

**MINUTES OF THE COLORADO COMMISSION ON HIGHER EDUCATION
JUNE 3, 2004
TELECONFERENCE**

Chairman Ray Baker called the teleconference meeting to order at 10:00 a. m.

Commission members attending were Ray Baker, Chairman; Terry Farina; Vice-Chairman; Judy Weaver; Judy Altenberg; James Stewart; Dean Quamme; Mike Feeley; Richard Garcia; Bill Vollbracht; and Pres Montoya. Commission Staff members attending were Executive Director Rick O'Donnell, Rich Schweigert, Jenna Allen, Bill Kuepper, Jennifer Nettesheim, Joan Johnson, Jett Conner, and Mary Lou Lawrence.

Advisory Committee member Sue Windels was present.

Executive Director Rick O'Donnell announced that the meeting was being conducted via teleconference and explained the procedures for public participation.

I. APPROVAL OF MINUTES.

The minutes of the April 1, 2004, Commission meeting were approved.

II. REPORTS.

Chairman's Report

Chairman Baker reported the Commission's retreat is scheduled for August 5-6, 2004, location to be determined. Director O'Donnell said the retreat would focus largely on performance contracts.

Commissioners' Report

Commissioner Richard Garcia reported on the success of the Statewide Parent Coalition meeting. He thanked Director O'Donnell for being the luncheon keynote speaker, institutions of higher education, and the Colorado Commission on Higher Education (Commission/CCHE), through Gear-Up, for their support. He reported that Adams State College awarded four (4) \$500 scholarships to students.

Advisory Committee Report

Committee Member Windels had no report.

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Public Comment

Daniel Ong, a part time student at University of Colorado-Denver (CU-D), observed that SB04-189, the College Opportunity Fund Bill (COF), does not require differentiation between tuition charged as a flat stipend or a per credit hour stipend. He complained tuition for students in University of Colorado's (CU-B) School of Engineering is being increased 15%, twice that of other colleges. Law School students approved a fee increase but he did not think engineering students approved such an increase.

III. CONSENT ITEMS A, B, C, D

Staff had no changes or recommendations regarding any consent item.

Consent Item A. Teacher Education Reauthorization at University of Colorado-Boulder.

Commissioner Garcia suggested that an "ethnic studies" course might help CU-B's minority outreach efforts. Director O'Donnell stated it would be an individual institution's decision to seek CCHE authorization to offer elementary education courses in "ethnic studies" and that Commissioner Garcia's concerns and ideas would be relayed to the university. Commissioner Montoya asked if teacher education curriculum at all institutions included classes on different cultures, including Hispanics, poverty and cultural diversity. This topic has been discussed at the University of Northern Colorado (UNC). Staff member Jett Conner said he was not aware of any such course in teacher education curriculum. Generally, cultural diversity courses are offered as a general studies program option.

There was no Public comment on Action Item A.

There was no discussion on Consent Items B (Teacher Education Reauthorization: Colorado State University-Pueblo), C (Western State College Teacher Education Proposals) and D (Approval of Programs for the Associate of Arts and Associate of Science Degrees).

Commissioner Altenberg moved for approval of all Consent Items and Commissioner Weaver seconded the Motion. Commissioners unanimously approved Consent Items A, B, C & D.

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IV. ACTION ITEMS

Action Item A: Exemption from Certain State Regulations.

Staff member Rich Schweigert stated that, pursuant to recent legislation, higher education institutions and CCHE had the option to choose to exempt themselves from some state centralized services including fleet management, risk management, and procurement. Staff recommended CCHE exempt itself from the state procurement program as goods and services could be more efficiently and cost effectively acquired through an alternative, internal procurement program.

Commissioner Altenberg asked if the requested exemption applied only to CCHE or if it also applied to institutions. Mr. Schweigert stated it only applied to CCHE. Institutional Governing Boards could choose which, if any, exemptions would benefit their institution. Commissioner Farina asked if CCHE could buy the services through the state program or return to the system if experience showed the internal purchasing procedures ineffective. Mr. Schweigert said CCHE would be able to buy off the state bids system. Commissioner Feeley inquired about rules CCHE would promulgate for the alternative procurement system. Mr. Schweigert stated rules promulgated would adhere to state fiscal rule requirements regarding thresholds and procurement procedures and the State Controller's Office would review the draft rules.

Commissioner Weaver requested an annual report showing amounts saved as a result of exemption from state procurement rules and justifying the exemption. Staff will provide such a report.

Commissioner Feeley moved to adopt staff recommendation with the addition of annual report showing savings incurred and Commissioner Farina seconded the motion.

There was no Public comment on Action Item A.

The Commissioners unanimously adopted Action Item as amended.

Action Item B. FY 2005 Financial Aid Allocations.

Staff member Diane Lindner reported the 2004 Legislative Session did not change the 2004-2005 total financial aid appropriation but did reduce need based aid, merit aid and work study due to mandatory increases in Native American, law, POW and fire tuition assistance. In addition, the Governor put one time funding into need-based aid for 2004. The proposed allocation methodology presented recommended pro-rating reductions to institutions as the majority of aid is distributed to the neediest students, in accordance with Commission Policy approved March 2004. It would provide the most stability to institutions as they implement changes in higher education. Attachment IV-B detailed institutional allocations as well as the methodology for pro-rated reductions.

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Commissioner Montoya moved to accept the staff recommendation; Commissioner Baker seconded the Motion.

Responding to Commissioner Garcia's question, Ms. Lindner stated there was no correlation between financial aid allocations and tuition increases. The allocation of financial aid appropriated by the General Assembly and the majority of it is used to provide tuition, including tuition increases, to the neediest students. Advisory Member Senator Windels noted that SB04-189 required 20% of tuition increases to be applied to financial aid. Director O'Donnell stated that 20% of the revenue generated from tuition increases is applied to institutions' financial aid programs.

There were no public comments.

Commission unanimously approved the staff recommendation.

Action Item C. FY 2005 Tuition Policies.

Staff member Schweigert stated that, in his veto message to a footnote of the 2004-05 Long Appropriations Bill, the Governor directed the Commission to examine institutional tuition increases and to draft a tuition plan recommendations. Passage of Senate Bill 04-189, which allows institutions to attain enterprise status in FY 2004-05 under the Tabor Amendment, causes tuition increases to be considered for both enterprise and non-enterprise institutions. It is anticipated that only the University of Colorado (CU) System would attain enterprise status in FY 2004-05 with other institutions attaining enterprise status in 2005-06. The 2004-05 Long Appropriations Bill permits schools that do not attain enterprise status to increase tuition revenue 1.1%. Staff recommended that, within that 1.1 % revenue factor, non-enterprise institutions that wish to increase the full time credit hour cap by 1 credit hour be allowed to do so as long as they remain within the 1.1% revenue increase set in the budget.

Staff recommended approval of tuition differentials for all CU System campuses in both under-graduate and graduate courses but did not recommend approval of Quality for Colorado (QFC). Staff also recommended base tuition rate increases across the CU System and approval of the Enterprise Adjustment for CU. Enterprise Adjustment is the 4.5 million dollars CU agreed reimburse the General Fund for funds it would lose when CU attained enterprise status. CU would recoup the amount reimbursed in increased tuition.

Commissioner Altenberg moved for acceptance of staff recommendation and Commissioner Montoya seconded.

Commissioner Weaver asked how many schools would be able to increase their credit hour and stay within the 1.1%. Mr. Schweigert said Mesa State, Western State, Colorado State University-Pueblo (CSU-P) and University of Northern Colorado (UNC) may be

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able to make the increase. Commissioners and staff discussed QFC, previously approved by the Commission for one year with the option to approve it annually in future years.

Commissioners requested staff prepare a report showing the use of first year QFC funds. It was noted that approval of QFC this year would result in an additional 10% tuition increase at CU-B and would be in addition to other, significant increases and tuition differentials already recommended for approval, resulting in tuition increases of 19% to 50%.

As a parent paying tuition for two daughters attending CU, Commissioner Garcia noted any increase in tuition creates a hardship on the families paying the bills. Commissioner Feeley believes there is a management disconnect regarding CU deregulation which is occurring in concert with enterprise status while, at the same time, the State, the Legislature and the Governor's office retain the ability to set prices. He noted that everyone is doing the best that can be done while working under very difficult circumstances. Commissioner Montoya asked, since CU reported a record setting year for freshman minorities, if there was a report showing student ethnicity ratio. Vice-President Burns said there was none but CU would obtain the information.

Public Comment:

CU President Hoffman affirmed that CU remains committed to QFC, including reduced freshman class size and window size.

The Commission unanimously voted to approve staffs' recommendation.

Action Item D. FY 2005 Capital Construction Policies.

Staff member Joan Johnson presented the recommendation of: 1. As in past years, Governing Boards were asked to submit only health & life safety capital projects for general fund monies; 2. Governing boards were asked to creatively look at alternative sources of funding for Five Year Construction Plan projects submitted for general fund funding; 3. Governing boards were asked to explore the feasibility of facility fees with student involvement.

Commissioner Weaver moved for approval of staffs' guidelines and Commissioner Altenberg seconded the Motion.

Commissioner Weaver requested a review of CCHE policy regarding student referendum and/or student government vote to determine use of student fees for capital construction as it is a critical piece which needs addressing at a future Commission meeting to determine if modifications are needed. Commissioner Baker concurred and proposed looking at national trends on student fees for capital construction. Commissioner Farina asked if the Mines Green Center remodeling, the Commission's number one health and life safety project for the past two years, was progressing even though the project was

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only half funded. Ms. Johnson reported that Mines was doing it in stages as funding allows.

Public Comment:

CU President Hoffman wanted to know if CU would have to resubmit their facility fee for separate approval. Ms. Johnson stated that it would not.

The Commission unanimously approved the action item.

V. WRITTEN REPORTS FOR DISCUSSION

The Staff had no comments on any report.

Commissioner Comments:

Written Report C. Statewide Report on Racial & Ethnic Composition of Students & Faculty

Commissioner Stewart thought the report excellent commenting it was the first time he has seen the data. He expressed concern about CU-B's numbers considering the national press coverage regarding student athletes' failure to obtain degrees, especially football and basketball players. He asked if there was any specific data on athletes as scholars and their success since many of them are black. Staff member Julie Carnahan reported the NCAA collects data differentiating athletes from students, not the Commission. She will ask CU for that information. Commissioner Weaver asked to expand the data request to include the 6-year graduation rates for all athletics at all 4-year institutions and to include that data in the quality indicator reports. She stated this was a serious concern and the Commissioners should be tracking the retention and graduation rates of athletes separate from other students.

Public Comments:

President Hoffman reported that CU-B football player six year graduation rate was 53% and that, after consideration of athlete transfers to other schools, 24 of 26 seniors completing their eligibility in the spring would graduate by December. She will provide additional information including their athletic program action plan that contains a substantial academic component.

Director O'Donnell noted staff would work with CU to obtain the information and the information requested by Commissioner Stewart.

Staff member Bill Kuepper stated the information requested by Commissioner Stewart on Aims and Commissioner Montoya on new freshmen will be obtained and given to them.

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There was no further business and the teleconference meeting was adjourned at 11:04 p.m.