Revised 2/4/04

Agenda

February 5, 2004

Nighthorse Campbell Native Health Building

University of Colorado Health Sciences Center Fitzsimons Campus Aurora, Colorado 10:00 a.m.

- Ι. Approval of Minutes
- II. Reports
 - Chair's Report Baker
 - A. B. C. D. Commissioners' Reports
 - **Advisory Committee Reports**
 - Public Comment
 - Presentation on Support for Higher Education (S.H.E.) Sergio Gonzales (15 minutes)
- III. Consent Items

None

- IV. **Action Items**
 - 2004 Report on Newly Approved Degree Programs Futhey (10 minutes)
 - <u>A.</u> <u>B.</u> 2004-2005 Student Financial Aid Budget Parameters – Lindner (20 minutes)
- ٧. Items for Discussion and Possible Action
 - New Merit Aid Distribution Method Mullen/Lindner (20 minutes) <u>A.</u>
- VI. Written Reports for Possible Discussion
 - Report on Out-of-State Instruction Breckel
 - FTE Service Area Exemptions Breckel
 - Financial Statement Review Schweigert
 - 2004 No Child Left Behind Grants Futhey

TOPIC: CHAIR'S REPORT

PREPARED BY: RAYMOND T. BAKER

This item will be a regular monthly discussion of items which the Chair feels will be of interest to the Commission.

TOPIC: COMMISSIONERS' REPORTS

PREPARED BY: COMMISSIONERS

This item provides an opportunity for Commissioners to report on their activities of the past month.

Agenda Item II, C Page 1 of 1

TOPIC: ADVISORY COMMITTEE REPORTS

PREPARED BY: ADVISORY COMMITTEE MEMBERS

This item provides an opportunity for Commission Advisory Committee members to report on items of interest to the Commission.

TOPIC: PUBLIC COMMENT

PREPARED BY: TIM FOSTER

This item provides an opportunity for public comment on any item unrelated to the meeting agenda. A sign-up sheet is provided on the day of the meeting for all persons wishing to address the Commission on issues not on the agenda. Speakers are called in the order in which they sign up. Each participant begins by stating his/her name, address and organization. Participants are asked to keep their comments brief and not repeat what others have said.

TOPIC: PRESENTATION ON SUPPORT FOR HIGHER EDUCATION (S.H.E.)

PRESENTED BY: SERGIO GONZALES

Mr. Sergio Gonzales, Intercampus Student Forum Chair, University of Colorado, will make a presentation on Support for Higher Education (S.H.E.).

S.H.E. is a coalition of student governments from the University of Colorado System and other Colorado public institutions of higher education that have come together to ensure economic access to higher education in years to come.

This is a non-partisan campaign that will strive to raise awareness, educate, and lobby against further budget cuts to higher education. Members have already begun a letter drive and are hoping to involve parents and friends in the campaign.

A rally will be held on Friday, February 6, 2004, at 1 p.m. on the west steps of the State Capitol. Everyone is invited to attend and encouraged to bring friends.

TOPIC: 2004 REPORT ON NEWLY APPROVED DEGREE PROGRAMS

PREPARED BY: CAROL FUTHEY

I. <u>SUMMARY</u>

Program approvals and closures reflect higher education's responsiveness to market demands in keeping with the Commission's Master Plan. The 2004 Report on Newly Approved Degree Programs outlines the implementation of the new academic programs that the Commission has approved within the last five years or that are still operating with provisional status at four-year public colleges and universities. Review of newly approved degree programs until they are fully implemented is part of CCHE's statutory approval responsibility. By contrast, the annual report on low demand programs examines four-year and graduate degree programs that have full program approval but are not meeting CCHE degree benchmarks after five years. The Commission delegates the authority to the governing boards for monitoring and taking action on fully approved degree programs.

The report on newly approved degrees compares the projected enrollment and graduation numbers originally provided by the proposing institution with the actual data of the degree program following implementation. For the 2004 report, enrollment and graduation data are provided for the 34 programs—excluding vocational certificates and two-year degree programs—that were approved between FY 1998 and FY 2002 plus two programs continuing on provisional status from last year's report. Of the 34 new programs:

- o 20 approvals (59%) were at the baccalaureate level;
- o 19 (56%) were proposed by the University of Colorado; and
- o 5 (15%) were approved in FY 2002.

More specifically, the staff analysis examines the performance of the seven programs listed below that were implemented in FY 1998:

- o Colorado State University B.S., Environmental Engineering
- o University of Colorado Boulder B.S., Environmental Engineering
- o University of Colorado Boulder B.A., Women's Studies
- o University of Colorado Colorado Springs B.S., Mechanical Engineering
- o University of Colorado Colorado Springs M.S., Mechanical Engineering
- o University of Colorado Denver B.S., Psychology
- o University of Colorado Health Sciences Center Pharm.D., Pharmacy

Also included in this year's review are two programs that have been on provisional status:

- o Colorado State University M.S., Cell and Molecular Biology
- o University of Colorado Health Sciences Center Ph.D., Clinical Science.

Full approval is recommended for seven programs, and if adopted, they will no longer be included in subsequent reports on newly approved degree programs.

II. <u>BACKGROUND</u>

As part of its degree approval responsibilities, the Commission monitors the enrollment and graduation performance of recently approved programs. In accordance with CCHE policy, the proposing institution provides five-year enrollment and completion projections to justify that significant need exists in Colorado for the state to support the proposed degree. The Commission relies on these projections as a reliable assessment of program demand. With the revisions of the Policy and Procedures for the Approval of New Academic Programs in State-Supported Institutions of Higher Education in Colorado, as well as the Review Policy and Procedures for Newly Approved Academic Degree Programs, each policy strengthens the role of governing boards and requires them to assume greater responsibility for program review decisions.

III. STAFF ANALYSIS

A. Status of Newly Approved Programs

Currently 34 degree programs are in the post-approval review phase (Tables 1, 2, and 3) of which seven are subject to review in January 2004. Six of the seven programs are recommended for full approval.

Table 1. BACCALAUREATE AND GRADUATE PROGRAM APPROVALS BY YEAR FOR COLORADO PUBLIC FOUR-YEAR COLLEGES AND UNIVERSITIES FY 1998 - 2002

Fiscal Year of	ar of Total Number Programs Approved by Level					
Approval	Baccalaureate	Master's	Specialist	Doctoral	TOTAL	
1998	5	1	-	1	7	
1999	3	1	1	1	6	
2000	4	-	-	1	5	
2001	7	3	-	1	11	
2002	2	1	-	2	5	
TOTAL	21	6	1	6	34	

Table 2. SUMMARY OF PROGRAM APPROVALS BY INSTITUTION FOR COLORADO PUBLIC FOUR-YEAR COLLEGES AND UNIVERSITIES FY 1998 - 2002

	Total Number Programs Approved by Level					
Institution	Baccalaureate	Master's	Specialist	Doctoral	TOTAL	
ASC	1	-	-	-	1	
CSM	-	1	-	-	1	
CSU	2	2	-	-	4	
CSUP	1	-	-	-	1	
FLC	1	-	-	-	1	
Mesa	2	-	-	-	2	
Metro	1	-	-	-	1	
UCB	3	1	-	3	7	
UCCS	2	2	-	1	5	
UCD	3	-	1	1	5	
UCHSC	-	0	-	1	1	
UNC	1	0	-	-	1	
WSC	4	-	-	-	4	
TOTAL	21	6	1	6	34	

Table 3. DEGREE PROGRAM APPROVAL REPORT FOR NEWLY APPROVED DEGREE PROGRAMS APPROVED DURING FY 1998 - 2002 AND IMPLEMENTED DURING FY 1999-2003

		Enrollment/Graduates for Progr			Enrollment/Graduates for Programs Implemented in FY		
Institution	Program Sumi	nary	1999	2000	2001	2002	200
ASC	Interdisciplinary Studies	Enrollment: Projected				289	29
	24.0101	Actual				20	30:
	B.A.	Graduates: Projected				0	5
	Approved: January 2001	Actual				51	62
CSM	Engineering & Technology Mgmt	Enrollment: Projected				20	2
	14.3001	Actual				19	49
	M.S.	Graduates: Projected				19	20
	Approved: January 2001	Actual				9	34
CSU	Computer Engineering	Enrollment: Projected				133	11:
	14.0901	Actual				11	4
	B.S.	Graduates: Projected				22	2
	Approved: June 2001	Actual				0	
	Environmental Engineering	Enrollment: Projected	25	35	45	55	70
	14.1401	Actual	12	28	32	39	36
	B.S.	Graduates: Projected	5	7	9	11	14
	Approved: 1998	Actual	0	2	3	8	
	Electrical Engineering	Enrollment: Projected		5	12	24	3
	14.1001 02	Actual		19	15	20	•
	M.E.E.	Graduates: Projected		0	0	5	•
	Approved: September 1998	Actual		0	4	5	(
	Engineering	Enrollment: Projected				5	7
	14.0101	Actual				0	18
	M.E.	Graduates: Projected				0	(
	Approved: January 2001	Actual				1	(
CSUP	Liberal Studies	Enrollment: Projected				192	204
	24.0101 B.S.	Actual				173 51	282
	Approved: June 2001	Graduates: Projected Actual				2	55 29
	**						
FLC	Interdisciplinary Studies 24.0101	Enrollment: Projected Actual				30 51	31 112
	24.0101 B.A.	Graduates: Projected				28	29
	Approved: January 2001	Actual				4	19
MESA	Environmental Science & Technology	Enrollment: Projected			40	52	72
WIESA	03.0102	Actual			11	58	76
	B.S.	Graduates: Projected			8	5	
	Approved: June 2000	Actual			0	6	12
	Computer Information Systems	Enrollment: Projected				56	60
	52.1201	Actual				17	18
	B.A.	Graduates: Projected				20	22
	Approved: January 2001	Actual				12	12
METRO	Human Development	Enrollment: Projected					2:
	42.0701	Actual					1
	B.A.	Graduates: Projected					(
	Approved: January 2002	Actual					(

(continued)

Table 3. DEGREE PROGRAM APPROVAL REPORT FOR NEWLY APPROVED DEGREE PROGRAMS APPROVED DURING FY 1998 - 2002 AND IMPLEMENTED DURING FY 1999-2003

			Enrollment/Graduates for Programs Implemented in FY				
nstitution	Program	Summary	1999	2000	2001	2002	200
UCB	Astronomy	Enrollment: Projected			15	39	5
	40.0201	Actual			51	92	10
	B.A.	Graduates: Projected			0	0	1
	Approved: June 2000	Actual			0	4	
	Environmental Engineering	Enrollment: Projected	31	42	50	54	5
	14.1401	Actual	8	33	36	49	5
	B.A.	Graduates: Projected	5	8	10	14	1
	Approved: June 1998	Actual	0	2	1	0	1
	Women's Studies	Enrollment: Projected	60	60	60	60	6
	05.0207	Actual	61	62	73	66	6
	B.A.	Graduates: Projected	0	8	15	18	1
	Approved: April 1998	Actual	19	19	20	15	1
	Environmental Studies	Enrollment: Projected				5	1
	03.0102 M.S.	Actual Graduates: Projected				0 4	2
		•					
	Approved: November 2000	Actual				0	
	Environmental Studies	Enrollment: Projected				3	
	03.0102	Actual				0	
	PhD.	Graduates: Projected				0	
	Approved: November 2000	Actual				0	
	Cognitive Science	Enrollment: Projected			4	7	1
	42.0301	Actual			1	1	
	Ph.D	Graduates: Projected			0	2	
	Approved: January 2000	Actual			0	2	
	Neuroscience 26.0608	Enrollment: Projected					2
	Ph.D.	Actual Graduates: Projected					2
	Approved: February 2002	Actual					
UCCS	Computer Engineering	Enrollment: Projected			27	33	4
CCCS	14.0901	Actual			28	53	5
	B.S.	Graduates: Projected			0	0	
	Approved: September 1999	Actual			0	5	
	Mechanical Engineering	Enrollment: Projected	36	68	108	120	12
	14.1901	Actual	22	60	78	101	14
	B.S.	Graduates: Projected	0	0	5	10	1
	Approved: April 1998	Actual	0	0	3	9	1
	Applied Geography	Enrollment: Projected					
	45.0799	Actual					
	M.S. Approved: January 2002	Graduates: Projected Actual					
	Mechanical Engineering	Enrollment: Projected	10	17	27	30	3
	14.1901	Actual	3	9	15	23	3
	M.S.	Graduates: Projected	0	0	2	4	
	Approved: April 1998	Actual	0	0	1	1	
	Electrical Engineering	Enrollment: Projected		0	3	3	
	14.1001	Actual		26	26	22	2
	Ph.D.	Graduates: Projected					
	Approved: December 1998	Actual	ontinued)	2	4	3	

Colorado Commission on Higher Education (CCHE) February 5, 2004 Agenda Item IV, A
Page 6 of 12
Action

Table 3. DEGREE PROGRAM APPROVAL REPORT FOR NEWLY APPROVED DEGREE PROGRAMS APPROVED DURING FY 1998 - 2002 AND IMPLEMENTED DURING FY 1999-2003

		<u> </u>	Enrollment/	Enrollment/Graduates for Programs Implemented in FY			
Institution	Program Sum	mary	1999	2000	2001	2002	200
UCD	Communication	Enrollment: Projected		186	186	186	18
	09.0101	Actual		313	340	387	39
	B.A.	Graduates: Projected		54	54	54	5
	Approved: November 1998	Actual		69	81	108	13
	Psychology	Enrollment: Projected	30	45	53	57	5
	42.1101	Actual	56	70	71	81	10
	B.S.	Graduates: Projected	5	7	8	9	
	Approved: March 1998	Actual	11	11	16	13	1
	Theatre	Enrollment: Projected		39	39	40	4
	50.0501	Actual		57	66	72	6
	B.A.	Graduates: Projected		12	12	12	1:
	Approved: November 1998	Actual		3	4	14	:
	School Psychology	Enrollment: Projected		10	25	30	31
	42.1701	Actual		39	72	65	60
	Ed.S	Graduates: Projected		0	10	15	1:
	Approved: February 1999	Actual		0	26	16	13
	Computer Science & Info Systems	Enrollment: Projected					
	11.0101	Actual					1
	Ph.D.	Graduates: Projected					
	Approved: March 2002	Actual					
UCHSC	Pharmacy	Enrollment: Projected	90	178	263	347	34
	51.2001	Actual	145	154	270	366	43
	Pharm.D. Approved: February 1998	Graduates: Projected Actual	0 60	0 52	0 49	84 48	8
*****	**			32	49		
UNC	Allied Health/Resource Development	Enrollment: Projected				46	5
	51.0701/44.0000 B.A.S./B.A.T.	Actual Graduates: Projected				6 16	2
	Approved: January 2001	Actual				0	2
WSC	<u> </u>	Enrollment: Projected		19	30	41	4
WSC	Anthropology 45.0201	Actual		15	30 27	21	2
	B.A.	Graduates: Projected		0	1	3	2
	Approved: April 1999	Actual		4	1	11	
	Environmental Studies	Enrollment: Projected			25	39	5-
	03.0102	Actual			29	62	8
	B.A.	Graduates: Projected			0	2	:
	Approved: June 2000	Actual			0	4	
	Interdisciplinary Studies	Enrollment: Projected				36	6
	24.0101	Actual				28	4
	B.A.	Graduates: Projected				0	
	Approved: Nov. 2000	Actual				0	
	Computer Information Science	Enrollment: Projected					2
	52.1201	Actual					40
	B.A.	Graduates: Projected					(
	Approved: July 2001	Actual					(

This program's enrollment and graduates are below projected levels by CSU. Baccalaureate enrollments point to the building of a viable program, albeit it at a slower pace than originally projected, but recruitment efforts are leading to strong enrollments. The program has reported sixteen graduates over three years but only five in the most recent year.

Staff Recommendation: Continuation on provisional status

• University of Colorado - Boulder - B.S., Environmental Engineering

This program's enrollment and graduates also are below projected levels, but both indices appear strong enough to sustain a viable baccalaureate program. Enrollments have been strong in the last four years and the program appears to have established itself with twelve graduates in fifth year alone.

Staff Recommendation: Full program approval

• University of Colorado - Boulder - B.A., Women's Studies

Program enrollment have stabilized over the past three years, but the number of graduates has steadily declined during the same period. UCB should continue to monitor this program if the decline continues.

Staff Recommendation: Full program approval

• University of Colorado - Colorado Springs – B.S., Mechanical Engineering This program has a sustained record of growth in enrollment and graduates. The numbers exceed institutional projections and the CCHE benchmark for baccalaureate degree programs.

Staff Recommendation: Full program approval

• University of Colorado - Colorado Springs – M.S., Mechanical Engineering The master's program has achieved reasonable enrollment that are growing steadily, though below those projected by the institution. The number of graduates lags projections and barely meets the minimal number of graduates set by CCHE by the end of FY 2003. Four additional students, however, completed their degree at the end of summer 2004, and UCCS indicates that seven more are scheduled to graduate in December 2004.

Staff Recommendation: Full program approval

University of Colorado - Denver – B.S., Psychology

The psychology program has posted strong numbers of enrollment and graduates through most of the review period. The fifteen graduates per year exceed the CCHE benchmark for a baccalaureate degree program as well as projected levels. **Staff Recommendation**: Full program approval

• University of Colorado Health Sciences Center – Pharm.D., Pharmacy

This program has far exceeded UCHSC projections for enrollment and graduates. With more than eighty graduates in each of the past two years, the program far exceeds the CCHE benchmark for a baccalaureate degree program.

Staff Recommendation: Full program approval

B. Status of Previously Approved Programs

Two programs on provisional status from last year's report were reviewed even though implementation exceeded the five-year review period (Table 4). One program now is being recommended for full approval degree program after demonstrating a viable program is in place, but the second should continue on provisional status for at least one additional year and then reassess program viability.

Table 4. DEGREE PROGRAM APPROVAL REPORT FOR PROGRAMS REQUIRING FOLLOWUP FROM PREVIOUS REVIEWS

			Enrollment/	Graduates for	Programs Imp	plemented in F	Υ
Institution	Program	Summary	1999	2000	2001	2002	2003
CSU	Cell & Molecular Biology	Enrollment: Projected	12	17	22	**	**
	26.0402	Actual	8	10	9	11	15
	M.S.	Graduates: Projected	1	1	3	**	**
	Approved: September 1995	Actual	2	1	1	2	3
UCHSC	Clinical Science	Enrollment: Projected	7	11	16	19	**
	51.1401	Actual	1	2	14	18	18
	Ph. D.	Graduates: Projected	0	0	2	3	**
	Approved: April 1997	Actual	0	0	1	0	1

^{**}Timeframe beyond original five-year projections.

• Colorado State University – M.S., Cell and Molecular Biology (Approved September 1995)

Since 2002, CCHE has reviewed CSU's M.S. degree in Cell and Molecular Biology. While it has had a steady growth in enrollment, accompanying growth in graduation numbers has been slower and below CCHE's benchmark for a masters' degree program. Enrollment now appear to have reached a critical mass and the number of graduates meets the annual minimum number of graduates required by CCHE.

Staff Recommendation: Full program approval

University of Colorado Health Sciences Center – Ph.D., Clinical Science (Approved April 1997)

The Clinical Science Ph.D. degree at the University of Colorado Health Sciences Center has started off more slowly than anticipated and has graduated only two students to date. The program design merges both the clinical training for medical faculty with the medical degree training, and students, on average, enroll in nine credits per year in the clinical science program. Last year, approximately six students had accumulated sufficient credits to graduate this year, but only one did so. While it may not be realistic to base projections on a five-year basis for this degree, the fact that only two students have completed the program in six years raises concern about the program's viability.

Staff Recommendation: Continuation on provisional status

IV. FOLLOW-UP

A governing board receives a letter from CCHE indicating the status of its degree programs at the conclusion of the five-year implementation period. The notification also identifies degree programs that are in the second, third, and fourth year of implementation which are performing below the institution's original projections.

In keeping with CCHE protocol, the Commission formally notifies the governing boards through this agenda item of those degree programs approaching the five-year review point:

- o Colorado State University M.S., Electrical Engineering
- o University of Colorado Colorado Springs B.S., Computer Engineering
- o University of Colorado- Denver B.A., Communication
- o University of Colorado- Denver B.A., Theatre
- O University of Colorado- Denver Ed.S., School Psychology
- Western State College B.A., Anthropology

The Commission expects governing boards to examine the performance of the above degree programs and take appropriate action, if necessary, before the 2005 Commission program review. At this time, the baccalaureate and graduate degree programs are performing at or above projected enrollments and graduates with one exception. Enrollment in CSU's M.E.E. in Electrical Engineering program is difficult to gauge since initial implementation. This difficulty could be due to an error in reporting enrollments. The number of graduates, however, appears to be on track and is exceeding projections at this time.

V. STAFF RECOMMENDATION

That the Commission approve full degree status for the following programs:

- o University of Colorado Boulder B.S., Environmental Engineering
- O University of Colorado Boulder B.A., Women's Studies
- O University of Colorado Colorado Springs B.S., Mechanical Engineering
- o University of Colorado Colorado Springs M.S., Mechanical Engineering
- O University of Colorado Denver B.S., Psychology
- O University of Colorado Health Sciences Center Pharm.D. Pharmacy
- o Colorado State University M.S., Cell and Molecular Biology

Agenda Item IV, A Page 12 of 12 Action

Appendix A

STATUTORY AUTHORITY

23-1-107. <u>Duties and powers</u> of the commission with respect to program approval, review, reduction, and discontinuance. (1) The commission shall review and approve, consistent with the institutional role and mission and the statewide expectations and goals, the proposal for any new program before its establishment in any institution.

23-1-108 (8). The Commission shall prescribe uniform academic reporting policies and procedures to which the governing boards shall adhere.

TOPIC: 2004-2005 STUDENT FINANCIAL AID BUDGET PARAMETERS

PREPARED BY: DIANE LINDNER

I. <u>SUMMARY</u>

This agenda item presents the 2004-2005 Student Financial Aid Budget Parameters. In compliance with regulations for states that participate in federal financial aid programs, the Commission annually recommends guidelines for student living expenses (room and board, transportation, books and supplies, personal, and childcare expenses) for use by postsecondary institutions approved to participate in Colorado student financial assistance programs. While the state budget parameters establish a reference point, each institution may adjust the state parameters to reflect actual local costs – that is, actual cost of a two-bedroom apartment. Institutions that wish to modify the room and board costs must use actual data to support their adjusted budget and file their adjusted budgets with CCHE.

Previously, the Commission adjusted the prior year's budget parameters by the Colorado Price Index (CPI). Following the Commission's direction, CCHE staff now uses published data obtained from the Colorado Division of Housing (housing), business and industry (e.g., health insurance and child care), and colleges and universities (e.g., books) to determine budget guidelines beginning in 2001. Table 1 shows the Student Budget Base for 2004-2005 for Students Living with Parents, Students Living On Campus and Students Living Off Campus.

Table 1: Student Monthly Budget Base for 2004-2005

	Students Living	Students Living On	Students Living Off
	with Parents	Campus	Campus
Housing	\$191	Actual	\$493
Food/Board	\$234	Actual	\$311
Local Transportation	\$64	\$64	\$64
Medical	\$188	\$188	\$188
Personal Expenses	\$102	\$116	\$116
Total	\$779	\$368	\$1,172
		+Actual Room &	
		Board	

The student monthly budget base includes monthly costs typically incurred by all students. Table 2 lists the parameters for the annual cost of books and supplies and discretionary costs that apply to certain students.

Table 2: Supplemental Student Budget Expenses for 2003-2004

	All Students
Books & Supplies Per Year	\$1,187
Child Care if appropriate per month	\$619
Non-local Transportation	Amount determined by Institution
Computer Allowance	\$750-\$1,700

II. <u>BACKGROUND</u>

Student budget parameters are used by financial aid administrators in determining student eligibility for need-based financial aid. Need-based financial aid (i.e., grants, work-study, and loans) requires a student need analysis. The need analysis is the process of estimating the amount of assistance a student will require, supplementing the resources theoretically available from that student and his or her family. Need analysis has two basic components: (1) the student's cost of attendance which is an estimation of what it will reasonably cost the student to attend a given institution for a given period of time called the **Cost of Attendance** (**COA**), and (2) an estimation of the ability of the student and his or her immediate family to contribute to that educational cost, commonly called the **expected family contribution** (**EFC**). The expected family contribution (EFC) is obtained by a federally approved formula that takes income, assets, number in college and other information into account. The cost of attendance (COA) is a figure determined by institutions. The difference between the COA and the EFC is the amount of financial aid eligibility for which a need-based student is eligible.

CCHE has traditionally provided guidelines and recommendations of statewide cost parameters for institutions to use in defining the COA. The United States Department of Education (USDE) interpreted the term "determined by the institution" to mean that the institution has the authority to determine reasonable cost elements, from empirical data, i.e., data based on valid student surveys, housing cost norms from a local realty board, etc. In other words, the USDE expects the institutional determination to be based on data-driven modifications of state data and adjusted for local economic conditions.

III. STAFF ANALYSIS

To update the budget parameters, CCHE staff collected information from different sources. In 2004, web-based research was conducted to determine average rental and utility prices, computer costs and child care costs; costs of books, supplies, personal expenses and board were adjusted by CPI. CCHE collected health insurance data from insurance companies and computer hardware costs from computer industry web-published cost comparisons. The 2004-2005 student budget parameters are listed below.

Housing Costs:

Housing budgets vary for three groups of students.

For students living in dormitories, the housing parameter is the actual room expense that the campus charges students.

CCHE's financial aid guidelines define the housing budget for students living off campus as 50 percent of the average rent for a two-bedroom apartment. CCHE collected rental costs from Denver, Boulder and Grand Junction. The data indicated that the average rent of a two-bedroom apartment was \$850. CCHE staff added the average utility bill for a two-bedroom apartment (\$135). The rent and utilities totaled \$985, up from \$940 for 2003-2004. Following the guidelines, half of that cost (\$493) becomes the monthly housing budget parameter for students living off campus, up from \$470 last year. The increase is primarily due to the increased cost of utilities.

For students living with parents, the housing budget had been set at \$122 a month from the last survey the Commission conducted in 1991 through 2003-04. This budget parameter has been updated for 2003-2004 by inflating the \$122 housing cost by the CPI in each year since 1991. The housing budget for students living with parents in 2004-2005 is calculated at \$191, up from \$187 for 2003-2004, increased by the 2.1 percent CPI.

Food Expenses:

For students living in dormitories, the food budget parameter is the actual cost of board.

In 2001, food expenses for students living off campus were defined by the cost of a student meal ticket charged by institutions. The food budget parameter was increased by the estimated CPI of 2.1 percent for 2004-2005. CCHE's financial aid guidelines assume that food is a shared cost for students who live with their parents. The estimated food costs for a family of four averages \$900 per month or \$225 per family member. The food cost parameter for this group of students was set at \$229 per month for 2004; an increase of 2.1 percent for 2005 yields a cost of \$234 per month for students living at home. Students living off campus are budgeted a 2.1 percent increase as well, bringing their food budget to \$311 per month.

Local Transportation Expenses Exclude Non-local Transportation:

The Financial Aid Guidelines define local transportation expenses as the cost of owning a bike, using public transportation or sharing the operation of an automobile. CCHE set the monthly local transportation parameter at \$64, the cost of a monthly regional RTD pass or the approximate cost of parking a car for \$3.25 a day.

Medical Expenses:

For institutions that do not have health insurance or medical care funded through student fees, CCHE establishes a maximum health expense parameter of \$188 per month, up from \$183 per month. This parameter is based on the average monthly HMO premium for a health plan with a \$40 co-pay. The data sources included major health care providers in Colorado with presence on the web. When compared to health insurance costs of universities who offer insurance, the \$188 per month aligns within the range of costs reported.

Personal Expenses:

The financial aid guidelines define personal expenses to include the cost of laundry, dry cleaning, toiletries, clothing, recreation and recreational transportation. Based on typical costs in a college town, a student may expect to spend \$14 a month on laundry, \$25 on dry cleaning or the purchase of clothing, \$21 on shampoo, toothpaste, and other toiletries, \$42 a month for concerts, movies or other campus events, and \$10 for transportation. In 2003-04, CCHE set the personal expense parameter at \$100 for students living with parents and \$114 for all other students. The only difference between the two budgets is that students living with parents do not typically pay laundromat costs. A CPI increase of 2.1 percent on each of the personal expense numbers indicates an appropriate cost of \$102 for students living with parents and a cost of \$116 for all other students.

Books and Supplies:

The parameter for books and supplies is \$1,187 based upon responses from Colorado institutions, public and private, and adjusted for the estimated CPI.

Child Care:

The range is the actual cost of care per child, per month, up to a maximum of \$619 per child per month. This cost is up from \$574. A check of costs in the Denver, Grand Junction and Colorado Springs areas yields a range from \$428 per month for home care in Grand Junction to \$1,036 per month for full-time center infant care in Boulder. The average for full-time care including Colorado Springs, Denver and Grand Junction, averaging the cost of family care with care in a childcare center is \$619 per month. This seems to be a reasonable number to budget as a maximum for childcare.

Non-local Transportation:

CCHE does not establish this parameter. Institutions may include the cost of plane fare for students who live outside a normal travel range. It is intended to finance two round trips home per year.

Computer Allowance:

The cost of attendance regulations in the federal Higher Education Amendment of 1998 provide for a reasonable allowance for the documented rental or purchase of a personal computer. Institutions may include this cost in their student budget for determining eligibility for state financial aid. With the decrease in hardware prices, few students rent computers. The median cost of a desktop computer is \$1,000, \$1,050 for a laptop computer. The price range in computers is from \$500 to \$1,700. The data sources include web-published costs listing products and price, published January 2004.

Table 1 below shows the Student Budget Base for 2004-2005 for Students Living with Parents, Students Living On Campus and Students Living Off Campus.

Students Living with Students Living On Students Living Off Campus Campus Parents Housing \$191 \$493 Actual Food/Board \$234 \$311 Actual Local Transportation \$64 \$64 \$64 Medical \$188 \$188 \$188 Personal Expenses \$102 \$116 \$116 \$779 Total \$368 \$1,172 +Actual Room & Board

Table 1: Student Monthly Budget Base for 2004-2005

The student monthly budget base includes monthly costs typically incurred by all students. Table 2 lists the parameters for the annual cost of books and supplies and discretionary costs that apply to certain students.

Table 2: Supplemental Student Budget Expenses for 2004-2005

	All Students
Books & Supplies Per Year	\$1,187
Child Care if appropriate per month	\$619
Non-local Transportation	Amount determined by Institution
Computer Allowance	\$750-\$1,700

IV. STAFF RECOMMENDATION

That the Commission approve the 2004-2005 Student Financial Aid Budget Parameters.

Colorado Commission on Higher Education (CCHE) February 5, 2004 Agenda Item IV, B
Page 6 of 6
Action

Appendix A

STATUTORY AUTHORITY

C.R.S. 23-3.3-102. Assistance program authorized-procedure-audits. (3) The commission shall administer the program with the assistance of institutions according to policies and procedures established by the commission.

TOPIC: NEW MERIT AID DISTRIBUTION METHOD

PREPARED BY: DIANE LINDNER AND BRIDGET MULLEN

I. <u>SUMMARY</u>

The attached report discusses proposed policy changes to the state's merit-based aid program. The state has a responsibility to students with exemplary academic records regardless of their economic status. While the Commission's focus on opening the doors of higher education to low-income students is critical, so too is a commitment to those students whose hard work has led to high achievement.

II. <u>BACKGROUND</u>

The purpose of this discussion paper is to outline how the Commission currently allocates merit aid, what other states are doing, and proposals for a new merit aid allocation which will encourage Colorado's best and brightest high school students to attend Colorado's higher education institutions.

Proposed Merit Aid Policy Changes

Merit-based scholarships reward achievement and encourage excellence. When achievement and excellence is encouraged, merit-based aid can raise educational expectations at institutions of higher education. If used strategically in recruiting, institutions can raise the quality of their students by competing for and attracting the state's top students.

Nationally, between 1991 and 2001, state spending on merit-based aid grew by 18 percent, as opposed to only 8 percent annually for need-based aid. The opposite has occurred in Colorado. Over the same time period, state sponsored merit-based scholarships have increased by 5 percent annually as compared to need-based aid growing by 28 percent annually. Although national data is not currently available to compare, looking at the annualized increases including the financial aid reductions in FY 2003, from FY 1991 through FY 2003, state need-based aid still increased 23 percent per year where as state merit aid has actually declined by 2 percent per year.

Currently, merit aid in Colorado represents less than ten percent of the state's student financial assistance programs; however, it is key to recruiting and retaining Colorado's best and brightest into our post-secondary institutions. As Colorado continues to encourage its citizens to attain a post-secondary education, staff is proposing policy changes to the current merit program to award academically meritorious students while maximizing the state dollars that the Commission receives.

Philosophically, the Commission has committed to the precept that the majority of the state's financial aid has to be based on need if its mission of access to higher education for all Coloradans is to be furthered. From a policy perspective, staff believes that the state also has a responsibility to students with exemplary academic records regardless of their economic status. While the Commission's focus on opening the doors of higher education to low-income students is critical, so too is a commitment to those students whose hard work has led to high achievement. A review of what other states are doing, discussions with private foundations, and brainstorming have led staff to a new way of thinking about merit aid. The purpose of this paper is to outline how the Commission currently allocates merit aid, what other states are doing in this arena, and what changes staff proposes for the allocation of merit aid in the future.

Merit Aid History and Current Practice

Merit aid is less than 10 percent of Colorado's FY 2004 financial aid appropriation, down from 16 percent in FY 2003. Until the financial aid reductions in FY 2004, merit-based aid appropriations increased, on average, by 5 percent per year. Data discussed throughout this paper reflects recipients of merit aid in FY 2003.

In FY 2003, 10,552 students received a merit award averaging \$1,339 for undergraduate students and \$2,521 for graduates. It is important to note that in the current fiscal year approximately 5,000

eligible students did not receive a state merit-based aid award as a result of the statewide general fund reductions. The commission, in its FY 2005 budget request to the governor and the Joint Budget Committee has requested that merit funding be restored to its FY 2003 appropriation level.

Students at all of Colorado's public two-year and four-year institutions, public vocational-technical institutions as well as students at Colorado College, Regis University and the University of Denver are eligible for merit awards. Award recipients are currently required to maintain a 3.0 grade point average (GPA) to maintain their awards although individual institutions may establish additional criteria. Merit aid recipients statewide are exceeding this benchmark averaging a 3.61 GPA and significantly exceeding the overall student population's average GPA of 2.77.

Graduate student participation in state-funded merit assistance comprises slightly more than 10 percent of total merit aid. These students on average received awards of \$2,521 with one-third of the awards going to out-of-state students. In lean budget years, it seems pertinent to question the appropriateness of providing limited aid to graduate students who are more likely to be working, to receive fellowships, to have employers underwrite their tuition and who are out-of-state students. While institutions use merit aid to recruit out-of-state graduate students, the rationale for allowing state tax dollars to go to students who are not Colorado residents is difficult to defend.

Other States Approaches to Merit Aid

Other states vary in their approach to merit funding:1

- Twenty-one states identify need-based state grant programs that also contain a merit component i.e., a need-merit combination. These merit programs constituted 39 percent of the total merit aid in 2001-2002.
- Twenty-eight states identify non-need-based state grant programs with a merit component. Merit-only programs made up 45 percent of the total merit aid available in 2001-2002.
- Thirty-four states identify non-grant programs with a merit component such as loan forgiveness, work-study or special purpose scholarships.

Of the twenty-eight states that have merit-only programs, methods used to allocate money include:

- Centralized programs awarded similarly to the Governor's Opportunity Scholarship program that provide less than a full scholarship;
- FTE funding to four-year institutions using a smaller percentage for larger institutions and funding smaller awards ranging from \$1,000 to \$300. May be awarded to out-of-state students who receive both the award and a waiver of out-of-state tuition rates;
- Cumulative high school GPA through first semester of 12th grade plus ACT score using an index similar to Colorado's admission index. All high school graduates are then ranked and one scholarship is given to a senior from every high school. They are guaranteed \$2,200 for four years if they maintain a minimum GPA; and
- Combination of class rank and GPA.

^{1 33&}lt;sup>rd</sup> Annual Survey Report on State-Sponsored Student Financial Aid, 20001-2002 Academic Year, by the National Association of State Student Grant and Aid Programs

There are certain state programs that warrant more discussion based upon the size of the program and the public scrutiny they have received as innovations in the financing of higher education. The following states have taken a leadership role that has changed the dynamics of financial aid for postsecondary students.

Georgia's Hope Scholarship, started in 1993, is the most widely analyzed merit/need award in the country. The award is available to any Georgia high school graduate that has a minimum of a 3.0 cumulative GPA and has graduated in the "college prep track". The scholarship is also available to any Georgian who does not meet the academic requirements but attempts the equivalent of at least 30 hours of college level coursework with a cumulative GPA of 3.0. Students who maintain a 3.0 GPA are eligible to receive the scholarship for 127 credit hours. The HOPE Scholarship pays for the equivalent of mandatory tuition and fees for the semester and provides a book allowance of \$150 per semester for full-time students.

In 2001-2002, approximately 196,000 students received a HOPE scholarship; Georgia spent \$323.0 million in 2001-02. Funds come through a special lottery established in 1992. Eligible institutions include public and private colleges/universities and technical schools. About 60 percent of funds spent from 1993 through 2003 went to the Georgia University system: a total of \$1.97 billion has been spent during that time period.

Florida's Bright Futures scholarship program has grown to be the largest financial aid program in Florida and provides a full ride to college or a break in tuition to students if they have an SAT score of 970, which is lower than Florida's average SAT score of 998 and/or a high school GPA of 3.0. Funding comes from the state lottery.

The program has three types of awards, but generally covers between 75 percent and 100 percent of tuition and fees at public four-year, two-year and private colleges or vocational institutions. Bright Futures, an entitlement for all qualified students by high school grade point average or SAT score, has grown to \$143.1 million. \$27.8 million was added to the program as a result of underestimating the 2003 cost. The Governor of Florida is expected to recommend \$197 million for the Bright Futures budget for the next academic year.

The Arkansas Academic Challenge Scholarship provides an award beginning at \$2,000 for the freshman year that is renewable for up to 3 more years provided the student meets the continuing eligibility requirements. Eligibility is provided to students who graduated from an Arkansas high school within the previous two-year period who must be enrolled in an approved program within 12 months after high school. Academic criteria are set by the state and differ slightly for eligibility to attend two- and four-year institutions. An academic high school GPA of between 2.5 and 3.25 is required in a defined core curriculum combined with an ACT composite score between 15 and 35. As the GPA declines, the required ACT score increases. In addition to the ACT composite score and the high school GPA, a student must meet a sliding scale need criteria based on the number of dependent children and family income. For example, a family with one dependent child must have an income not exceeding \$50,000 for the two years preceding the year of high school graduation.

West Virginia's Promise Scholarship aims to improve educational standards, reduce the loan burden of college students and graduates, and strengthen the economy. The merit-based program seeks to get more students into college and raise the retention rate of those students. Eligibility requirements include a 3.0 high school grade point average in core courses that are defined by the state, a 21 ACT composite score or 1,000 SAT score. PROMISE offers 70 percent of the costs of tuition. In 2004, the grant will fund 100 percent of tuition. West Virginia phased the program in by funding new high school graduates in the first year (2001) for an investment of approximately \$5.5 million. The state plans to spend \$27 million in 2004 when the program is fully developed to fund 6,000 students.

The Promise Scholarship is funded by a combination of appropriations from the lottery; other funding sources are used if lottery funds are not sufficient. The program is purposefully geared to middle income students who are often choosing not to attend college and who, if they do attend, borrow heavily.

Summary of Issues Presented

As the Commission reviews the financial aid merit appropriation losses of the FY 2004, it is important to identify who has lost the most – generally moderate to middle income families. It is also important to note that 37 percent of the merit students in FY 2003 had documented student need and is lower income.

The importance of college, cited in many research studies, improves earnings of the graduate – a high school graduate could, in 2001, expect to earn \$23,470, while a college graduate with a bachelor's degree could expect to earn \$40,6962. College education also enhances personal income taxes paid and strengthens the state's infrastructure.

Although some states have gone to a need/merit system, and indeed, many experts argue that the role of the state in funding financial aid is to broaden access for low-income students who may not go to college if financing is not available. An article published in the September 19, 2003 *Chronicle of Higher Education* entitled "As Tuitions Rise, What Will Happen to Quality and Access" argues that state subsidies should focus on low-income students. As a compromise with that position, other states such as Florida and Arkansas are combining need and merit, allowing for top (and sometimes above average) need-based students to be funded through these merit-need financing schemes. Colorado is already focusing the majority of its financial aid resources on the neediest students.

While these approaches and theories may have value in certain states, if Colorado can grow its financial aid back to the 2003 level and regain its previous lead in maintaining access through stable tuition costs and stable, if not increased funding, should top scholars not be rewarded with state funding? Should parents of these students have to face realities that if their income is average or above average, their student is left without a state scholarship?

-

² Source: Census Bureau, taken from the College Invest report, Colorado's Education Financing Resource

Why Change the Current System?

As the Commission analyzes new options for merit awards, it is important to remember that generally, moderate to middle-income families have been most affected by increases in tuition and the reductions in financial aid. In addition, this year's highest legislative priority is to work with the General Assembly to restore financial aid appropriations to previous levels and ultimately to increase those resources.

While the Commission has already decided that funding merit aid is sound public policy, it is useful to understand what would happen if the policy were revised. If Colorado changed merit aid policy and allocated merit dollars to needy students, 9,450 more students could receive aid. On the other hand, over 6,700 students would lose merit aid; the state's failure to acknowledge excellence and hard work seems as important as the number of additional students who could receive need-based aid.

The current system is diffuse. The state is essentially providing a supplement to institutions' enrollment funding under the current allocation method rather than a clear award to students. More important, perhaps, is a missed opportunity for Colorado to provide an incentive for hard work and high achievement. If the state were to award merit aid directly to students who competed for the honor — similar to the Boettcher Scholarship — or reward the highest ranked high school students, the awards could also serve to motivate students throughout the state to qualify for the award.

Currently, the state requirements for Colorado merit awards require only that a student have a 3.0 GPA while the average freshman entering a public four-year institution has a 3.3 GPA. Data from CCHE applicant files for four-year colleges show that the average high school GPA of a merit recipient is 3.77.

One purpose of merit awards from the perspective of other states has been to keep the best students in-state. There seems to be no reason, then, to provide merit awards to out-of-state students.

While providing dollars for graduate students seems to be a symbolic gesture, it is interesting to note that most institutions do not allocate the full amount they could to graduate students. Instead, they use some of that money for undergraduate students. With continuing concern about the state's budget, it seems appropriate to focus on undergraduates until there are substantially more financial aid resources to allocate.

Policy Change Options

Staff suggests that the Commission adopt the following revisions to the current merit aid policy to be implemented in FY 2006:

Increase the minimum criteria by which institutions award merit aid:

- 1. Continue to fund current resident recipients to completion under the existing policy.
- 2. Allocate future merit aid Colorado residents.

New Eligibility Requirements:

For **recent high school graduates** graduating from a Colorado High School in May 2005 or after:

- a. Recipient must be a Colorado resident.
- b. Recipient must meet the Commission's admissions standards.
- c. A minimum cumulative high school GPA of 3.75.
- d. Renewal of award will require a 3.5 GPA.

For all other undergraduate students:

- a. Recipient must be a Colorado resident.
- b. To initially qualify for the merit award, a student must have a minimum cumulative GPA of 3.75.
- c. Renewal of award will require a 3.5 GPA.

For **graduate students**:

- a. Funding for graduate students **will only be considered** if the merit-based aid appropriation is restored to at least the FY 2003 appropriation level.
- b. Recipient must be a Colorado resident.
- c. To initially qualify for the merit award, a student must have a minimum cumulative GPA of 3.75.
- d. Renewal of award will require a 3.5 GPA.

Allocation of Merit-Based aid beginning in FY 2006:

- a. The community colleges and area vocation schools will receive funding equal to their FY 2004 merit-based aid allocation.
- b. Funding for the public four-year and private four-year institutions will be based on the institution's proportionate share of resident, undergraduate FTE. The change in the funding formula will be phased in over five years and no institution will lose more than 10 percent of the institution's allocation in any given year.

TOPIC: REPORT ON OUT-OF-STATE INSTRUCTION

PREPARED BY: ANDREW BRECKEL III

I. <u>SUMMARY</u>

The Commission holds statutory responsibility to approve instruction offered out-of-state beyond the seven contiguous states. By action of the Commission in 1986 the Executive Director may act for the Commission to approve or deny requests from governing boards for approval of courses and programs to be offered by their institutions. This agenda item includes instruction that the Executive Director has certified as meeting the criteria for out-of-state delivery. These programs are sponsored by the Board of Regents of the University of Colorado.

II. <u>BACKGROUND</u>

Prior to 1983, instruction out-of-state was offered at will by Colorado institutions, primarily through the Extended Studies Program, but an Attorney General opinion of July 3, 1980, concluded that there was no authorizing legislation and out-of-state programs were discontinued. In 1983, the General Assembly enacted legislation that authorized non-state-funded out-of-state instruction but also required governing board approval. When the instruction is beyond the contiguous states, Commission approval is required as well.

At its meeting of May 2, 1986, the Commission delegated authority to the Executive Director to determine when out-of-state instruction beyond the contiguous states complies with statutory requirements. In June 1986, the Commission received the first notification of out-of-state instruction certified by the Executive Director. Additional approved out-of-state instruction is reported to the Commission as it is received and reviewed.

III. ACTION

The Executive Director has approved the following out-of-state instruction.

The Board of Regents of the University of Colorado has submitted a request for an outof-state instructional program to be delivered by the University of Colorado Health Sciences Center.

- "Stepping Up to the Challenge of Intermittent Claudication," described herein as an out-of-state instructional program to be presented in Ft. Lauderdale, FL, Anaheim, CA, and Rosemont, IL on April 3, May 14, and June 18, 2004.
- "Choosing the Right Analgesic for Your Patients," described herein as an outof-state instructional program presented in Ft. Lauderdale, FL, Anaheim, CA, and Rosemont, IL on April 2, May 14, and June 16–19, 2004.

The Board of Regents of the University of Colorado has submitted a request for an outof-state instructional program to be delivered by the University of Colorado at Colorado Springs.

- "SPED 491/591 Rewards Training of Trainers for Building Local Capacity Workshop," described herein as a one-year out-of-state instructional program to be offered in Portland, Oregon from June 14–15, 2004, Orlando, Florida from June 17–18, 2004, and San Diego, California from June 21–22, 2004.
- "CURR 4051/5051 LETRS: Language Essentials for Teachers of Reading and Spelling The Speech Sounds of English: Phonemes and How to Teach Them," described herein as a one-year out-of-state instructional program to be offered from the Spring 2004 semester through the Spring 2005 semester in California, Oregon and other requested locations.
- "CURR 4052/5052 LETRS: Language Essentials for Teachers of Reading and Spelling Teaching Phonics, Word Study, and the Alphabetic Principle," described herein as a one-year out-of-state instructional program to be offered from the Spring 2004 semester through the Spring 2005 semester in California, Oregon and other requested locations.
- "CURR 4053/5053 LETRS: Language Essentials for Teachers of Reading and Spelling The Mighty Word: Building Vocabulary and Oral Language," described herein as a one-year out-of-state instructional program to be offered from the Spring 2004 semester through the Spring 2005 semester in California, Oregon and other requested locations.
- "CURR 4054/5054 LETRS: Language Essentials for Teachers of Reading and Spelling Getting Up to Speed: Developing Fluency," described herein as a one-year out-of-state instructional program to be offered from the Spring 2004 semester through the Spring 2005 semester in California, Oregon and other requested locations.
- "CURR 4055/5055 LETRS: Language Essentials for Teachers of Reading and Spelling Digging for Meaning: Teaching Text Comprehension," described herein as a one-year out-of-state instructional program to be offered

from the Spring 2004 semester through the Spring 2005 semester in California, Oregon and other requested locations.

- "CURR 4057/5057 Step Up to Writing: Basic, Practical and Helpful Writing Instruction, Day One thru Day Four," described herein as a one-year out-of-state instructional program to be offered throughout the United States, with primary focus in Colorado, Washington, California, Wyoming, New York, Virginia, and Utah. Heaviest months are August, October, January, March, and May. Pending approval, this program is slated to being June 14, 2004.
- "CURR 4058/5058 Step Up to Writing: Basic, Practical and Helpful Writing Instruction, Day One and Day Two," described herein as a one-year out-of-state instructional program to be offered throughout the United States, with primary focus in Colorado, Washington, California, Wyoming, New York, Virginia, and Utah. Heaviest months are August, October, January, March, and May. Pending approval, this program is slated to being June 14, 2004.
- "CURR 4059/5059 Step Up to Writing: Basic, Practical and Helpful Writing Instruction, Day Three and Day Four," described herein as a one-year out-of-state instructional program to be offered throughout the United States, with primary focus in Colorado, Washington, California, Wyoming, New York, Virginia, and Utah. Heaviest months are August, October, January, March, and May. Pending approval, this program is slated to being June 14, 2004.

Agenda Item VI, A Page 4 of 4 Report

Appendix A

STATUTORY AUTHORITY

The Commission is given responsibility for approval of out-of-state instruction beyond the contiguous states in C.R.S. 23-5-116.

TOPIC: FTE – SERVICE AREA EXEMPTIONS

PREPARED BY: ANDREW BRECKEL III

I. <u>SUMMARY</u>

This agenda item presents approved service area exemptions that allow community colleges, local district colleges, and area vocational schools to provide short-term access to a certificate or degree program not available in another institution's defined service area. The FTE can be claimed for state support.

C.R.S. 23-1-109 limits state support eligibility to credit hours offered within the geographic boundaries of the campus. The geographic service areas for community colleges, as defined in CCHE policy Section I, Part N - Service Areas of Colorado Public Institutions of Higher Education, apply to two-year colleges, area vocational schools (AVS), Adams State College (ASC), and Mesa State College (MSC).

The Commission recognizes that the FTE Policy may not address every possible circumstance. Institutions may request an exemption from the Commission when encountering a circumstance that the policy does not explicitly address (e.g., no other institution is approved to offer this degree within the service area). Exemptions approved by CCHE staff and entered into the public record do not alter or establish the state policy, but only apply to the applying institution for the particular circumstance for a specified period of time.

CCHE staff approved the following service area exemption. No further action is needed.

GUEST INSTITUTION	HOST INSTITUTION	PROGRAM	FTE	TIME PERIOD
MCC	AIMS	Colorado Young Farmer	20	FY 2004

TOPIC: FINANCIAL STATEMENT REVIEW

PREPARED BY: RICHARD SCHWEIGERT

I. <u>SUMMARY</u>

Review of Income and Balance sheet statements for the University of Colorado System.

Attachment



UNIVERSITY OF COLORADO SYSTEM

Boulder • Colorado Springs • Denver • Health Sciences Center

Office of the University Controller

Campus Box 436

Boulder, Colorado 80309-0436

Phone: (303) 492-9702 Fax: (303) 492-9722

MEMORANDUM

DATE: December 1, 2003

TO: The Regent Audit and Financial Advisory Committee

FROM: Mary Catherine Gaisbauer

Assistant Vice President and University Controller

SUBJECT: Quarterly Financial Report as of and for the Period Ended September 30, 2003

EXECUTIVE SUMMARY

The Vice President of Finance and Budget office, in cooperation with the campuses' Vice Chancellor of Finance offices, are pleased to present the quarterly financial report as of and for the period ended September 30, 2003. This report includes the following three statements (unaudited).

The first statement is a comparative Statement of Net Assets covering three periods: June 30, 2002 and 2003 and September 30, 2003.

The second statement is a comparative Statement of Revenues, Expenses in Changes in Net Assets. This statement includes the actual amounts realized for the years ended June 30, 2002 and 2003 and the period ended September 30, 2003. The statement also includes projected amounts for the year ending June 30, 2004 and the fiscal year 2004 budget (see the following footnotes).

The final statement is a comparative Statement of Revenues, Expenses in Changes in Net Assets for the Auxiliary and Self-Funded Activities of the University. It displays the total operating revenues and expenses of each category of Auxiliary and Self-Funded Activities. This statement includes the actual amounts realized for the years ended June 30, 2002 and 2003 and the period ended September 30, 2003. The statement also includes projected amounts for the year ending June 30, 2004 and the fiscal year 2004 budget (see the following footnotes).

November 24, 2003 Quarterly Financial Report As Of And For The Period Ended September 30, 2003 Page 2 of 10

The attached summary, "Explanation of Variances," provides details for all items on the financial statements that have significant variances. For the Statement of Net Assets, variances are between June 30, 2003 and September 30, 2003. For both Statements of Revenues, Expenses in Changes in Net Assets, variances are between June 30, 2003 and projected June 30, 2004 as well as between projected June 30, 2004 and the budget.

The financial position of the University has remained stable as evidenced by the approximately \$52,900,000 increase in net assets. This increase is the direct result of three equal factors: continued enrollment growth, investment revenues and cost management activities.

It is our intention that the quarterly financial reports supplement our Annual Financial Report to help apprise the Board of our financial position throughout the year. We would appreciate any feedback on the presentation of this information to ensure it meets it intended purpose.

Respectfully Submitted,

Mary Catherine Gaisbauer

Assistant Vice President and University Controller

Mary Catherin Shisbauer

November 24, 2003 Quarterly Financial Report As Of And For The Period Ended September 30, 2003 Page 3 of 10

Footnotes to the Quarterly Financial Report

- 1 Statements of Revenues, Expenses in Changes in Net Assets only include projections and budgets for noncapital activity of the University.
- 2 The projections included on both Statements of Revenues, Expenses in Changes in Net Assets are based on management's professional judgment. Key principles utilized by management included understanding of historical patterns as adjusted for changes in current business practices of the University or industry.
- 3 The Original Approved Budget included on the Statement of Revenues, Expenses in Changes in Net Assets (university-wide) represents the budget approved by the Regent in June 2003. Minor adjustments to the approved budget were made to improve the presentation with the statement and include:
 - **a.** The addition of an amount for depreciation,
 - **b.** The presentation of mandatory transfers for interest as interest on capital asset related debt, and
 - **c.** The inclusion of additional investment earnings which were presented to the Board as a non-operational item as they represent additions to the investment pool reserves and not distributions to the campuses.
- 4 The Statement of Revenues, Expenses in Changes in Net Assets for the Auxiliary and Self-Funded Activities represents the activities of such operational units of the University. It is important to note that such operational units include more than the activity categorized as "Auxiliary enterprises" on the Statement of Revenues, Expenses in Changes in Net Assets (university-wide).
- 5 The Original Budget included on the Statement of Revenues, Expenses in Changes in Net Assets for the Auxiliary and Self-Funded Activities represents the operational budgets.

University of Colorado Quarterly Financial Report As of and for the period ended September 30, 2003 Page 4 of 10

Statement of Net Assets

Statement of Net Assets					
		June 30 2002	June 30 2003	September 30 2003	Note
Current Assets		2002	2002	2002	11010
Cash and cash equivalents	\$	1,692,326	849,932	798,327	
Investments	-	95,660,178	148,647,553	308,272,381	Α
Accounts and loans receivable, net allowances		82,536,349	89,573,912	103,318,719	В
Inventories		8,125,119	7,762,482	8,018,834	
Other assets		3,594,235	4,123,068	3,665,413	
Total Current Assets		191,608,206	250,956,947	424,073,673	-
Noncurrent Assets			, ,		
Investments		524,415,087	459,893,510	455,592,922	
Accounts and loans receivable, net allowances		32,884,404	31,849,130	39,788,645	C
Other assets		3,832,213	4,066,817	5,379,842	
Capital assets, net accumulated depreciation		1,008,552,989	1,191,656,882	1,203,234,963	
Total Noncurrent Assets		1,569,684,693	1,687,466,339	1,703,996,372	•
Total Asse	ets \$	1,761,292,900	1,938,423,286	2,128,070,045	•
Current Liabilities	=			, , ,	=
Accounts payable	\$	43,744,427	48,897,252	48,100,368	
Accrued expenses	Ψ	51,816,646	102,690,442	48,326,581	D
Accrued compensated absences		4,922,835	5,123,821	5,123,821	_
Deferred revenue		58,595,515	59,861,126	144,538,081	Е
Bonds, notes and leases payable		14,716,410	18,790,902	19,855,547	L
Other liabilities		15,317,561	32,745,804	40,476,791	F
Total Current Liabilities		189,113,394	268,109,346	306,421,189	
Noncurrent Liabilities		105,110,05	200,100,010	200,121,109	
Accrued compensated absences		65,687,942	68,144,792	68,144,792	
Deferred revenue		7,661,280	7,375,131	7,375,131	
Bond, notes, and leases payable		339,859,839	347,721,094	446,785,418	G
Other liabilities		26,859,023	14,904,441	14,233,853	
Total Noncurrent Liabilities		440,068,084	438,145,459	536,539,194	•
Total Liabiliti	ies \$	629,181,478	706,254,805	842,960,383	-
Net Assets	_	, ,			=
Invested in Capital Assets, Net of Related Debt	\$	719,750,007	823,024,051	810,234,799	
Restricted for Nonexpendable Purposes (endowments):	Ψ	717,750,007	023,021,031	010,231,777	
Academic support		8,804,160	8,419,965	8,592,195	
Scholarships and fellowships		11,014,685	10,828,079	11,077,584	
Capital		2,554,376	916,067	936,759	
Other		4,835,714	6,278,464	6,345,671	
Total Restricted for Nonexpendable Purposes		27,208,935	26,442,575	26,952,209	•
Restricted for Expendable Purposes		_,,_,,,,	,,	,,,,	
Instruction		14,619,839	13,872,234	15,587,393	
Research		7,652,833	21,639,231	18,140,685	
Academic support		7,834,096	8,137,996	9,122,060	
Student loans and services		40,248,737	40,984,251	41,341,506	
Institutional support		5,107,012	5,495,156	4,772,546	
Scholarships and fellowships		8,058,021	9,635,353	11,811,937	
Other		9,411,752	9,075,049	9,364,560	
Total Restricted for Expendable Purposes		139,316,465	116,865,989	117,396,933	-
Unrestricted		245,836,014	265,835,866	330,525,720	
Total Net Asse	ets \$	1,132,111,421	1,232,168,481	1,285,109,661	-
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University of Colorado Quarterly Financial Report As of and for the period ended September 30, 2003 Page 5 of 10

Statement of Revenues, Expenses and Changes in Net Assets¹

		Actual		Projected ²	Original Approved	
-	June 30 2002	June 30 2003	September 30 2003	June 30 2004	Budget ³ 2004	Note
Operating Revenues						
Student tuition & fees, net scholarship						
allowances	\$ 294,560,154	336,320,585	96,715,501	368,806,989	361,860,666	H
Federal grants and contracts	414,911,130	458,962,604	127,879,337	473,553,526	476,873,085	I
State and local grants and contracts	34,683,719	27,061,299	9,298,252	32,573,051	32,149,641	
Nongovernmental grants and contracts	54,540,265	43,384,384	12,591,808	50,154,542	57,082,734	
Sales and services of educational departments Auxiliary enterprises, net scholarship	78,153,948	91,248,022	25,845,570	99,350,441	90,450,950	J
allowances	112,891,341	118,321,777	34,852,960	117,949,743	119,420,978	
Health services	108,859,740	122,741,402	34,121,953	131,229,710	112,854,715	K
Other operating revenues	45,816,304	45,929,197	14,546,608	42,868,461	36,461,754	
Total Operating Revenues	1,144,416,601	1,243,969,269	355,851,990	1,316,486,463	1,287,154,523	
Operating Expenses Education and general:						
Instruction	419,560,536	452,457,295	93,679,431	470,822,922	486,463,860	L
Research	300,265,608	321,742,707	84,469,645	329,961,370	336,578,740	L
Public service	49,244,044	43,763,900	11,213,794	45,809,989	46,780,018	
Academic support	87,633,384	85,588,603	23,701,891	88,890,509	104,203,688	M
Student services	60,039,409	60,523,655	16,033,311	62,080,602	63,232,368	
Institutional support	76,540,569	80,433,334	21,257,322	75,536,462	80,928,535	M
Operation and maintenance of plant	71,485,716	76,547,398	30,045,801	72,668,343	74,668,190	
Student aid	29,304,481	30,145,732	8,070,514	22,191,515	20,358,061	
Total Education and general expenses	1,094,073,747	1,151,202,624	288,471,710	1,167,961,711	1,213,213,460	•
Depreciation	63,830,213	68,012,999	16,104,722	67,803,902	68,855,000	
Auxiliary enterprises	110,529,595	113,817,921	28,969,736	116,128,400	114,706,811	
Health services	119,608,992	124,050,665	33,951,671	130,574,821	111,889,433	K
Other operating expenses	280,313	60,440	64,189	256,758	-	
Total operating expenses	1,388,322,861	1,457,144,650	367,562,028	1,482,725,592	1,508,664,704	•
Operating Loss	(243,906,260)	(213,175,380)	(11,710,038)	(166,239,129)	(221,510,181)	•
Nonoperating Revenues (Expenses)	(-,,,	(-, -,,	() -)/	(,, -,	(), - ,	
State appropriations	216,884,442	193,627,655	42,412,566	155,399,870	155,399,870	N
Gifts	50,690,870	60,116,466	13,122,478	54,885,159	62,066,315	
Investment income, net expenses	10,523,788	30,417,550	7,667,419	31,369,335	28,616,967	O
Loss on disposal of fixed assets	(6,203,123)	(4,495,476)	(19,500)	(89,497)	-	
Interest on capital asset related debt	(8,817,678)	(8,598,237)	(3,989,308)	(15,957,232)	(17,573,717)	P
Other nonoperating revenues, net expenses	5,515,168	6,563,878	2,439,799	12,199,204	6,427,090	
Total Net Nonoperating Revenues	268,593,467	277,631,836	61,633,454	237,806,838	234,936,525	-
Income Before Other Revenues	24,687,207	64,456,456	49,923,416	71,567,710	13,426,344	•
Capital appropriations	12,344,199	9,734,424	609,213			=
Capital grants and gifts	41,541,353	25,805,556	2,391,104			
Additions to permanent endowments	8,554	60,624	17,448			
Total Other Revenues	53,894,106	35,600,604	3,017,764			
Increase in Net Assets	78,581,313	100,057,060	52,941,180			
Net Assets, beginning of year adjusted	1,053,530,108	1,132,111,421	1,232,168,481			
	\$ 1,132,111,421	1,232,168,481	1,285,109,661			
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University of Colorado Quarterly Financial Report As of and for the period ended September 30, 2003 Page 6 of 10

Statement of Revenues, Expenses and Changes in Net Assets¹ Auxiliary and Self-Funded Activities⁴

_	Actual			Projected ²	Original	
	June 30 2002	June 30 2003	September 30 2003	June 30 2004	Budget ⁵ 2004	Note
Operating Revenues						
TABOR Exempt Enterprises						
Auxiliary Services						
Intercollegiate Athletics	\$ 23,360,782	26,151,244	\$ 6,619,802	\$ 29,423,617	\$ 34,508,783	
Bookstore	21,188,782	22,703,316	10,873,183	24,292,432	23,832,495	
Student Recreation	5,399,974	5,315,601	2,456,684	5,074,762	5,886,399	
Housing	53,458,722	52,060,728	12,357,700	51,407,774	57,293,696	
Student Health and Apothecary	12,817,699	14,015,943	4,791,653	16,453,188	13,965,220	
Parking	11,161,460	11,528,786	4,036,730	11,998,415	11,616,011	
Student Government	8,643,262	8,724,750	4,663,331	9,074,132	9,046,290	
Student Union	9,708,971	11,195,043	4,791,493	12,537,347	12,553,910	
Total Auxiliary Services	145,739,652	151,695,410	56,590,576	160,261,667	168,702,804	-
Education Services			-			
Extended Studies	28,387,478	27,046,318	11,660,127	30,097,702	31,677,856	
International	1,338,225	1,678,913	1,059,644	1,873,834	1,697,172	
Graduate Medical	34,992,216	44,114,670	12,039,582	47,463,906	43,284,088	
Total Education Services	64,717,919	72,839,901	24,759,353	79,435,442	76,659,116	-
Research Support Services	4,103,259	6,672,850	2,173,348	8,686,875	7,402,775	
Other Self-Funded Services			-			
Self-Insurance Services	743,017	9,641,400	2,356,945	9,138,036	9,784,178	
Utility Plant	3,734,485	23,679,561	3,809,681	28,342,732	26,085,829	
Practice Plans	101,867,336	121,760,133	33,887,834	130,038,771	125,101,312	Q
Telecommunications	2,112,112	11,601,333	2,706,513	8,816,245	11,432,731	
Health Related Fee for Services	18,509,351	23,341,192	5,547,145	18,927,682	18,273,393	
Other	776,848	831,217	364,431	877,171	901,648	
Total Other Self-Funded Services	127,743,149	190,854,835	48,672,549	196,140,637	191,579,091	-
Total TABOR Exempt Enterprises	342,303,979	422,062,996	132,195,826	444,524,620	444,343,786	-
TABOR Exempt Non-Enterprise Self-Funded						
Services	3,140,035	31,331,615	22,325,085	89,300,341	81,655,044	R
Non-Exempt Self-Funded Services	22,343,463	26,676,745	7,111,168	25,471,342	20,224,080	
Total Operating Revenues	367,787,477	480,071,356	161,632,079	559,296,303	546,222,910	•

University of Colorado Quarterly Financial Report As of and for the period ended September 30, 2003 Page 7 of 10

Statement of Revenues, Expenses and Changes in Net Assets¹ Auxiliary and Self-Funded Activities⁴

	Actual			Projected ²	Original	
	June 30 2002	June 30 2003	September 30 2003	June 30 2004	Budget ⁵ 2004	Note
Operating Expenses			-			
TABOR Exempt Enterprises			-			
Auxiliary Services			-			
Intercollegiate Athletics	23,333,127	23,167,960	6,259,745	27,645,149	30,601,809	
Bookstore	20,584,331	21,969,317	9,613,846	23,239,270	23,465,413	
Student Recreation	4,667,574	4,846,907	1,045,029	4,922,401	4,864,315	
Housing	44,459,853	44,779,740	9,276,894	45,507,019	47,404,882	
Student Health and Apothecary	12,415,400	13,248,560	3,028,430	13,319,495	13,633,001	
Parking	6,760,405	7,278,974	1,667,699	6,852,896	7,690,218	
Student Government	8,139,199	8,244,129	1,451,403	9,314,774	8,823,258	
Student Union	7,809,742	8,469,680	1,861,355	8,002,911	8,902,515	
Total Auxiliary Services	128,169,631	132,005,268	34,204,402	138,803,915	145,385,411	•
Extended Studies	23,124,303	23,261,247	5,534,974	23,148,342	25,759,019	
International	1,235,581	1,623,172	533,418	1,235,381	1,788,716	
Graduate Medical	35,433,429	44,546,179	12,044,806	48,179,223	43,345,006	
Total Education Services	59,793,313	69,430,598	18,113,197	72,562,946	70,892,741	•
Research Support Services	5,809,348	8,874,908	1,859,241	7,714,802	10,576,192	
Other Self-Funded Services			-			
Self-Insurance Services	223,571	14,557,427	2,681,184	10,493,208	11,552,562	
Utility Plant	(1,478,990)	15,864,890	2,911,571	15,708,428	18,317,342	
Practice Plans	104,500,137	123,808,486	33,912,770	135,651,078	125,174,766	Q
Telecommunications	(441,578)	8,544,647	1,925,967	7,540,794	8,722,521	
Health Related Fee for Services	16,296,264	20,535,330	5,151,984	19,142,154	17,865,974	
Other	644,564	733,402	149,199	596,339	819,706	
Total Other Self-Funded Services	119,743,968	184,044,183	46,732,674	189,132,001	182,452,871	•
Total TABOR Exempt Enterprises	313,516,260	394,354,957	100,909,514	408,213,664	409,307,215	•
TABOR Exempt Non-Enterprise Self-Funded						
Services	11,938,599	44,325,786	25,523,622	102,152,087	92,061,972	R
Non-Exempt Self-Funded Services	26,513,005	28,080,740	7,557,175	30,158,334	24,091,942	
Total Operating Expenses	351,967,864	466,761,483	133,990,310	540,524,084	525,461,129	<u>-</u> '
Operating Income (Loss)	15,819,613	13,309,873	27,641,769	18,772,219	20,761,781	•
Nonoperating Revenues (Expenses)	7,568,167	12,091,598	2,215,451	13,022,935	10,889,698	<u>-</u> '
Income Before Other Revenues	23,387,780	25,401,470	29,857,220	31,795,154	31,651,479	•
Internal Revenues and Interfund Transfers	(19,665,999)	(14,119,608)	(1,903,443)	(7,625,698)	(34,557,650)	<u>-</u> '
Increase in Net Assets	3,721,781	11,281,862	27,953,777	24,169,456	(2,906,171)	
Net Assets, beginning of year adjusted	99,305,585	103,027,401	·			•
Total Net Assets, end of year \$	103,027,366	114,309,263				

EXPLANATION OF VARIANCES

Note <u>Description</u>

Statement of Net Assets

- A Cyclical increase in current investments of approximately \$159,600,000 results from the collection of fall tuition at the beginning of the term, which is only half completed as of September; the amounts will be used for the expenditures related to delivering classes the remainder of the semester.
- B Cyclical increase in receivables of approximately \$21,700,000 results from the uncollected fall tuition student accounts at the beginning of the term, which is only half completed as of September; management expects to collect the outstanding amounts in accordance with normal payment schedules during the remainder of the semester.
- C Increase in noncurrent receivables is due to an approximately \$6,100,000 loan to the University of Colorado Real Estate Foundation.
- D Decrease in Accrued Expenses resulted from payment of the University's June 2003 payroll which was delayed to the first quarter due to the change in State law.
- E Cyclical increase in deferred revenue of approximately \$87,700,000 results from the collected but unearned revenues primarily related to fall tuition (also see A above).
- F Increase in other liabilities is the result of an increase in construction contract retainage related to new capital asset projects (see the attached table on page 7).
- G Increase in bonds and leases payable are related to the issuance of Revenue bonds for \$64,260,000 and Certificates of Participation for \$35,000,000 (see purpose of proceeds in the attached table on page 7).

Statement of Revenues, Expenses and Changes in Net Assets

- H Student Tuition and Fees increased due to the increase in approved tuition rates, which averaged for 10 and 6 percent for residents and non-residents, respectively, and the increase in enrollments, which averaged 2 percent or approximately 970 students.
- I Increase in Federal grants and contracts revenues is consistent with current trend of increased research awards.
- J Increase in Sales and Services of Educational Departments revenues is the result of increased entrepreneurial activities of our departments, which was not anticipated in the budget.
- K Health Services is primarily revenues recognized for payments made on-behalf of for the Health Sciences Center faculty by University Physicians, Incorporated (UPI). Increase in Health Services revenues is approximately \$8,000,000 reflective of the increase in clinical services provided by UPI, which was not anticipated in the budget. Due to the nature of the on-behalf payments, there is a corresponding increase in expenses.
- L Increases in expenses for Instruction and Research program is the result of expanded programs, which was anticipated in the budget.

Quarterly Financial Report As of and for the period ended September 30, 2003 Page 9 of 10

Note Description

- M Non-programmatic expenses are below budget and have not significantly increased from the prior year as a result of management's continued efforts to contain costs and focus resources on programmatic needs.
- N State Appropriations decreased by approximately \$38,200,000 or 20% due to State funding reductions as a result of the economic challenges facing the State.
- O The University is continuing to earn unrealized recovery of prior year's unrealized losses as a result of successful investment policies.
- P Increase in interest expense related to capital assets is the result of the additional issuances of debt (see F above).

Statement of Revenues, Expenses and Changes in Net Assets - Auxiliary and Self-Funded Activities

- Q The largest component of the Practice Plans is UPI; see explanation of increases described in K above.
- R In the current year, the Boulder campus implemented a fringe benefit rate pooling process, accounted for in as a TABOR Exempt Non-Enterprise Self-Funded Services, which significantly increases actual revenues with a corresponding increase in expenses.

The following table describes the current capital asset activity of the University.

Current Construction Project Details (in thousands)

	Fiscal Year		
Campus/Project Description	Completed	Financing Sources	Value*
CU-Boulder:			
 An extensive renovation to student housing centers, which has been segregated in to the following phases: 		Bond proceeds	
• Phase I	2003		14,857
• Phase II	In progress		41,226
 Folsom Stadium improvements to enlarge the east side of the stadium, add a first floor concourse, and facilities management shop space, resulting in increased seating capacity. 	2004	Bond proceeds	47,500
 CU-Boulder Research Laboratory – provides partial reimbursement for the purchase of a building to accommodate expansion space for its research programs, which was made in the third quarter of Fiscal Year 2003. 	2004	Bond proceeds (see G above)	6,600
UCHSC:			
 Continuation of the Fitzsimons expansion with the addition of the Research Complex I, which will provide new, state-of-the art biomedical research facilities with research laboratory modules, lab support space, research offices and academic auditorium space. 	In progress	Bond proceeds (see G above), federal awards, gift and campus cash resources	216,000
• Addition of the Oral Health Building to the Fitzsimons campus to provide space for patient care and instruction.	In progress	Private resources and Certificates of Participation proceeds (see G above)	26,500
 The Barbara Davis Center for Childhood Diabetes will also further the provision of clinical, research and educational space at Fitzsimons. 	In progress	Private donations and bond proceeds (see G above)	26,300
CU-Colorado Springs:			
• The Main/Cragmor Project is a complete renovation project of buildings providing student support and administrative space. This project was state funded and was suspended in Fiscal Year 2002 due to State budget shortfalls (see below, Economic Factors That Will Affect the Future). In Fiscal Year 2003, the buildings were separated into the following distinct projects:		State appropriations supplemented with the following:	
• Main Hall	2003	Campus resources	12,449
• Cragmor	In Progress	Certificates of Participation proceeds (see G above)	3,500
 CU-Colorado Springs Parking – provides for the construction and equipping of a parking facility to address the campus' growing needs, with office space for the campus public safety office. 	In Progress	Bond proceeds (see G above)	6,000
CU-Colorado Springs University Hall – provides for the acquisition of a building to provide additional office, educational and laboratory space primarily for the nursing and engineering programs. This building was purchased by the CU Foundation in the second quarter of Fiscal Year 2003 and leased to the University.	2004	Certificates of Participation proceeds (see G above)	7,925

TOPIC: 2004 NO CHILD LEFT BEHIND GRANTS

PREPARED BY: CAROL FUTHEY

I. <u>SUMMARY</u>

Title II (Part A) of the No Child Left Behind (NCLB) Act of 2001, Improving Teacher Quality, is a federal program focusing on preparing, training, and recruiting high-quality teachers. The Colorado Commission on Higher Education (CCHE) is authorized to administer the competitive portion of the program that provides grants to institutions of higher education in partnership with local education agencies. For 2004, approximately \$700,000 was available for distribution, and CCHE solicited proposals that focused on two areas:

- A. <u>Professional development activities for teachers in the mathematics content area, especially in grades 8 and 9</u>. Consistent with the intent of NCLB to have highly qualified teachers and increase students' interest and achievement in reading, mathematics, and science, this priority also contributes to strengthening teachers in one of the disciplines critical to implementation of the precollegiate curriculum added by the Commission to its admissions standards policy in October 2003.
- B. <u>Projects supporting first year teachers that encourages their retention in the teaching profession</u>. Just as crucial as preparing qualified teachers is the need to support and mentor those entering the profession. Ultimately these efforts expand and strengthen the state's workforce capacity.

Proposals were reviewed by CCHE staff, assisted by external readers who represented K-12 educators, the Colorado Department of Education, and the Alliance for Quality Teaching. Twenty proposals were submitted for review, requesting funds totaling \$1.3 million. Because CCHE placed a \$75,000 cap on requests, the Commission was able to fund half of the requests.

Grant recipients, along with a brief overview of the proposed projects, are listed at the end of this report. While specifics are provided in the summary, several general points about the projects are worth noting:

- A. Most proposals reflect collaboration within institutions between faculty in schools/colleges of education and the content areas in the liberal arts and sciences.
- B. Grant recipients are statewide, with 30% of the funds awarded to institutions outside the Front Range.
- C. Applicants often collaborate with other funding sources to leverage a greater funding impact than individual grants would allow.

Agenda Item VI, D Page 2 of 7 Report

Awardees are expected to complete their projects by December 2004, unless an extension is requested, at which time the results are to be shared with others statewide.

This report is for information, and no action is needed.

2004 No Child Left Behind Grant Recipients

Institution: Adams State College Amount: \$71,222

Title: San Luis Valley Math Academy Project Director: Deborah Blake

Summary: Through a consortium of 10 school districts in rural and outlying areas in the San Luis Valley and Adams State College's School of Education and Graduate Studies and School of Science, Mathematics and Technology, this project will promote and enhance math education, focusing on pre-algebra and algebra in grades 8 and 9. The project, "The San Luis Valley Math Academy," provides for: the improvement of teacher preparation (pre-service and in-service) in math education, the increase in the number of highly qualified math educators, and the development of "learner centered" mathematics curriculum. Specific activities include a summer Math Camp for Teachers and Students, a Math Help Line, and delivery of teacher- developed *Handbooks for Math Instruction* to teachers in participating districts (Alamosa RE-11J, Centennial R-1, Center 26 JT, Del Norte C-7, Moffatt 2, Monte Vista C-8, North Conejos RE-13, Sargent RE-33J, Sierra Grande R-30, and South Conejos RE-10).

Institution: Colorado Christian University

Amount: \$55,000

Title: Colorado Christian University/Colorado School of Mines & Selected Denver-Metro School Districts Partnership to Prepare Highly Qualified Mathematics Teachers for Grades 7 – 12 Project Director: Sara Dallman

Summary: This project's purpose is to build a partnership between CCU's School of Education and CSM's Mathematical and Computer Sciences Department that will: a) provide professional development for current middle and high school teachers seeking to become "highly qualified" as mathematics teachers in their Colorado public school district, and b) improve teacher preparation opportunities for university mathematics majors seeking to become Colorado secondary teachers. The partnership will form joint agreements with selected Denver metropolitan area secondary schools for professional development and teacher preparation activities. More specifically, teachers from the Jefferson County, Littleton, and Denver Public School Districts will participate in a summer "highly qualified" mathematics teacher development program offered by the partnership institutions. Bell Middle School and Pomona High School (Jefferson County) and Kennedy High School (Denver Public Schools) will partner with CCU to strengthen the school-based experience of teacher preparation students to include tutoring of those who are underperforming.

Institution: Colorado State University

Amount: \$70,000

Title: Reform in Mathematics Education (RIME): A Model of Collaboration for Enriching Mathematics Preparedness and Teacher Retention Project Dir: David Whaley

Summary: This project is designed to improve mathematics instruction for K-12 teachers and students through a partnership between CSU (through its School of Education; the Department of Mathematics; the Center for Science, Mathematics, and Technology Education; and the College of Natural Sciences), Weld County RE-1 School District, and local members of the business and engineering profession. Thirty teams will be formed--each comprised of two elementary teachers, three middle school mathematics teachers, one senior high school mathematics teacher, one business or engineering professional from the local community served by the school district, a CSU faculty member from mathematics and one from teacher education, and one preservice teacher education candidate in mathematics. The central purpose of each team will be for its members to collaborate in designing and delivering lesson plans that incorporate the knowledge and skills that (a) are central to a progressive mathematics program as outlined in the Colorado K-12 Model Content Standards for Mathematics, (b) are consistent with the state's Performance Based Teacher Education (PBTE) Standards, (c) embrace the state's Content Standards for Mathematics Teachers, and (d) are relevant to societal needs and to the world of work. Each team will become familiar the National Council for Teachers of Mathematics (NCTM) Standards to ensure consistency with national expectations for mathematics education.

Institution: Colorado State University-Pueblo Amount: \$70,000

Title: Southern Colorado Math Initiative Project Director: Victoria Marquesen

Summary: The Southern Colorado Math Initiative partnership is an alliance of 24, mostly rural, high-need school districts with Otero Junior College, Colorado State University-Pueblo, and CDE's MathStar Project. The participating school districts are Rocky Ford, Custer County, Aguilar, Lamar RE-2, Buena Vista R-31, Salida R-32-5, Huerfano RE-1, Pueblo School District 60, Pueblo School District 70, Kim R-88, Plainview RE-2, Campo RE-6, Holly RE-3, Crowley County, Manzanola, Las Animas, Fowler R4J, Wiley RE-13J4, East Otero R-1, Cheraw, Walsh RE-1, Branson RE-82, Fremont RE-3, Trinidad School District 1. The partnership's goal is to increase the number of highly qualified teachers of mathematics by implementing a minimum of 18-21 hours of professional development in mathematics. A minimum of 50 current teachers in grades 8 and 9 will become "highly qualified" in mathematics, completing a minimum of 24 A minimum of 50 additional current teachers will increase their knowledge of mathematics by completing professional development courses. The project also plans to increase the pipeline of students preparing to become mathematics teachers and expand the support for first year teachers, improving teacher quality and retention. A minimum of 80% of first year teachers, and all first year teachers of mathematics, in all partner schools, will participate in Community of Learners activities throughout the fall 2004 semester.

Agenda Item VI, D
Page 5 of 7
Report

Institution: Fort Lewis College Amount: \$74,484

Title: Calculating Success Project Director: Amy Getz

Summary: The goal of the *Calculating Success Program* is for Fort Lewis College faculty to provide middle school math teachers in the rural isolated corner of southwest Colorado with support in developing their understanding of mathematics education reform and mathematics content. Thirty-eight percent of the school districts in the FLC region are considered high needs, and 53% of the districts serve over 40% of their students through the free and reduced lunch program. These educators have a special need for professional development opportunities because of the geographic isolation of the region and paucity of education resources. These teachers also are working with a culturally and economically diverse population that has not been traditionally successful in mathematics. Calculating Success will place emphasis on topics that have been identified by the National Council of Teachers of Mathematics as factors that play an important role in making math accessible to all students. Specific objectives are to: 1) create lesson plans, activities, and materials that are aligned with the Colorado State Standards and the school district's current curriculum that are ready for immediate use; 2) implement teaching strategies based on the National Council of Teachers of Mathematics principles, and 3) incorporate technology into the classroom. FLC faculty members from the Department of Education and the Freshman Mathematics Program (FMP) will staff the project.

Institution: Mesa State College Amount: \$55,668

Title: Mathematics Foundations for Middle School Teachers Project Dir: Cathy Barkley

Summary: The goals of the Mathematics Foundations Project are to: 1) improve mathematics student achievement in identified middle school classrooms by focusing on the mathematics of algebra, a critical standard for mastery at the middle school level, thereby moving students from a number sense and operational base to an abstraction and analysis system, 2) motivate and support standards-based mathematics teaching and assessment by teachers of mathematics in the grades 5 – 9 grade. It is this standard that middle teachers teaching out of field often identify as a weakness in their professional background and experience, 3) improve and enhance mathematics content knowledge of middle schools teachers, and 4) enable practicing teachers to work toward meeting the goal of "highly qualified" to teach middle school mathematics. Curriculum for the course will be aligned to the state and national content standards for algebra. Partners in the grant are Mesa County Valley School District #51 and Mesa State College, with additional participants invited from the surrounding small, rural districts of DeBeque, Plateau Valley, Parachute, Delta County, and Montrose.

Institution: Metropolitan State College of Denver

Amount: \$70,589

Title: Metro's Mathematics for the Middle Program: Creating Highly Qualified Teachers of Middle School Mathematics Project Director: Don Gilmore

Summary: Metropolitan State College of Denver, with the Denver Public Schools, will develop a program of mathematics courses to increase the content knowledge of middle school mathematics teachers who are teaching out of area. The efforts will focus on two goals: 1) identifying the mathematical ideas that are central to teaching standards-based middle school mathematics, and 2) using approaches that engage participating teachers in mathematical activity fostering all strands of mathematical proficiency. The project is a collaboration between staff in mathematics education from MSCD's Department of Mathematical and Computer Sciences and practicing middle school teachers. Professional organizations, such as the Conference Board of Mathematical Sciences, recommend that the content preparation of middle school teachers be more than just a collection of courses, but should be a coherent program organized around the central ideas of the discipline and the middle school curriculum. MSCD proposes a 12-month research and development project to create a 24-credit program specifically designed to meet the needs of teachers and satisfy the requirements of NCLB, resulting in an exemplary standardsbased professional development model for in-service middle school mathematics teachers carefully aligned with the Colorado Model Content Standards. The summer curriculum development phase of the project will involve two master middle school mathematics teachers from Aurora and Denver Public Schools, and project staff will confer with the Colorado Department of Education, in the interest of developing a middle school math teaching certificate.

Institution: University of Colorado—Colorado Springs Amount: \$65,000

Title: Enhancement of Mathematics Performance for Students, Grades 7-8-9: Research and Professional Development Project Director: David Nelson

Summary: The Colleges of Education and Engineering and Applied Sciences, including the Department of Mathematics, in collaboration with Pikes Peak Community College and the Intel Corporation will assist 12 middle schools and six high schools to: 1) conduct a longitudinal study of student growth and school student achievement in mathematics; 2) identify high performing mathematics programs in the selected school districts; 3) provide content-based professional development to mathematics teachers and administrators in grades 7, 8, and 9, to first and second year teachers in the target schools, and to UCCS' pre-service mathematics teacher education candidates and; 4) offer data on student performance and teaching and learning strategies based on the Colorado Model Content Standards to participating school districts. The Pikes Peak Educational Research Center is conducting a longitudinal study of student achievement in mathematics to investigate the effects of educational interventions over time. In the proposal to improve mathematics performance in selected schools, it is important to understand where students start, i.e., their initial status, and how rapidly they progress, i.e., their rates of change.

Agenda Item VI, D Page 7 of 7 Report

Institution: University of Colorado—Denver Amount: \$67,000

Title: A Systems Approach to Utilizing Professional Development Schools for First-Year Teacher Retention Project Director: Carole Basile

Summary: This initiative connects teacher preparation in professional development schools to key district initiatives in teacher retention and involves Jefferson County School District, the Denver Public Schools, and UCD's School of Education and College of Liberal Arts and Sciences. Primary objectives are to: 1) improve student learning and close the achievement gap by retaining at least 20 high quality first year teachers in each district. Borrowing from the K-12 "looping" model where children stay with the same teacher for two or more years of instruction, an "induction looping" model permits new teachers to be mentored by their previous preservice mentors during the first several years of teaching. Like children whose learning increases because of the multi-year relationship with someone who knows their learning needs, the new teachers will benefit from the sustained relationship with their PDS mentors. 2) train principals, instructional coaches, and site professors to support teacher induction in addition to preparation. 3) develop an induction/retention program that includes the cohort groups from PDSs and also involves participation from universities. UCD faculty will create the first year teacher retention modules for teachers who loop with their professional development school for mentoring and support. 4) continue and expand conversations with at least two other school districts and at least three other institutions of higher education to explore implementation of this model more broadly. UCD is engaged in conversations with other districts that include professional development schools with large populations of high need schools (i.e. Adams County 12, Adams County 14, Aurora Public Schools). After much research, no comparable model at any other sites has been found nationally. The participating schools believe so strongly in professional development schools for developing teachers that they are willing to commit to this as an exclusive model for working with all university preservice teachers and teacher inductees.

Institution: University of Northern Colorado Amount: \$70,000

Title: A University-School District Partnership to Improve Student Achievement and Quality Teaching in Mathematics and Reading Project Dir: Carolyn Edwards

Summary: This grant supports the University of Northern Colorado's College of Education, College of Arts and Sciences, and Weld County School District #6 to work in a collaborative partnership in establishing high performing learning environments in four elementary schools identified as high need (Cameron, Winograd, Jackson, and Billie Martinez). This school-renewal project is designed to: a) increase student achievement in mathematics and reading through an intensive after school math program using a small group approach; b) promote collaborative high quality professional development in mathematics for teachers in the four schools; and c) recruit and mentor high school students from under-represented populations into the teaching profession.