

**TOPIC: DRAFT FRAMEWORK FOR COMPREHENSIVE PLANNING FOR
HIGHER EDUCATION**

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I. BACKGROUND

State statute authorizes and directs 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 CCHE master plan was adopted nearly ten years ago and focused on issues that were then current. Conditions facing higher education have changed substantially in the last decade.

Current circumstances that make a comprehensive planning effort timely include the recent evaluation of the College Opportunity Fund (COF) 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 the temporary financial cushion provided by the American Recovery & Reinvestment Act.

With the difficult fiscal environment that higher education in Colorado faces even in good economic times, it is especially important for resources to be deployed as effectively as possible to accomplish clear state goals. The recent evaluation of the COF program identified several areas in which it was advisable for the state to be clearer about its goals and to make a definite connection between those goals and the allocation of resources.

Colorado was selected as one of eleven states to receive a planning year grant from the Lumina Foundation's *Making Opportunity Affordable* initiative and is positioned well to compete for one of the five \$2 million, four-year MOA continuation grants. The proposed comprehensive planning effort would both add value to, and benefit from, the state's participation in the MOA initiative.

II. STAFF ANALYSIS

In consultation with the Governor and his staff, and as previously briefed to the Commission, department staff have taken preliminary steps toward a long-range, comprehensive planning effort. The attached framework document is intended to describe the reasons for and the broad parameters of such an effort. It has been circulated for comment to the CEOs of the state's public institutions and to key legislators. It contemplates a launch event designed to involve all key stakeholders in a planning process projected to last about 15 months, with extensive opportunity for input from interested parties, with outreach around the state, and with frequent peer and expert review by experienced and knowledgeable persons not directly affiliated with Colorado higher education. Ultimately, the product of the planning effort would be presented to the Commission for adoption, with any policy recommendations that require statutory changes to be

forwarded to the General Assembly in 2011. With the approval of the Commission, the draft framework will be distributed more widely for comment and suggested revision prior to the expected launch event.

III. STAFF RECOMMENDATION

That the Commission give preliminary endorsement of the planning effort and framework.

IV. STATUTORY AUTHORITY

Section 23-1-108 C.R.S.

V. ACCOMPANYING MATERIALS

The draft framework for the proposed comprehensive planning effort is attached as Attachment A.

Attachment A

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 through passage of House Bill 1187 a broad and ambitious set of expectations for the higher education community. In particular 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 CCHE master plan was adopted nearly ten years ago and focused on issues that were then current. Conditions facing higher education have changed substantially since then. Current circumstances that make a comprehensive planning effort timely include 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 the temporary financial cushion provided by the American Recovery & Reinvestment Act.

Some important facts, context and comparative information:

- Colorado is **8th fastest-growing state** in the nation, with the Hispanic demographic growing most rapidly.
- **Colorado's workforce is highly educated, ranking 4th nationally**, with about 47% 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.
- But **only 33% of Colorado-born residents have AA degrees (national average, 52%) and only 23% of have bachelor's degrees (national average, 42%)**.
- **The high remediation rate for the college-bound population is a factor in the low number of Colorado-born students 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.
- **Colorado has the largest ethnic gap (white - Hispanic) in college attainment in the nation.** 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.
- Some **20,000 students who attended Colorado colleges (since 2002) completed 75% of the credits for a degree but dropped out before graduation.** The postsecondary system is designed around traditional college age students. College completion for non-

traditional students also has to be a priority – to help replace the aging generation of well educated people and to increase their own economic well-being.

- **Colorado ranks 3rd nationally in expected growth in jobs that will require post-secondary training.** To meet workforce needs, degree attainment by Coloradans in the workforce will need a **33% increase in jobs requiring an undergraduate education anticipated by 2012** and to increase further from 43% to [55?]% by 2025. By 2025, the state needs to produce nearly a quarter million *more* degrees than projected under current practice and to boost degree completion rates by roughly 30% for traditional students and 70% for adult learners.
- **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.
- **Current funding of higher education does not adequately support 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.
- Though Colorado is a **wealthy state, ranking 8th** in the nation in personal income per capita, **it ranks 49th out of the 50 states in state and local support for public higher education** as a percent of personal income.
- Colorado **tuition is relatively affordable for residents** when compared to national averages, with Colorado community colleges charging 80% of their peers' average tuition, four-year institutions 64%, and research universities 86%. Yet, **Colorado offers relatively less financial aid** to needy students than other states, so net cost remains a barrier to access for many students.
- **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.
- **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.
- 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 fulfilled its goals of improving access and educational outcomes and advancing other state goals.**
- **Colorado's current funding model is based largely on revenues per student, and so on enrollment; it does not 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, or sanctions for doing poorly.

Public higher education in Colorado faces daunting challenges in accomplishing key purposes for the state:

- *Higher education is central to Colorado's economic growth and competitiveness.*
- *Higher education serves other critical societal needs and purposes.*
- *Dramatic improvements in students' access to and success in college are essential.*
- *Given limited resources, accountability needs to be improved and productivity sustained.*

A new strategic plan is needed to set a course to meet these challenges, with guidance for higher education over the next several years expressed in clear, measurable and realistic goals and objectives. More specific topics to be addressed in planning for state higher education are set out below, as well as a suggested process for addressing them.

CORE STATE GOALS

I. Access and Success: *Increase the college going rate and degree completion rate.*

II. Economic Growth and Innovation: *Better fulfill higher education's responsibility to increase economic opportunity, prosperity, innovation and knowledge.*

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

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

MORE SPECIFIC OBJECTIVES/QUESTIONS [will need to be shortened and simplified]

- Improve postsecondary enrollment rates; develop clear standards of "college ready" and assess learning in high school to enable more students to avoid postsecondary remediation
- Design and implement developmental education strategies to enable many more students to succeed in postsecondary education
- Improve postsecondary graduation rates; establish budget policies and practices that reward completion, provide support for student success, and encourage efficiency and productivity
- Encourage and enable adults with some college, or only a high school diploma, to earn a postsecondary credential

- Ensure that graduates have the knowledge and skills necessary to be productive workers and citizens; promote and reward institutional practices that improve learning
- Provide opportunity to improve knowledge and skills throughout life and that accommodate work and family responsibilities
- Establish clear, concrete goals for higher rates of educational attainment; establish maximum educational attainment as the explicit policy goal for state appropriations and tuition
- Provide adequate resources and facilities for quality instruction and essential student support
- Provide need-based student financial assistance designed to grow with tuition and enrollment
- Improve teaching capacity so that K-12 and postsecondary faculty can promote higher levels of student learning and preparation
- Address key demographic trends and meet critical state workforce training and development requirements
- Employ technology more effectively to enhance learning and increase cost-effectiveness
- Plan for enrollment growth at institutions that best advance goals and objectives within expected resources
- Modernize state-level coordination policies, such as financial aid allocation, program review, changes to roles and missions

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 18 months, beginning in July [?] 2009 and concluding by December 2010. A proposed process would include:

Step 1: Launch event. A one-day conference involving: leaders from higher education and K-12; the Governor, Legislators and other officials; the business community; and other higher education stakeholders. The Summit, to take place in late July 2009, will deliberate and agree on goals, objectives and process.

Step 2: Working Groups. CCHE will identify and convene working groups to address the key areas outlined the goals and objectives above, perhaps organized around 1) student access and

success; 2) the state's 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 groups, to include experts and stakeholders from education, business, 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: September 2009 – April 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 convened and patterned on the July 2009 summit to review and comment on the draft report, and DHE staff will revise as appropriate. Timeline: May – September 2010.

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

Ongoing: External assurances. The CCHE will appoint an Advisory Board to help guide the process, with representatives from the business community, the Governor's cabinet and staff, legislators, education leaders and other stakeholders. 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.