

Minutes of the Colorado Commission on Higher Education Meeting

June 5, 2008

Chairman James Polsfut called the meeting to order at 10:10 am.

Commissioners James Polsfut, Jill Brake, Patricia Pacey, Michael Plachy, Richard Ramirez, Greg Stevinson and James Stewart were in attendance. Commissioners Larry Beckner and Edward Robinson attended via conference call. Also in attendance were Advisory Committee members Senator Gail Schwartz, Dr. Toni Larson, Dr. Alan Lamborn, Bill Mansheim and Donna Theimer.

Commissioner Stewart moved to approve the minutes of the May 2, 2008 meeting. The motion was seconded by Commissioner Brake and unanimously passed.

President Nancy McCallin welcomed the Commission to the Colorado Community College System at Lowry Campus and gave the Commissioners a brief overview of the Lowry Campus. She informed the Commission that graduation rates for the System went from a ranking of 23rd to eighth in the nation in three years.

Senator Gail Schwartz brought to the Commissioner's attention the signing into law of SB 218, which reallocates Federal Mineral Lease funds to higher education capital construction, and SB 38, which creates regional service areas to provide services to school districts and encourage collaboration between business communities, higher education, K-12 and pre-school.

Executive Director Report – Executive Director David Skaggs reported that he, Dr. Julie Carnahan and a state team attended an academy in North Carolina for those states that have been preliminarily selected for the “Making Opportunity Affordable” grant from the Lumina Foundation. Colorado will receive a one-year planning grant and the hope is to receive a longer four- or five-year grant that would be used to develop a long-range plan to increase most efficiently the number and percentage of adults in the workforce with at least an associates degree.

Executive Director Skaggs also reported that College Invest, the principal student loan financing entity in the department and in the state, is expected to close on a bond issue today and become the first state-based student loan financing entity to have successfully gone to market with \$100 million in new bonds to support student loan activity for the upcoming year.

Public Comment – David Oxenhandler, addressed the Commission about the degree authorization process for the University of Fairfax. Senate Bill 08-167 requires a more rigorous review by the Commission and the department in authorizing private degree-granting schools to begin to operate in Colorado. Mr. Oxenhandler noted that development of new policy under the statute has unduly delayed authorization for University of Fairfax .

Resolution for Ray Baker

Chairman Polsfut read a resolution honoring former Commission Chairman Ray Baker. Commissioner Pacey moved the resolution to the floor and Commissioner Robinson seconded the motion. The motion passed unanimously. (*The text of the resolution is appended to these minutes.*)

ACTION ITEMS

Application for Participation in State-Funded Student Assistance – Celina Duran, Financial Aid Coordinator, reported that the Institute of Business and Medical Careers, Inc. (IBMC) has met the CCHE guidelines for initial participation in the Colorado student aid program for FY2008-2009 and recommended that the institution be approved.

Commissioner Stevinson moved to approve IBMC as an eligible institution for participation in financial aid. The motion was seconded by Commissioner Plachy and passed unanimously.

Fiscal Year 2009 Financial Aid Allocations – Celina Duran requested the Commission approve the annual institutional allocations for state-funded student financial aid programs. The General Assembly this past session increased appropriations for Need-based programs, Merit programs, Work Study programs and Pre-Collegiate programs.

Commissioner Brake moved to approve the allocations. The motion was seconded by Commissioner Stewart and passed unanimously.

New Commission Policy Regarding Requirements for Funds to Supplement Requests for State-Supported Capital Construction: Section III, R – Ryan Stubbs, Capital Assets Coordinator, reported that at a May Commission Study Session staff received positive feedback from both the Commission and the institutions on the policy in its current form and was asked to bring the policy to the Commission for adoption.

Commissioner Plachy moved to adopt the new policy. The motion was seconded by Commissioner Stevinson and passed unanimously.

New Commission Policy Regarding Funding Model - Upfront Inflation Adjustment – Andrew Carlson, Budget and Financial Aid Director, presented the new policy as a response to the question of whether there should be an upfront inflation adjustment prior to basing general fund allocations on each school's percentage share of the National Center for Higher Education Management Systems (NCHEMS) model.

Bill Mansheim, Adams State College's Chief Financial Officer, requested a review of Adams State College's peer institutions based on Adams State reporting their FTEs in a different way than other institutions.

Commissioner Stewart moved to approve the policy with the following change in language:

The Commission recognizes that each institution will incur increases in costs each year for various budget items, like utilities and employee compensation, which have to be accommodated in their budgets. In order to account to some extent for such inflationary ~~or-mandated~~ costs, in developing the general fund budget allocation in the budget process each year, each institution should initially receive an adjustment at the rate of the then-current estimate by the Office of State Planning & Budgeting for inflation in the coming budget year.

The motion was seconded by Commissioner Plachy and passed unanimously.

HEARING ON PROPOSED BALLOT MEASURES

Colorado Promise Scholarships/Severance Property Tax Credit Repeal

Dr. Steven Jordan, President of Metropolitan State College of Denver, and Dr. Jay Helman, President of Western State College, spoke on behalf of the initiative.

Bill Jerke, Weld County Commissioner, and Bill Ray, Coloradoans for a Stable Economy campaign, spoke against the initiative.

Rachel Dayne and Emily Lazo, both students at the University of Colorado-Boulder, spoke in favor of the initiative.

Commissioner Plachy noted:

As has been indicated here today, if the Colorado Promise ballot measure passes CCHE is going to be tasked with developing the guidelines or the rules for administering the scholarship fund. I fear that developing those standards and guidelines after the election comes too late. And as we've heard today on both sides of this measure, people want more information. And I've received numerous unsolicited requests from citizens requesting that CCHE develop the guidelines and standards necessary for the administration of the fund as soon as possible so that voters can make an informed decision one way or another on this measure.

Commissioner Plachy then moved: "that staff begin to immediately develop the guidelines for the administration of the Colorado Promise Scholarship Fund with the understanding, of course, that those guidelines will only be implemented if the ballot measure does, in fact, pass."

Commissioner Pacey seconded the motion. The motion passed unanimously.

Community College Funding/Gaming Expansion

Dr. Nancy McCallin, President of the Colorado Community College System, with attorney Mark Grueskin spoke on behalf of the initiative, as did Ed Nichols, President and CEO of the Colorado Historical Society.

Chad Hill from the group Focus on the Family and various members of the public spoke against the initiative.

Governor Bill Ritter Jr. arrived and spoke in favor of the Colorado Promise Scholarship initiative.

STUDY SESSION ITEMS

Draft Policy Regarding Adjusting NCHEMS - Gap Allocation Model for Resident FTE and Tuition – Diane Lindner, Chief Financial Officer, advised the Commission that this policy recommends the tuition share variables on the NCHEMS allocation gap be eliminated. It further recommends that the allocation of general funds after the upfront inflation be calculated according to each institution's total revenue gap and its resident FTE. The policy recognizes that until the state is able to make adequate progress toward the gap closure, institutions and governing boards are studying tuitions and fees to meet their basic operating costs. The policy also recognizes that resident tuition at Colorado institutions is generally below that of their national peers.

Due to lack of time, this item, along with the **Draft Policy Regarding Treatment of Other Revenues in NCHEMS - Gap Allocation Model** item, will be brought forward as agenda items at the July 10, 2008 CCHE meeting.

Commissioner Plachy moved to adjourn. The meeting was adjourned at 1:30pm.