

COLORADO COMMISSION ON HIGHER EDUCATION

June 14, 2000
Teleconference Meeting
Denver, CO

MINUTES

Commissioners Present: Raymond T. Baker; Terrance L. Farina; Marion Gottesfeld; David E. Greenberg; Robert Hess; Peggy Lamm; Ralph J. Nagel, Chair; and James Stewart.

Advisory Committee Present: Wayne Artis.

Commission Staff Present: Timothy E. Foster, Executive Director; JoAnn Evans; Rick Hum; James Jacobs; and Sha Samson.

I. Call to Order

The special teleconference meeting of the Colorado Commission on Higher Education (CCHE) was called to order at 9:00 a.m. via telephone in the CCHE Office located in the Colorado History Museum Building in Denver, Colorado. The meeting was called to order by Chair Nagel followed by roll call.

Commissioner Nagel reported that Commissioners Dean Quamme and William Vollbracht were excused absent.

II. Approval of Minutes

Commissioner Hessler moved approval of the minutes of the May 4, 2000, meeting. Commissioner Farina seconded the motion and the motion carried unanimously.

III. Action Items

A. Financial Aid Allocation

Dr. Sharon Samson introduced the proposed 2000-01 Financial Aid Allocation, indicating that it is the first step in aligning the allocation to the new policy goals and ensuring that need and merit dollars are proportional to the student population. She credited the allocation advisory committee, made up of three financial aid directors, a chief financial officer, a chief academic officer and two student representatives, and academic council representatives with the development of the new model that is more student-centered than the former allocation formula. The committee examined different market models focusing on student needs.

Dr. Samson outlined the major changes in the allocation formula. Primarily, the allocation formula prorates the need-based dollars using the percent of student need calculated for Level 1 students. It directs a greater percentage of need dollars to the community colleges, area vocational schools, and three four-year colleges (Adams State, Mesa State, University of Southern Colorado). To further simplify administration and reporting, dollars allocated for merit programs at proprietary schools are being converted to the need-based program. The overall impact is an increase in dollars for this group of institutions.

Merit dollars were allocated to all institutions that report college GPA. The formula calculated the allocation based on actual tuition times 3.5 percent of the number of in-state undergraduate students. The formula for graduate merit paralleled the undergraduate formula but included in-state and out-of-state students and used 2 percent as the allocation factor. The allocation advisory committee seeks Commission direction regarding undergraduate and graduate allocation formulas specifically if the model should use a 3 percent allocation formula for undergraduate and graduate merit dollars in future years or continue to use a differentiated allocation for undergraduate and for graduate merit dollars.

Commissioner Hessler asked for clarification on the need allocation for Morgan Community College and Northeastern Junior College (NJC). Dr. Samson explained that Morgan received a significant increase in the Governor's Opponent Scholarship dollars and NJC's increase came from the need-based line.

Responding to Commissioner Gottesfeld request for a clarification of the categorical programs, Dr. Samson explain categorical programs include the undergraduate nursing program, the Native American entitlement program at Fort Lewis the Law/POW Dependent Grant, and the Governor's Opportunity Scholarships. These have separate line items a administrated by CCHE rather than allocated to the institutions.

In response to Commissioner Farina's question regarding the impact of using a consistent 3 percent merit allocation, Samson stated that higher graduate tuition significantly redistributes the dollars. The greatest negative impact would be on the community colleges, which would lose \$1.5 million. In prior years, the graduate merit was capped at \$1 million. The formula used this year increases the proportion of merit dollars allocated to graduate students to \$1.2 million. The Commission supported retaining the differentiated factor in the merit allocation.

During discussion, Commissioner Greenberg asked for the amount of the total unfunded need for the state. Dr. Samson responded that there are 63,000 students with high need enrolled in the system. To fund all need at the minimum level \$1,500 it would require \$94 million to fund Level 1 students (e.g., those with family incomes less than \$45,000). This year's need-based allocation will fund one-third of the need of this group of students.

Following the Commission discussion on this point, Dr. Samson explained that the dissonance between the unfounded need and available need-based dollars may require a more aggressive approach to make the transition to a policy-driven allocation process. Since CCHE policy protects current financial aid recipients for three years, the allocation formula is phased to protect the funds that are awarded to the current recipients. If the General Assembly is as generous next year in increasing the merit budget line, the merit goals will be met in the 2001-02 without redistribution. As unfounded need illustrates, the need-based budget line is less aligned with Colorado's need-based population. Even with increases, it may mean that the 2001-02 allocation will preserve only 80 percent of the 1999-00 financial aid allocation base to redistribute the need-based funds and adequately fund high-need student populations, primarily enrolled at the community colleges. Staff seeks Commission endorsement to protect a portion of the base rather than the whole base if necessary.

Executive Director Foster re-emphasized that if higher education receives no additional financial aid funding in 2001-02, the Commission may need to decrease funding at certain institutions. The institutions most vulnerable in this scenario are CU Boulder and CSU. The funding for Fort Lewis College, UNC, Metro State, and Western State College remain stable. The community colleges, USC, Adams State, and Mesa State are under-funded proportional to their student population. CCHE staff is committed to increasing their need-based funding regardless of the appropriation level.

Commissioner Gottesfeld was impressed with the new approach and that the allocation models includes the private proprietary schools. She noted that Colorado is one of the few states that allocate state dollars to fund proprietary schools.

There were no governing board comments.

Staff Recommendation

That the Commission approved the proposed allocation model, the allocations for the 2000-2001 Financial Aid Budget (Attachment A in agenda), and the three-year transition plan.

Action:

Commissioner Nagel moved approval of the staff recommendation. Commissioner Gottesfeld seconded the motion and the motion carried unanimously.

B. Intellectual Property for CCHE Technology Advancement Group Program Contracts

The intellectual property provision for CCHE-TAG programs must be revised from that formerly used by the Colorado Advanced Technology Institute (CATI). The former policy relinquished all intellectual property rights to the institution hosting the program with no provision for sharing the revenue such property might generate. This practice was criticized in a recent legislative audit. This former practice must be replaced by one that shares revenue between the institution and CCHE-TAG.

During the discussion Executive Director Foster recommended that the Commission select a subcommittee of three members and delegate the subcommittee with the authority to revise and approve the contract language by working with the institutions.

Chair Nagel emphasized that the revised intellectual property language must be firmly established and clearly define the relationship between the institution and the Technology Advisory Group. He supported the recommendation for the Commission to review the language before proceeding. Chair Nagel presented draft intellectual property language submitted by Charles Luce. The Commissioners appreciated the opportunity to review the alternative proposed opinion or the proposed Article and the specific recommendations.

It was the consensus of the Commission to establish a subcommittee to approve the language. The following Commissioners volunteered to serve on the subcommittee: Terrance Farina, Ralph Nagel, Marion Gottesfeld, Peggy Lam and Dean Quamme. This subcommittee will work with the CCHE staff to revise the language. A teleconference meeting of the subcommittee must be scheduled before the end of June to accommodate the contract deadlines. Executive Director Foster reminded the Commission that the contacts must be completed by July 1, 2000.

Staff Recommendation

The Commission shall delegate the approval of the concepts and language of the Intellectual Property Article, to a subcommittee of three Commissioners. It is recommended that the subcommittee allow staff to refine the specific language as needed with the universities and the Attorney General's Office.

Action:

Commissioner Hessler made a motion that the Commission delegate the authority to approve the concepts and language of the Intellectual Property to the five-member subcommittee (Commissioners Farina, Nagel, Gottesfeld, Lamm and Quamme) without coming back to the Commission for a vote. Commissioner Greenberg seconded the motion. The motion carried with a vote of seven (7) in favor and one (1) opposed (Gottesfeld).

Action:

Commissioner Greenberg made a motion to adjourn the meeting. Commissioner Hessler seconded the motion and the motion carried unanimously. The teleconference meeting adjourned at 9:44 a.m.