

**MINUTES OF THE COLORADO COMMISSION ON HIGHER EDUCATION
OCTOBER 7, 2004
COLORADO COLLEGE**

Chairman Ray Baker called the 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; Mike Feeley; Richard Garcia; and Bill Vollbracht. Commissioner Pres Montoya participated by phone. Commissioners Dean Quamme and Greg Stevinson were excused. Commission Staff members attending were Executive Director Rick O'Donnell, Rich Schweigert, Jenna Allen, Matt Gianneschi, Jason Hopfer, Amy Roberts, Bill Kuepper, Joan Johnson, and Mary Lou Lawrence.

Advisory Committee member Wayne Artis was present.

I. APPROVAL OF MINUTES.

Commissioner Stewart moved to approve the minutes of the June 3, 2004, Teleconference Commission meeting and Commissioner Altenberg seconded the Motion. The minutes were unanimously approved without discussion.

II. REPORTS.

Chairman's Report

Chairman Baker introduced the host of the meeting, Colorado College President Richard Celeste, who welcomed the Commissioners and meeting attendees to his school. He spoke of the importance of the American system of higher education as viewed internationally, of the accessibility and quality of education afforded by Colorado College and of the challenge facing the Commission to enhance the quality of higher education.

Chairman Baker stated Consent Item III-B had been withdrawn from the Agenda and that, in accordance with the Commission By-Laws, election of new officers would proceed. Commissioner Altenberg nominated Commissioner Weaver as Chair and Commissioner Farina as Vice-Chair for another term. Commissioner Stewart seconded the Motion. The Commissioners unanimously voted for the nominated slate of officers without discussion.

Commissioner Baker thanked the Commission and the Executive Director for their hard work. Commissioner Weaver thanked the Commissioners for her election and Commissioner Baker for his extraordinary service as Chair and Terry Farina for his tenure as Vice-Chair during the period when changes were being formulated. She asked to have Commissioner Farina's Resolution regarding the Commission's new model for higher education in Colorado be at each meeting as a reminder that the new model affords the institutions greater flexibility while ensuring accountability. Director O'Donnell also thanked Commissioner Baker for his service and presented a gift from Governor Owens to him.

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Chairwoman Weaver presented the modifications to Commission By-Laws regarding meetings. Commissioner Baker moved to approve the changes and Commissioner Altenberg seconded the Motion. The Commission unanimously adopted the changes without discussion.

Chairwoman Weaver presented the schedule for the 2005 Commission meetings. Executive Director O'Donnell reported that Colorado State University at Fort Collins had offered to host the February, 2005, meeting and the location for the August working session would be determined at a later date. Commissioner Farina moved to approve the 2005 Commission meeting schedule and Commissioner Baker seconded the Motion. It was unanimously approved without discussion.

Chairwoman Weaver presented changes to the Commissioner Code of Ethics regarding the amounts of gifts that need to be reported. Commissioner Farina moved to approve the amended Commissioner Code of Ethics and Commissioner Stewart seconded the Motion. The amended Code of Ethics was unanimously approved without discussion.

Commissioners' Report

Commissioner Feeley discussed the alcohol task force at Colorado State University that President Larry Penley appointed, chaired by Lt. Governor Jane Norton and of which he is a member. He stated the college, the community and task force members are dedicated to finding causes of student alcohol abuse and hope to establish a national model to address alcohol consumption on college campuses. The task force set an ambitious schedule with a report due by February 1st. At the first meeting, he offered the assistance of the Commission on Higher Education to the task force. Chairwoman Weaver commended the task force and requested a copy of the final report.

Commissioner Garcia reported that the City of Denver, the Mayor's Office and other groups are sponsoring the First Annual Latino Education Conference. Commissioners received invitations and he hoped they would be able to attend.

Commissioner Montoya asked staff member Jenna Langer to report on a meeting scheduled for October 11, 2004. The purpose of the meeting is to explore grants to fund a program to encourage minority applicants to enroll in teacher education and other academic programs.

Commissioner Montoya also recommended the publication, *Hispanic Outlook in Higher Education*, which contains information regarding successes and failures in the education of Hispanic students. In the June, 2004, issue, school districts successful in closing the achievement gap for Hispanic students were noted, including Pueblo District 60, on the Board of which Chairwoman Weaver served.

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Advisory Committee Report

Committee Member Wayne Artis reported his term on the advisory council had ended and introduced his successor as the college faculty advisory member, Professor Chris Purkiss of Western State College. Mr. Artis said he intends to remain active in higher education and thanked the Commission for the opportunity to work with them.

Public Comment

Katy Clausen, Student Body President at Colorado State University, expressed concern regarding mandated maintenance fees and the negative affect they might have on future student body votes for other capital fees. Executive Director O'Donnell stated each institution had the flexibility to determine the manner by which they would pay for proposed controlled maintenance costs.

III. CONSENT ITEMS A, B, C, D

Staff had no comments on Consent Item III A, CCHE Policy on Approval of new academic programs for institutions operating under a performance contract or Consent Item III C, Modifications to Teacher Education Program Review Policies. There was no discussion on either item presented.

There was a Motion for approval of all Consent Items and Commissioner Altenberg seconded the Motion. Commissioners unanimously approved Consent Items III A & B as presented.

IV. ACTION ITEMS

Action Item A: 2005-2006 Higher Education Budget

Staff member Bridget Mullen stated that, pursuant to Senate Bill 04-189, General Fund dollars for higher education would be appropriated to either the Colorado Opportunity Fund, for undergraduate stipends, or to the Department, for distribution to the institutions through Fee-for-Service Contracts. These contracts, which will be negotiated individually with each institution, will provide the schools with funding for graduate education, specialized education, rural and economic development and basic skills services, among other programs.

Ms. Mullen said the staff recommended that the Commission approve a \$304.0 million budget to fund student stipends. This amount would fund stipends for students currently enrolled as well as the forecasted enrollment of new students at public institutions of higher education for fiscal year 2005-06. Staff recommend the Commission approve a

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\$190.0 million budget for those programs that will be negotiated in the Fee-for-Service contracts.

Staff Member Richard Schweigert recommended the Commission approve an average increase of 5.4% or \$74.4 million in spending for mandated costs and inflation. Mandated costs include salaries, utilities and risk management premiums. He also stated that the amount might have to be adjusted based upon new figures becoming available in October from the institutions. Estimates for inflation have changed from 1.8% to a .1% inflation growth rate.

Mr. Schweigert further recommended the element of controlled maintenance be negotiated in performance contracts. Controlled maintenance funds would consist of a negotiated amount from .25 to 1 percent of the estimated value of buildings owned by each institution be designated to pay for controlled maintenance. As the General Assembly has not appropriated funding for maintenance of existing facilities for the past 3 years, it is very important to create a maintenance funding mechanism before the structures become unusable due to lack of routine repairs. Based upon the outcome of the negotiations, some spending authority may be requested.

Ms. Mullen recommended that institutional Decision Items be forwarded to the General Assembly as informational material only with no action by the Commission.

Mr. Schweigert reported the Office of State Planning and Budgeting (OSPB) might recommend an increase in the amount of General Fund dollars for need-based aid. He recommended the Commission accept the final amount suggested by OSPB due to the general fund spending constraints. He also recommended a funding increase for Vocational Schools that is equal to inflation. These schools receive a block grant and are not funded by student enrollment. Authorizing an increase equal to inflationary growth is a way to increase much needed funding for them.

Commissioner Vollbracht moved to accept the staff recommendation and Commissioner Baker seconded the Motion.

Public Comment

University of Colorado System (CU) President, Betsy Hoffman, said CU was very pleased with the Commission's and the staff's recognition of the necessity for a mandated cost model and the work being done to formulate such a model. She asked that, in the future, the Commission consider that the 20% of new tuition revenue required to go into financial aid also be considered a mandated cost.

The Commission unanimously approved the staff recommendation without further discussion.

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Commissioner Montoya terminated his telephonic participation in the meeting.

V. WRITTEN REPORTS FOR POSSIBLE DISCUSSION

CCHE's policy regarding student participation in capital fee decisions.

Staff member Joan Johnson reported the Commission policy gives institutions the option of having either a student government vote or general student referendum for capital construction fees. Staff does not recommend a change to this policy. This policy does not address controlled maintenance monies but that component is being considered in performance contract negotiations. Traditionally, the students have voted to fund auxiliary facilities and that funding included maintenance funds. However, due to the absence of General Fund monies for capital construction of academic buildings, the University of Colorado at Boulder (UCB) used the Commission policy in a student government election regarding fees for new academic buildings. Other institutions are considering doing the same.

Commissioner Baker commented that the Capital Development Task Force Committee is looking at the vehicles used by other states to fund capital construction, including the utilization of student fees at institutions of higher education. All states are considering creative ways to fund capital projects. At this time, fee driven construction funding is about the only option available to the higher education institutions.

Commissioner Weaver was pleased to confirm that students were included in decisions on fees for capital construction and that the students at UCB had a decisive and prominent role in deciding the funding for new construction of academic facilities through their elected student government leaders.

Public Comment

CU President Hoffman thanked the Commission for their work on the student government vote. Student involvement and campaigning of the student government members was extraordinary and student input was more extensive than had if it been a referendum.

Capital Assets Quarterly Report for Second and Third Quarters on Program Plan Waivers, Cash-Funded and SP-902 Projects and Leases

Commissioner Vollbracht asked if anyone looked at leased properties prior to signing a lease. Ms. Johnson said no one from CCHE conducted a site visit. Pursuant to a statutory procedure, a form listing all lease and property details was sent to CCHE to review prior to lease signing. Ms. Johnson's staff reviewed the form, and, based on extensive experience, could determine the proposed lease viability. The approval form

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accompanies lease documents the institution sends to State Buildings and Real Estate Programs for final action. Ms. Johnson stated that State Buildings would not act on a lease until CCHE has generated an approval form. Commissioner Baker reported that each state lease contained a “one year call” clause whereby a lease could be terminated prior to term if circumstances warranted. Ms. Johnson reported that in major relocations, the leasing agent hired by the state works with the relocating entity to find the appropriate site and negotiate lease provisions most beneficial to the state.

There was no public comment.

VI. PRESENTATION AND DISCUSSION

Tim Romani, University of Colorado-Denver/Health Sciences Center Vice-Chancellor for Campus Planning and Development, described the processes used to involve the community in designing a redevelopment plan for the Health Sciences Center property at 9th and Colorado Boulevard and choosing the developer, Shea Properties. Jeff Willis, Vice President of Land Acquisition and Sales for Shea Property further emphasized the community’s involvement in the plan design. Renderings and pamphlets of the mixed usage Development were presented showing the division of retail, residential and recreation spaces. A portion of the existing hospital site will remain and serve as a small, acute care center.

VIII. WRITTEN REPORTS NO DISCUSSION

There was no action or discussion on Report VIII A, Service Area Exemptions and Report VIII B, Out-of-State Instruction.

Commissioner Baker moved to adjourn the meeting and the motion was seconded. The meeting was adjourned at 11:45 a.m.