

TOPIC: PEER GROUP REVISION FOR ADAMS STATE COLLEGE

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I. BACKGROUND

The Commission initiated a funding study in July 2006 to compare the relative funding of Colorado institutions with comparable peer institutions. The original study was conducted by the National Center for Higher Education Management Systems (NCHEMS). One result of the funding study was to begin moving allocation discussions away from the then existing mandated cost model approach to a model based on the benchmarks established in the funding study, with the goal to have Colorado institutions of higher education make equivalent proportionate progress toward closing their respective peer funding gaps and over time achieve parity with their peer averages.

One of the most critical aspects of the new model, given its impact on future budgeting decisions, is the selection of each institution's peer group. The current set of peer groups was ratified by the Commission in September 2007 after a thorough review by NCHEMS, the Department of Higher Education, and institution CEOs and CFOs. Recognizing the importance of the selection of peers, the Commission approved the "New Commission Policy Regarding Periodic Review of Peer Institutions for NCHEMS-Gap" at the Commission meeting September 11, 2008. The policy prescribes the circumstances when an institution may request a review of its existing peer group and the actions to be taken by the Department to determine whether changes are necessary. Revisions would ultimately require Commission approval. The policy allows peer revision requests every three years beginning in April 2010; however, in extenuating circumstances an institution may request a revision more frequently or before April 2010.

Adams State College (ASC) had pending a requested change in its peers prior to the adoption of the formal review policy. Because of the unique program offerings at ASC, and changes in financial reporting ASC implemented to address its cash funded programs, revisions to its peer group are necessary. As reported in the Integrated Postsecondary Education Data System (IPEDS) – the database from which the data for the NCHEMS funding study is pulled – ASC has a significant number of student Full Time Equivalents (FTE) enrolled in their cash funded extended studies program. Most of these students are not attending courses on the ASC campus but are instead enrolled in continuing education courses to maintain teacher licensure. While most institutions in Colorado offer cash funded programs, none offer such programs to the extent Adams State College does. The following chart compares total FTE as reported to the Department (resident and nonresident) to the FTE reported to IPEDS (resident, nonresident, and cash) and illustrates the sheer size of ASC's cash program relative to its overall size:

	FY04-05		FY05-06		FY06-07	
	IPEDS FTE	DHE Total FTE	IPEDS FTE	DHE Total FTE	IPEDS FTE	DHE Total FTE
ASC	4,123	2,174	4,360	2,179	4,066	2,050
CSU	23,121	22,894	23,803	22,438	24,409	22,127
CSU-P	4,582	3,614	4,530	3,518	4,652	3,387
MSC	5,154	4,964	5,053	4,686	4,906	4,849
MSCD	15,052	15,052	15,087	15,087	15,175	15,175
UCB	29,015	26,508	28,981	25,978	28,333	25,960
UCCS	6,351	6,210	6,374	6,202	7,159	6,140
UNC	12,056	11,013	10,952	10,985	11,814	10,795

The original peer group for ASC consisted of 27 institutions, most with enrollments ranging from 3500 to 5000 FTE. Considering ASC reported 4,360 FTE to IPEDS for FY05-06 (including cash funded FTE), this peer group made sense. However, a new peer group became necessary once agreement was reached to pull out the cash revenue and FTE because the sheer proportion of cash FTE at ASC compared to its total enrollment skewed the data and misrepresents its funding gap. Again, IPEDS is the best source for comparable national data on institutions of higher education, but occasional adjustments are necessary to account for the uniqueness of Colorado institutions.

II. STAFF ANALYSIS

The original peer groups for each Colorado institution were national in scope and selected based on mission, size, and program characteristics. All peer selection was done “blind” without consideration of the funding levels of the peer institutions. In addition, actual, not “aspirational,” peers were selected:

1. Similarity of Mission: Only peer institutions with similar missions were considered in the original peer selection. For example, only land grant institutions were considered for Colorado State University because of the special services these institutions provide (i.e., Agricultural Extension, etc.). Likewise land grant institutions were not selected as peers for Colorado’s non-land grant institutions.

The extent of the research component as part of institutional mission was also a characteristic from which peers were selected. This was actually the only characteristic from which fiscal data were utilized in the selection of peers.

Because the costs to deliver more advanced education offerings tends to be more expensive, doctoral granting institutions were selected as peers for Colorado doctoral

granting institutions, masters degree institutions were matched with Colorado master's degree granting institutions with attention given to the proportion of undergraduate to graduate education provided. Finally, only two year institutions were considered as peer institutions for Colorado's community colleges.

2. **Size:** Colorado institutions were matched with peers of similar size. This factor becomes especially crucial for smaller institutions that are unable to benefit from the economies of scale to the extent larger institutions can. In fact, this factor is the reason new peers are required for Adams State College after addressing their cash funded FTE.
3. **Program Characteristics:** Consideration was given to the specific programs and emphases at peer institutions to align with Colorado institutions because the costs of offering certain programs are considerably higher than the costs associated with other programs. For the four year and research institutions, consideration was given to health care and engineering programs. For the community colleges, emphasis on health care and trade and technical programs was factored into the peer selection criteria.

The Colorado Revised Statutes (C.R.S. 23-51-101) establish Adams State College as a "general baccalaureate institution with moderately selective admission standards." Further, ASC is allowed to "offer undergraduate liberal arts and sciences, teacher preparation, and business degree programs, a limited number of master's level programs..." The Department worked with NCHEMS to determine a reasonable peer group for ASC given their statutory role and mission.

The charts below compare Adams State College to the proposed new peer group. All data is FY05-06 as reported in IPEDS except where noted. The proposed peers reflect public institutions, typically in rural or remote town settings, that are classified as Master I institutions under the Carnegie Classification System. The eleven proposed peer institutions spend little to no money on research and offer primarily baccalaureate degrees with limited two year and master's degrees awarded:

Institution	Control	Land Grant	Medical School	City Locale/Size	Region
ADAMS STATE COLLEGE	Public	No	No	Town Remote	Rocky Mountains
CHADRON STATE COLLEGE	Public	No	No	Town Remote	Plains
EASTERN NEW MEXICO UNIVERSITY-MAIN CAMPUS	Public	No	No	Town Remote	Southwest
FITCHBURG STATE COLLEGE	Public	No	No	Suburb Midsize	New England
FRAMINGHAM STATE COLLEGE	Public	No	No	City Small	New England
GOVERNORS STATE UNIVERSITY	Public	No	No	Rural Fringe	Great Lakes
NORTHWESTERN OKLAHOMA STATE UNIVERSITY	Public	No	No	Town Remote	Southwest
SUL ROSS STATE UNIVERSITY	Public	No	No	Town Remote	Southwest
THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN	Public	No	No	City Small	Southwest
UNIVERSITY OF MONTEVALLO	Public	No	No	Town Fringe	Southeast
UNIVERSITY OF WISCONSIN-SUPERIOR	Public	No	No	Suburb Midsize	Great Lakes
WAYNE STATE COLLEGE	Public	No	No	Town Remote	Plains

Institution	Student/Faculty Ratio	Admission Scores SAT	Admission Scores ACT	Selectivity Number	Selector	City	State
ADAMS STATE COLLEGE	18 to 1	required		3	COMPETITIVE	ALAMOSA	Colorado
CHADRON STATE COLLEGE	18 to 1	510/470	21	1	NONCOMPETITIVE	CHADRON	Nebraska
EASTERN NEW MEXICO UNIVERSITY-MAIN CAMPUS	19 to 1	510/500	19	2	LESS COMPETITIVE	PORTALES	New Mexico
FITCHBURG STATE COLLEGE	11 to 1	480/480		3	COMPETITIVE	FITCHBURG	Massachusetts
FRAMINGHAM STATE COLLEGE	18 to 1	507/500		3	COMPETITIVE	FRAMINGHAM	Massachusetts
GOVERNORS STATE UNIVERSITY				0		UNIVERSITY PARK	Illinois
NORTHWESTERN OKLAHOMA STATE UNIVERSITY	18 to 1		21	1	NONCOMPETITIVE	ALVA	Oklahoma
SUL ROSS STATE UNIVERSITY	12 to 1		18	2	LESS COMPETITIVE	ALPINE	Texas
THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN				0		ODESSA	Texas
UNIVERSITY OF MONTEVALLO	18 to 1		22	3	COMPETITIVE	MONTEVALLO	Alabama
UNIVERSITY OF WISCONSIN-SUPERIOR	16 to 1	required		2	LESS COMPETITIVE	SUPERIOR	Wisconsin
WAYNE STATE COLLEGE	21 to 1	not required		1	NONCOMPETITIVE	WAYNE	Nebraska

Institution	Ratio of Research to Instruction Expenditures	Total 1994 Research Expenditures	Carnegie Classification	2000 Carnegie Classification
ADAMS STATE COLLEGE	0.00	0	Masters I	Masters I
CHADRON STATE COLLEGE	0.01	129,346	Masters I	Masters I
EASTERN NEW MEXICO UNIVERSITY-MAIN CAMPUS	0.05	779,913	Masters I	Masters I
FITCHBURG STATE COLLEGE	0.01	165,559	Masters I	Masters I
FRAMINGHAM STATE COLLEGE	0.00	4,779	Masters I	Masters I
GOVERNORS STATE UNIVERSITY	0.04	1,063,576	Masters I	Masters I
NORTHWESTERN OKLAHOMA STATE UNIVERSITY	0.00	12,616	Masters I	Masters I
SUL ROSS STATE UNIVERSITY	0.19	2,501,489	Masters I	Masters I
THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN	0.20	2,282,425	Masters I	Masters I
UNIVERSITY OF MONTEVALLO	0.00	26,939	Masters I	Masters I
UNIVERSITY OF WISCONSIN-SUPERIOR	0.12	1,536,596	Masters I	Masters I
WAYNE STATE COLLEGE	0.00	22,916	Masters I	Masters I

Institution	Certificates Programs	Associates Programs	Bachelors Programs	Masters Programs	Doctorates Programs	First Professional Programs
ADAMS STATE COLLEGE	0	1	11	3	0	0
CHADRON STATE COLLEGE	0	0	19	4	0	0
EASTERN NEW MEXICO UNIVERSITY-MAIN CAMPUS	0	3	23	10	0	0
FITCHBURG STATE COLLEGE	2	0	17	9	0	0
FRAMINGHAM STATE COLLEGE	0	0	17	6	0	0
GOVERNORS STATE UNIVERSITY	0	0	15	12	0	0
NORTHWESTERN OKLAHOMA STATE UNIVERSITY	0	0	18	2	0	0
SUL ROSS STATE UNIVERSITY	2	2	18	13	0	0
THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN	0	0	17	10	0	0
UNIVERSITY OF MONTEVALLO	0	0	16	4	0	0
UNIVERSITY OF WISCONSIN-SUPERIOR	0	1	15	4	0	0
WAYNE STATE COLLEGE	0	0	18	2	0	0

The following chart shows FY05-06 student FTE and headcount data as reported in IPEDS, illustrating the significant difference between ASC's IPEDS reported FTE and the FTE reported to the Department. ASC staff worked with staff at the Department and has modified how the non-degree seeking cash funded students will be reported in IPEDS beginning in the FY07-08 reporting year.

Institution	Total FTEs	Total Headcount	Percent Part-time Headcount	Percent Minority Headcount
ADAMS STATE COLLEGE	4,440	9,157	77.3	20.2
ASC Dept Data excluding cash FTE	2,179			
CHADRON STATE COLLEGE	1,944	2,472	32.0	8.4
EASTERN NEW MEXICO UNIVERSITY-MAIN CAMPUS	3,146	4,033	33.0	39.9
FITCHBURG STATE COLLEGE	3,911	5,340	40.1	10.1
FRAMINGHAM STATE COLLEGE	4,043	5,874	46.7	13.2
GOVERNORS STATE UNIVERSITY	2,717	5,405	74.6	46.8
NORTHWESTERN OKLAHOMA STATE UNIVERSITY	1,735	2,102	26.2	14.1
SUL ROSS STATE UNIVERSITY	2,133	2,927	40.7	64.2
THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN	2,525	3,406	38.8	41.0
UNIVERSITY OF MONTEVALLO	2,692	2,999	15.3	17.4
UNIVERSITY OF WISCONSIN-SUPERIOR	2,452	2,872	21.9	10.6
WAYNE STATE COLLEGE	2,789	3,322	24.1	6.8
PEER GROUP AVERAGE	2,735	3,705	36	25

III. STAFF RECOMMENDATION

That the Commission approve the new peer group (Attachment A) for Adams State College and recommend its use in the FY09-10 budget allocation submitted to the Joint Budget Committee.

STATUTORY AUTHORITY

C.R.S. 23-1-105 (8)