

Action Item

TOPIC: COLORADO MOUNTAIN COLLEGE – NEW BACCALAUREATE DEGREE PROGRAMS

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I. SUMMARY

This action item provides a recommendation concerning two baccalaureate programs at Colorado Mountain College (CMC) to offer its first two baccalaureate degrees. The first degree, a Bachelor of Science in Business Administration, is designed to broadly educate students to analyze and solve business related problems in a rapidly changing environment. Specific emphasis areas include Accounting, Entrepreneurship, Resort Management, Ski and Snowboard Business, and Sustainability. The second degree, a Bachelor of Arts in Sustainability Studies, will explore areas of environment, economy, and equity defined as social justice and education while preparing students to lead, influence, and make decisions in society and play a critical role in promoting the principles of sustainability in the environment.

II. BACKGROUND

During the 2010 legislative session, the General Assembly passed and the Governor signed into law SB10-101. This new law allows Colorado Mountain College to offer up to five baccalaureate degrees that directly address the needs of the communities within the college's service area. This legislation established the following criteria upon which decisions concerning new degree programs would be based:

- (a) Whether Colorado mountain college can demonstrate workforce and student demand for the baccalaureate degree program by providing data;*
- (b) Whether Colorado mountain college can demonstrate regional and professional accreditation requirements, when applicable, and compliance with those requirements as deemed appropriate at both the institutional and program levels;*
- (c) Whether Colorado mountain college can demonstrate that its provision of baccalaureate degree program is the most cost-effective method of providing the baccalaureate degree program in its service area; and*
- (d) Whether Colorado mountain college can provide a cost-benefit analysis showing that the additional baccalaureate degree program will not create a negative impact for the college or require additional state appropriated moneys to operate.*

III. STAFF ANALYSIS

Staff reviewed documents provided by CMC according to the four legislative requirements. The following is a summary of information CMC provided:

- (a) **WORKFORCE AND STUDENT DEMAND***

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About a year ago, CMC conducted the following surveys: a random sampling of area residents and businesses; a brief community poll of service area residents; and a survey of current students. These surveys indicated that four-year degrees in the areas of Business, Teaching, Health Care, Science, Resort Management, and Environmental Studies are of most interest to their constituents. The first three degree areas were among top industry sectors within Colorado and the last three were of special interest to respondents because of the rural resort region served by the college. A majority of respondents across the surveys indicated that the college should offer four-year degrees. At that time, the overall satisfaction with CMC was at 79%.

A follow-up survey was conducted in November 2010 with area residents, current, and past students to ascertain more specific needs with respect to potential Bachelor's degree programs. 2,220 individuals responded to the survey, including 583 business owners, the majority stated that they would hire graduates from the college's Bachelor's degree programs. Furthermore, overall satisfaction with CMC went up to 88% compared with the previous year. Out of all that were surveyed, when asked whether they would enroll in a Bachelor's degree in Business at CMC, 775 responded "Yes" and another 561 said they were "Not Sure." Sufficient numbers of respondents were interested in enrolling at each of CMC's campuses, with the majority wishing to enroll in Fall 2011 and the others between 2012-15. When asked how many credits they would be transferring, there was some uncertainty due to various factors (e.g. age of previous courses taken, degrees earned, whether past areas of study would be relevant to pursuing a Bachelor's in Business). It is likely that some of the students wishing to start Bachelor's level classes in Fall 2011 will not be eligible until later years.

(b) REGIONAL AND PROFESSIONAL ACCREDITATION COMPLIANCE

CMC must receive the regional accreditation process required by the North Central Association of the Higher Learning Commission (HLC) status change from solely offering associates degrees and certificates to offering baccalaureate degrees. CMC sent in the request for a change of status on December 21, 2010. Prior to this, in late September of 2010, Dr. Steven Spangehl, HLC Vice-President for Accreditation Relations, reviewed the work of CMC's 16 continuous improvement baccalaureate teams. He provided CMC with positive feedback and encouragement on their schedule and progress. Additionally, from the preliminary report provided by the HLC review team, CMC has been praised for their work to add these bachelor degrees and that they recommend approval of these two degrees. The official approval is expected at the next HLC Board meeting in April 2011.

(c) & (d) BUDGET IMPACT COST EFFECTIVENESS

CMC's primary source of public funding is property taxes. Although real estate values declined over the past two years, the real estate market has been improving since

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October, 2010. CMC received additional property tax revenue this year (\$1.1 million) due to the conventional lag associated with this revenue source and that money has been designated for the start-up costs for the new bachelor degree programs. An additional million dollars has been reserved for these programs. Should additional funding be needed, the college has 25% of its budget put aside in other reserves. The college is actively pursuing sustainability related grant funding opportunities as well. Finally, the college’s facilities are mostly “set” for the next few years, so the funds normally spent on new buildings could absorb any property tax shortages. As displayed in Table 1 below, these primary assumptions helped guide CMC through building the budget for these new programs.

The Fiscal Impact Team, led by the Business Office, developed a model to reflect the impact of key variables on the projected Net Income attributed to the programs (e.g. FTE, Tuition Rates, Ratio of Full-Time to Part-Time Faculty—see table below). Enrollment projections, including campus distributions of FTE, were based on survey data from potential students. The survey data indicated that college-wide there would be about 100 prospective students for each of the four years of the Bachelor’s program. Instruction is the most expensive and least flexible expense that drives the fiscal feasibility of the proposed programs. The cost of delivering upper level courses will be covered by incremental tuition revenue generated by those classes. The process of determining tuition rates involved benchmarking with the tuition rates of other schools in the state of Colorado and proposing comparatively reasonable In-District, In-State, and Out-of-State rates for the Bachelor’s degree that would allow the college to more than break even with less than 100 FTE, yet create affordable educational opportunities for area residents.

The Foundation Team developed a plan to raise additional scholarship funds for students who most need it. It is anticipated that enrollment will continue to grow for the Associate’s degrees and also be sufficient to help support the offering of the Bachelor’s degrees. Additional full- and part-time faculty will be hired for the Bachelor’s program. The emphasis will be on maximizing the usage of existing staff and facilities.

Table 1: Primary Assumptions

1. FTE	Total projected enrollments in each program, derived from % students taking full loads and an average credit load for part-time students.
2. Campus Distribution	Projected enrollments for each campus are used to determine if a sequence is feasible at that campus, and whether enough demand exists for a FT faculty member.
3. Residency Mix	The percentage of In-District, In-State, and Out-of-State Students.
4. Upper-Level Tuition Rates	Rates recommended by the Tuition Committee with the following considerations: market restraints, remaining competitive, covering incremental costs, and preserving a discount for in-district students.
5. Ratio of Full-Time to Part-Time Faculty	Select a minimum number of full-time faculty in each

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	program, as well as build-in a maximum percentage of FT Faculty to Adjuncts.
6. Full-Time Faculty Course Load	Expected number of courses taught by Full-Time Faculty.
7. Sequence Structure	A set number of upper division courses equates to a sequence in each year of the Bachelor program.
8. Minimum enrollment	Used to determine which campuses should offer a Bachelor sequence on campus rather than filter their students through an IVS track.
9. Maximum number of students per course	Used to determine which campuses should offer more than one Bachelor sequence.

CMC provided a cost benefit analysis to show that they are able to offer these new degree programs more cost effectively in their service area without creating a negative impact for the college or requiring funding from the state. Please see attached *Appendix A*.

Pursuant to Colorado Revised Statutes 23-71-102(3), Department staff find that the proposed programs fit the criteria for CMC to offer these degrees.

IV. STAFF RECOMMENDATION

That the Commission approve the Bachelor of Science in Business Administration and the Bachelor of Arts in Sustainability Studies for Colorado Mountain College with a preliminary authorization that is predicated on CMC receiving official approval for said degrees from the Higher Learning Commission. This preliminary authorization allows CMC to move forward with the planning necessary to get the systems in place for these new degrees. However, until such approval from HLC is on file with the Department of Higher Education, CMC cannot enroll students in these degree programs.

VI. SUPPLEMENTAL INFORMATION

Copies of all relevant documents are on file in the Academic Affairs Office.

STATUTORY AUTHORITY

C.R.S. §23-71-102

(1)“Junior College” means an educational institution that provides not more than two years of training in the arts, sciences, and humanities beyond the twelfth grade of the public high school curriculum or vocational education and that conducts occupational technical and community service programs, with no term limitations, and general education, including college transfer programs, with unrestricted admission; except that Colorado mountain college, in addition to its mission as a junior college, may also offer no more than five baccalaureate degree programs as its board of trustees determines appropriate to address the needs of the communities within its service area and that are approved by the Colorado commission on higher education.