

TOPIC: DRAFT POLICY REGARDING PERIODIC REVIEW OF PEER INSTITUTIONS FOR NCHEMS-GAP

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I. BACKGROUND

Please refer to the Background section for agenda item II, B “NEW COMMISSION POLICY REGARDING ADJUSTING NCHEMS-GAP ALLOCATION MODEL FOR RESIDENT FTE” for more background and context for this agenda item.

The process agreed to with the CEOs for the consideration and approval of disaggregated policy components of the NCHEMS-gap funding allocation model is for the Commission’s Policy Committee to work with staff to develop a proposal for submission to the Governor’s Office for the FY09-10 budget. Action to adopt a formal gap closure allocation model policy would follow at a subsequent Commission meeting. This is the third opportunity for the Commission to address some of these policy components in study session. The study session is meant to be an opportunity to receive additional input from the institutions and the public and to have informal discussion among the Commissioners.

One of the policy concerns expressed by the institution CEOs this year is whether or not an explicit policy should be in place to govern when and for what reasons an institution’s NCHEMS peers will be reevaluated.

II. STAFF ANALYSIS

The draft policy for discussion is included as Attachment A of this agenda item and describes a process to guide the periodic reevaluation of each institution’s peers. It is the intent of the Commission and the Department of Higher Education (Department) to utilize the NCHEMS funding study as a basis for allocating state General Funds to each governing board. In other words, after adjusting for inflation (pursuant to the policy the Commission approved on June 5, 2008), an institution with larger funding gaps would receive a greater percentage of the remaining General Funds available than an institution with a smaller gap. The current peer groups were ratified by the Commission in September 2007 and are based on a variety of factors, including: similarity of role and mission; the mix of programs offered; and the size of the institution.

Given how critical an institution’s peers are to determining future state funding allocations, the draft policy would allow institutions to request that their peer institutions be reevaluated every three years. Upon a request from an institution, the Department will contract with NCHEMS to review and revise as necessary the institution’s peer institutions. Each institution may request this review every three years beginning in April 2010 – approximately three years after the current peers were approved by the Commission – and it would be up to the Commission to

approve these revisions at their discretion. The policy would also allow the Commission to consider revisions to an institution's peers due to extenuating circumstances in between the three year review periods if needed. Finally, the draft policy specifies that the peer and Colorado institution data that drives the NCHEMS funding study will be updated annually with the most up to date Integrated Postsecondary Education Data Systems (IPEDS) data.