-10
Total of All Line Items	Total	7,634,353	8,063,560	0	8,063,560	8,063,560	0	8,063,560	115,622	8,179,182	115,622
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	7,634,353	8,063,560	0	8,063,560	8,063,560	0	8,063,560	115,622	8,179,182	115,622
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(3) Colorado Commission on Higher Education - (D) Special Purpose - Native American Student/Fort Lewis College	Total	7,634,353	8,063,560	0	8,063,560	8,063,560	0	8,063,560	115,622	8,179,182	115,622
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	7,634,353	8,063,560	0	8,063,560	8,063,560	0	8,063,560	115,622	8,179,182	115,622
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Lettermote revised text:
Cash Fund name/number, Federal Fund Grant name:
IT Request: ☐ Yes ☑ No
Request Affects Other Departments: ☐ Yes ☑ No **If Yes, List Other Departments Here:**

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Higher Education
Priority Number:	BA - 2
Change Request Title:	Native American Students/Fort Lewis College

SELECT ONE (click on box):

- ☐ Decision Item FY 08-09
- ☐ Base Reduction Item FY 08-09
- ☐ Supplemental Request FY 07-08
- ☒ Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- ☐ Not a Supplemental or Budget Request Amendment
- ☐ An emergency
- ☒ A technical error which has a substantial effect on the operation of the program
- ☐ New data resulting in substantial changes in funding needs
- ☐ Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Department of Higher Education is requesting an additional $115,622 General Fund in FY 2008-09 for the Native American Students/Fort Lewis College line item under Special Purpose Financial Aid. This request is based on the estimated tuition waivers granted by Fort Lewis College in FY 2007-08.

Background and Appropriation History:

Section 23-52-105 (1) (b), C.R.S. (2007) states "*The general assembly shall appropriate from the state general fund one hundred percent of the money required for tuition for such qualified Indian pupils*" at Fort Lewis College. Fort Lewis College waives tuition for these students upfront and receives reimbursement from the State in the following fiscal year in the form of General Fund.

FY	Amount
2000-01	$4,753,839
2001-02	$4,903,839
2002-03	$5,462,817
2003-04	$6,046,330
2004-05	$6,477,140
2005-06	$7,299,164
2006-07	$7,634,353
2007-08	$8,063,560

The above table shows the payments paid to Fort Lewis for Native American Students. These payments are retroactive. In other words, the FY 2007-08 payment covers the waivers Fort Lewis granted to eligible students in FY 2006-07.

General Description of Request:

On August 16, 2007, Fort Lewis College sent a letter to the Colorado Commission on Higher Education reporting its Native American tuition waivers to be granted in FY 2007-08 at $8,179,182. This amount also represents the legislative appropriation needed in FY 2008-09 for the Native American Students/Fort Lewis College line item, which is a $115,622 increase over the FY 2007-08 appropriation.

The Joint Budget Committee staff inquired in December 2007 as to why this request was not included in the November 1, 2007 Department of Higher Education Budget Request. The Department responded that they "regretted that they omitted this increase". As such, this budget amendment request is being submitted as a technical error which has a substantial effect on the operations of the program.

The requested appropriation increase over the prior year results from tuition rate increases and an estimated increase of 1% in overall Native American enrollment.

Fort Lewis College bases this estimate on anticipated revenues from enrollment growth and tuition increases for FY 2007-08, which as mentioned above will be paid through the FY 2008-09 appropriation. Last year, the General Assembly appropriated $8,063,560; however, actuals came in at $7,910,661. This difference ($144,898) was applied to the FY 2008-09 request as a reduction. There was a substantial decline (-39%) in non-resident students receiving the tuition waiver in the third summer session of 2007; but Fort Lewis is estimating 1% and 3% increases in eligible resident and non-resident students, respectively. These % increases have been applied to last year's actual, along with 5% tuition rate increases, to arrive at the requested increase, driving a total need in FY 2008-09 of $8,324,080. Netting out the overfunding in FY 2007-08 the necessary increase for FY 2008-09 is $115,622.

See the table under "Calculations for Request" (page 5) that illustrates how these figures were arrive at.

Consequences if Not Funded:

If Fort Lewis College did not receive the requested funding for Native American tuition waivers it would result in negatively affected programs at the institution. Furthermore, not funding this request would be a violation of statute that indicates one hundred percent of these expenses are to be covered by the State General Fund.

Calculations for Request:

Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	$115,622	$115,622	$0	$0	$0	0.0
(3) Colorado Commission on Higher Education Financial Aid (D) Special Purpose Native American Students/Fort Lewis College	$115,622	$115,622	$0	$0	$0	0.0

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	$115,622	$115,622	$0	$0	$0	0.0
(3) Colorado Commission on Higher Education Financial Aid (D) Special Purpose Native American Students/Fort Lewis College	$115,622	$115,622	$0	$0	$0	0.0

FY 08-09 ESTIMATED APPROPRIATION REQUEST
BASED ON FY 07-08 ESTIMATE OF ACTUAL WAIVERS

	SUMMER SESSION III	FALL	WINTER	SUMMER SESSION I	SUMMER SESSION II	PREVIOUS YEAR FUNDING ADJUSTMENT	TOTAL
Native American Appropriation FY 07-08 Request made in Feb 07 Based on FLC Estimate of 100% Tuition Waivers for FY 06-07	$156,865	$3,913,609	$3,377,825	$344,079	$263,181	$8,001	$8,063,560
Actual Native American Tuition Waivers for FY 06-07 Source FGRREOB 6/30/07	156,865	3,913,609	3,351,541	277,322	211,324	0	7,910,661
FY 06-07 Funding Adjustment	0	0	(26,284)	(66,757)	(51,857)	0	(144,898)
Funding Required For FY 08-09 Funded in Arrears, FY 08-09 Funding is for FY 07-08 Waivers	100,514	4,153,399	3,557,089	291,188	221,890	(144,898)	8,179,182

PROJECTED TUITION BY RESIDENCY STATUS

BASED ON ASSUMPTIONS BELOW	FY 07-08 Estimate				
RESIDENT	6,242	155,336	143,166	13,644	9,336
NON-RESIDENT	94,272	3,998,062	3,413,923	277,544	212,553
	100,514	4,153,399	3,557,089	291,188	221,890

ASSUMPTIONS:

RESIDENT BREAKDOWN PERCENTAGE	3.84%				
NON-RESIDENT BREAKDOWN PERCENTAGE	96.16%				
PREV YEAR RESIDENT TUITION INCREASE	2.50%				
PREV YEAR NON-RESIDENT TUITION INCREASE	2.50%				
RESIDENT TUITION INCREASE	5.00%				
NON-RESIDENT TUITION INCREASE	5.00%				
PROJECTED NATIVE AMERICAN GROWTH (DECLINE) - BY TERM					
Resident	0.00%	3.00%	3.00%	0.00%	0.00%
Non-Resident	-39.00%	1.00%	1.00%	0.00%	0.00%

DOLLAR VALUE OF NATIVE AMERICAN WAIVERS

	FY 2006-07 RESIDENT	FY 2006-07 NON-RESIDENT	FY 2006-07 TOTAL	FY 2006-07 Waiver Est.	Difference $	Difference %
SSIII - 2006	6,090	150,775	156,865	156,865	0	0.00%
FALL - 2006	143,630	3,769,979	3,913,609	3,913,609	0	0.00%
WINTER - 2007	132,377	3,219,164	3,351,541	3,377,825	26,284	0.78%
SSI - 2007	12,994	264,328	277,322	344,079	66,757	24.07%
SSII - 2007	8,892	202,432	211,324	263,181	51,857	24.54%
TOTAL	303,983	7,606,677	7,910,661	8,055,559	144,898	1.83%
BREAKDOWN	3.84%	96.16%	100.00%			

Assumptions for Calculations:

As noted previously, Fort Lewis College bases this estimate on anticipated revenues from enrollment growth and tuition increases for FY 2007-08, which as mentioned above will be paid through the FY 2008-09 appropriation. Last year, the General Assembly appropriated $8,063,560; however, actuals came in at $7,910,661. This difference ($144,898) was applied to the FY 2008-09 request as a reduction. There was a substantial decline (-39%) in non-resident students receiving the tuition waiver in the third summer session of 2007; but Fort Lewis is estimating 1% and 3% increases in eligible resident and non-resident students, respectively. These % increases have been applied to last year's actual, along with 5% tuition rate increases, to arrive at the requested increase, driving a total need in FY 2008-09 of $8,324,080. Netting out the overfunding in FY 2007-08 the necessary increase for FY 2008-09 is $115,622.

Impact on Other Government Agencies:

This request affects funding for Fort Lewis College in FY 2008-09.

Cost Benefit Analysis:

Cost Benefit Analysis is not applicable in this case as funding for this line item is statutorily required. If not funded a violation of statute would occur.

Implementation Schedule:

Appropriation made in FY 2008-09

Statutory and Federal Authority:

Section 23-52-105 (1) (b), C.R.S. (2007)
On and after September 1, 2002, the board of trustees shall fix tuition in accordance with the level of cash fund appropriations set by the general assembly for the college pursuant to section 23-1-103.5, subject to the restriction that all qualified Indian pupils shall at all times be admitted to such college free of charge for tuition and on terms of equality with other pupils. The general assembly shall appropriate from the state general fund one hundred percent of the moneys required for tuition for such qualified Indian pupils.

Performance Measures:

There is not a specific performance measure for this request. This request is required to comply with statute.