

## Framework for a Strategic Planning Process for Colorado Higher Education

### THE TASK

Prepare a practicable plan, supported by key stakeholders, so that public higher education in Colorado can meet the needs of students, sustain the state's economic competitiveness, and serve important non-economic purposes (e.g., civil society, democracy, culture).

### BACKGROUND & CONTEXT

In 1985 the Colorado General Assembly established (House Bill 1187) a broad and ambitious set of expectations for the higher education community. It directed the Colorado Commission on Higher Education (CCHE) to develop a 'master' plan designed to promote the state's goals for higher education (23-1-108 CRS). The last plan was adopted nearly ten years ago and focused on issues that were then current.

Conditions facing higher education have changed substantially since. Current circumstances make a comprehensive planning effort appropriate: the recent evaluation of the College Opportunity Fund program; the expiration of COF performance contracts with all but one governing board; recent legislation on P-20 alignment and on concurrent enrollment and remediation; and an economic crisis with only a temporary financial cushion provided by the American Recovery & Reinvestment Act (ARRA).

The financial crisis the institutions will face when the ARRA funding ends in FY2011-12 of course demands planning and timely action. While meeting this challenge is of critical importance, it is substantially different from developing a long-term plan for higher education in the state. Reaching broad agreement around such a plan is probably an essential prerequisite for persuading Colorado voters to invest more in higher education. Ideally, the long-term agenda should help inform the more immediate choices to be made in the face of the end of ARRA funding, so that immediate choices contribute to long-term goals. And while each institution has its own plan for its future, an aggregation of those plans will not necessarily address overarching state needs adequately.

The information and possible goals and objectives outlined in this framework are not to imply eventual outcomes of the planning work but only to state relevant considerations and suggest possible directions. If the planning process is to be useful and successful, it needs to be open and participatory. On the other hand, it will not occur in a vacuum and will need to take account of the realities facing the state.

Some important facts, context and comparative information helps in establishing the need for such a planning effort.

### Demographics

- Colorado is **8<sup>th</sup> fastest-growing state** in the nation, with the Hispanic demographic growing most rapidly.<sup>1</sup>
- **Colorado's workforce is highly educated, ranking 5<sup>th</sup> nationally**, with about 45% ages 25 to 64 having at least an associate degree. This high level of educational attainment is due in large part to in-migration of degree-holders to Colorado.<sup>2</sup>
- **But we do a relatively poor job of educating Colorado natives:** only a third of Coloradans with AA degrees were born here (national average, 52% born in-state) and only 23% of those with a bachelor's degree were born here (national average, 42%).<sup>3</sup>
- **Colorado has the largest majority-minority ethnic gap in college attainment in the nation<sup>4</sup>** (in our case, white-Hispanic). The Hispanic population is the fastest growing demographic in Colorado. 38% of Hispanics have not graduated from high school, 6% have an associate degree, and 8% have a bachelor's degree. This should not distract from the comparable gap that demands comparable attention with respect to the state's African-American population.
- **Colorado has the largest gap in the nation in regional income** between its wealthiest and best educated counties and its least.<sup>5</sup> These regional differences drive different educational needs and solutions.
- **The high remediation rate for the college-bound population is a factor in the low number attaining post-secondary degrees.** 56% of entering students at two-year public institutions and 20% at four-year public institutions require remedial courses, for an overall remediation rate of 30% for all first-time college-bound students in 2006.<sup>6</sup>

### Economics

- **Colorado ranks 3<sup>rd</sup> nationally in expected growth in jobs that will require post-secondary training.** To meet workforce needs and remain internationally competitive, degree attainment in the workforce will need to increase from 47% to at least [55%] by 2025 – that means we have to produce nearly a quarter million *more* degrees than projected under current practice, requiring a 10% gain in degree completion rates for traditional students *and* major gains for adult learners.<sup>7</sup>

<sup>1</sup> Census Bureau, 12/27/2007

<sup>2</sup> NCHEMS; "The Emerging Policy Triangle; Economic Development, Workforce Development, and Education," May 2007

<sup>3</sup> 2005 American Community Survey as compiled by NCHEMS, "Setting the Stage: A Look at Colorado's Demographic and Educational Context," 2007.

<sup>4</sup> NCHEMS

<sup>5</sup> NCHEMS, "Setting the Stage: A Look at Colorado's Demographic and Educational Context," presented at the Colorado Higher Education Summit, June 2007.

<sup>6</sup> First time recent high school graduates assigned to remediation by sector, 2006. Source: SURDS, DHE.

<sup>7</sup> SHEEO, The College Degree Gap, Higher Education Policy Conference Agenda, August 12-15, 2008.

- **Higher education should better serve high demand workforce areas;** for example, too few students are enrolling in science, technology, engineering, and mathematics; we also face particular needs in the health field and teaching.<sup>8</sup>
- **Colorado's economy is tied to strong support for cutting-edge scholarship and research** needed to create new industries, products and solve pressing problems in areas of such as energy, health, climate change and technology. Our superior national ranking and stature of our research institutions must be sustained.<sup>9</sup>

#### **Funding**

- Though Colorado is a **wealthy state, ranking 10th** in the nation in personal income per capita, **it ranks 49<sup>th</sup> out of the 50 states in state and local support for public higher education** as a percent of personal income.<sup>10</sup>
- **Out of necessity, Colorado institutions already are very efficient, ranking near the top nationally.** Funding constraints are likely to persist and suggest the need to direct limited resources to serve more students more affordably, making efficiency and productivity critical considerations.<sup>11</sup>
- **While tuition is relatively low for Colorado residents** compared to national averages (community colleges charge 80% of their peers' average tuition; four-year institutions, 64%, and research universities 86%), **Colorado offers relatively less financial aid** to needy students than other states, so net cost remains a barrier to access for many students.<sup>12</sup>
- **Current levels of state funding and tuition revenues are inadequate to sustain, let alone enhance, institutional quality.** Yet, state resources are constrained by numerous constitutional and statutory limitations and by near-term economic conditions.<sup>13</sup>

#### **Structural/Design Factors**

- While postsecondary education is mainly structured to serve traditional college age students, **college [completion] for non-traditional students also has to be a priority.** Some 20,000 students who attended Colorado colleges (since 2002) completed 75% of the credits for a degree but dropped out before graduation.<sup>14</sup>
- Under the **College Opportunity Fund (COF)** resident students receive stipends to pay part of tuition, institutions receive additional support from fee-for-service contracts, and performance contracts supply some accountability. According to a recent study, the COF program **has not met its goals of improving access and educational outcomes and advancing other state goals.**<sup>15</sup>

<sup>8</sup> Metro Denver Economic Development Corporation, "Toward a More Competitive Colorado," 2008.

<sup>9</sup> National Science Foundation, "Federal R&D Obligations to Universities and Colleges," 2009.

<sup>10</sup> State Higher Education Executive Officers, Compiled by NCHEMS: <http://higheredinfo.org/> for 2006.

<sup>11</sup> NCHEMS, Colorado Higher Education Financing Study, 2006.

<sup>12</sup> Colorado Department of Higher Education, "Fiscal Year 2008-2009 Tuition and Fee Report," 2009.

<sup>13</sup> NCHEMS, 2006.

<sup>14</sup> SURDS database research for WICHE NTNM grant proposals.

<sup>15</sup> WICHE, "An Evaluation of Colorado's College Opportunity Fund and Related Policies," 2009.

- **Current funding** is based largely on prior institutional funding levels; it **does not reflect enrollment changes or reward educational outcomes such as degree completion.** Although all institutions have performance contracts with the state that include persistence and graduation benchmarks, the contracts simply prescribe reporting requirements, with no incentives for doing well.<sup>16</sup>

In the face of daunting circumstances, public higher education in Colorado has to serve key purposes for the state. Higher education is central to Colorado's economic growth and competitiveness. It plays an essential role in meeting other fundamental societal needs and purposes, from a healthy democracy and civil society to enriching culture and advancing knowledge. It needs to improve students' access to and success in college dramatically to meet its responsibility to all Coloradans. And, with limited resources, accountability and productivity are critical to its credibility and prospects for better funding.

A new strategic plan is needed to set a course to meet these challenges. The plan should provide guidance for higher education over the next several years – stated in clear, measurable and realistic goals and objectives. Several more specific topics for consideration in the planning effort are set out below, as well as a suggested process for doing the planning.

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<sup>16</sup> WICHE, 2009.

## PROSPECTIVE CORE STATE GOALS

**I. Access and Success:** *Increase the percentage of high school graduates and non-traditional students completing a college degree or earning a certificate having workplace value.*

**II. Economic Growth and Innovation:** *Meet higher education's responsibility to increase economic opportunity, prosperity, innovation and knowledge, recognizing the direct and indirect individual and societal benefits provided by our colleges.*

**III. Measurable Outcomes; Institutional Efficiency and Productivity:** *Institute funding mechanisms and metrics that focus on results and introduce specific performance outcomes tied to I and II.*

**IV. Adequate Funding:** *Find the resources to accomplish higher education's educational, economic and social objectives and deploy those resources efficiently.*

## SOME MORE SPECIFIC POSSIBLE OBJECTIVES

### Access and Success

- Develop clear standards of "college ready" and assess learning in high school to enable more students to avoid postsecondary remediation
- Improve postsecondary enrollment rates
- Improve postsecondary graduation rates
- Narrow the attainment gap with the state's minority populations
- Encourage and enable adults with some college, or only a high school diploma, to earn a postsecondary credential

### Economic Growth and Innovation

- Address key demographic and economic trends
- Meet critical state workforce training and development requirements and life-long learning needs
- Support research and innovation
- Ensure that graduates have the knowledge and skills necessary to be productive workers and citizens
- Take account of the contributions made by the state's private nonprofit and proprietary post-secondary institutions

### Measurable Outcomes; Institutional Efficiency and Productivity

- Establish budget policies and practices that reward completion, provide support for student success, and sustain efficiency and productivity
- Promote and reward institutional practices that improve learning
- Improve teaching capacity so that K-12 and postsecondary faculty support higher levels of student learning and preparation
- Assure data systems and staff to obtain adequate data and actionable information

- Employ technology more effectively to enhance learning and increase cost-effectiveness
- Update state-level coordination policies, such as financial aid allocation, degree program review, and adjustment to roles and missions, to meet current state goals and objectives

#### **Adequate/Smart Funding**

- Provide adequate resources and facilities for quality instruction and essential student support – identify potential new financial resources
- Provide need-based student financial assistance designed to grow with tuition and enrollment
- Determine proper role of tuition and fees and institutional authority to set
- Plan for enrollment growth at institutions that best advance goals and objectives within expected resources
- Align our policies with federal activities to maximize use of limited state resources

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## PROPOSED STRATEGIC PLANNING STRUCTURE & PROCESS

CCHE and the Department of Higher Education (DHE) will have principal responsibility for managing a collaborative and inclusive planning process. The work is anticipated to take approximately 15 months, beginning in September 2009 and concluding by November 2010. A proposed process would include:

**External guidance and review.** A Steering Committee of leading citizens from around the state will help guide the process, with members drawn from CCHE, the business community, legislators, education leaders and other stakeholders. In addition, CCHE and DHE will bring in nationally recognized experts to assist the working groups and to review and critique draft recommendations and the eventual report.

**Step 1: Launch.** A one-day conference involving: leaders from higher education, including CEOs and governing boards, and K-12; the Governor, legislators and other officials; the business community; students and other higher education stakeholders. The conference, to take place September 21, 2009, will hear from institutions about the work they already have underway to address state needs, and deliberate and – hopefully – agree on goals, objectives and process.

**Step 2: Working Groups.** CCHE will identify and convene working groups to address key goals and objectives (as those stated above are revised): 1) student access and success; 2) state economic growth and innovation needs; 3) policies and practices to promote student opportunity and success, and institutional efficiency and productivity; 4) financial and capital requirements. Working group members from around the state, to include experts and stakeholders from education (executives, trustees, faculty, finance, students), business, nonprofits and economic development, will be charged with reviewing data and best practices; obtaining input from Colorado's education, business, and other communities through public meetings around the state and other means; drafting recommendations for policy reforms. Timeline: October 2009 – May 2010.

**Step 3: Consolidate & Review.** DHE will pull together the various recommendations and supporting information into a draft report. The draft will be subject to review at public meetings around the state. A report on those meetings will be submitted with the draft report to a meeting comprised similarly to the launch event and convened to review and comment on the draft report. DHE staff will revise the report accordingly. Timeline: May – September 2010.

**Step 4: Report & Implementation.** The Colorado Commission on Higher Education will hold a hearing on the draft report by October 2010 and issue a report to the Colorado Legislature by November 2010. The report will provide recommendations for policy reforms to be adopted by CCHE or considered in the 2011 Legislative session, as appropriate.