

TOPIC: MASTER PLAN UPDATE

PREPARED BY: MATT GIANNESCHI, DEPUTY EXECUTIVE DIRECTOR

I. SUMMARY

On May 23, 2012, the Department of Higher Education invited chief financial officers, chief academic officers, chief student services officers, and chief institutional research officers from the state's public colleges and universities to a three-hour meeting, the third and final such meeting, at the Colorado School of Mines. The purpose of the meeting was to discuss proposed state- and institution-level metrics intended to measure progress toward statewide performance goals. Commissioners Percy and Kauffman joined the event in order to listen to the discussion. In addition, Lt. Governor Garcia provided remarks and participated in the first part of the meeting. During the meeting, Dr. Patrick Kelly of the National Center of Higher Education Management Systems (NCHEMS) provided a summary overview of the presentations he had given at the previous two meetings. This was followed by discussions among participants concerning the metrics that were proposed by the Department of Higher Education.

II. STAFF ANALYSIS

NCHEMS Presentation

Dr. Patrick Kelly from the National Center for Higher Education Management Systems (NCHEMS) provided a presentation concerning the ways in which other states measure performance. Importantly, beyond the approaches other states have taken regarding the development of performance metrics, Dr. Kelly provided general recommendations for the successful implementation of such measures. Dr. Kelly's recommendations are as follows:

1. Align to overall state goals
2. Be relatively few in number
3. Be measurable with available data
4. Be sensitive largely to institutional practice – not external forces
5. Not be in conflict with one another – i.e., performing well on one should not negatively influence another

Feedback from Campus Executive Officers

Following Dr. Kelly's presentation, meeting attendees were asked to consider and provide feedback on proposed performance metrics. These metrics were intended to "fit" the four CCHE master plan goals as well as reflect the suggestions made by campus-level leaders during earlier conversations. Specifically, the metrics were designed to address the following:

1. Promote annual, achievable, incremental change
2. Measure change within institutions/populations
3. To the extent possible, focus on activities institutions can influence
4. Maintain a short list of high priority goals
5. Ensure that metrics are not in conflict with one another
6. Use existing data whenever practicable

The proposed metrics that were presented to the campus representatives for comment are as follows:

All Institutions

1. Increase undergraduate credentials awarded per 100 students enrolled by 1% per year or maintain excellence (top 25% of peers).
2. Increase undergraduate STEM credentials awarded per 100 students enrolled in STEM disciplines by 1% per year or maintain excellence (top 25% of peers).
3. Annually reduce the disparity in the completion rates of college-level English and college-level mathematics courses between students originally assigned to remediation and those not assigned to remediation.
4. Annually reduce disparities in the completion rates of college-level English and college-level mathematics courses between resident minority & low-income students and resident non-minority & non-low income students.
5. Annually reduce disparities in the attainment of postsecondary credentials between resident minority and resident non-minority students per 100.
6. Lower resident students' share of college costs when state revenues are increased above inflation.

7. Maintain the institution's ratio of credentials produced relative to \$100,000 in total revenues.

Community Colleges

1. Reduce satisfactory academic progress to 12, 24, 60 credit hours (hours completed/hours attempted)
2. Increase transfer out after 12 credit hours completed
3. Increase the number of resident minority and low-income students who successfully complete the remedial course sequence.

Four-year Institutions

1. Reduce satisfactory academic progress to 12, 24, 60 credit hours (hours completed/hours attempted)
2. Ensure that credit hours to degree for resident transfer graduates are within 105% of credit hours to degree for resident native students.
3. Annually increase the yield of resident minority & low income students (enrolled/admitted) by to the meet or exceed the yield for resident non-minority & non-low income students.

Feedback on the Goals All of the participants in the meeting were asked to comment on proposed metrics. Specifically, participants were organized into six groups, and each group was invited to critique one set of metrics. What follows is a summary of some of the comments that were made by participants during an open forum with the meeting participants.

Generally speaking, the participants were in support of the direction of the metrics. When the participants were asked if it would be accurate for Department staff to represent the participants' position concerning the metrics as "supportive," no objections were volunteered. In addition, the use of incremental, annual progress was widely supported. With a few exceptions, most of the comments received by the participants were intended to clarify or focus the intentions of the metrics. Comments made by participants included the following:

1. Refinements to the metrics are needed, such as clarifying the use of full-time & part-time students, degree-seeking students, and course types (e.g., entry level English and mathematics). Also, institutional representatives suggested being very specific regarding the operating definitions for certain populations, such as "low-income" (e.g., Pell eligible) or "minority" (e.g., Hispanic, African-American, and American Indian).

2. Four-year institutions generally disliked the use of “yield” as a performance metric. They preferred using a percentage of incoming class or a raw number.
3. Institutions supported the goal of more graduates and the 66% proposed statewide target, but seemed to prefer the use of numerical completion targets rather than proportional gains. The numerical targets, it was argued, were more concrete and easier to interpret at the campus-level.
4. The use of the term “underserved populations” may need to be refined at the institution level, as different service areas/missions may add context to the development of distinctive targets for low-income, adult, first-generation college, minority, and rural populations.
5. At least one group of participants suggested adding a goal regarding state funding goals. It was suggested that, if only for illustrative purposes, the state/Commission on Higher Education should argue for statewide funding goals on behalf of the system/institutions.
6. At least one participant suggested that, at the time of performance contracts, systems may wish to offer a goal important to their role and mission or current strategic directions. The purpose would not be to eliminate any of the CCHE’s goals/metrics, but rather to allow institutions an opportunity to measure something meaningful to them that is not otherwise covered by the existing metrics.
7. It was suggested that the CCHE should only use general operating revenue for calculating institution finance metrics.
8. Institution representatives like the use of interim and transfer metrics, but argued that these needed to be refined. Specifically, the interim credit accumulation metrics needed to incorporate time and status (full-time or part-time) and the transfer completion metric for four-year institutions needed to be broadened to 110% of “native” student credit to degree, as research universities occasionally maintain a few additional graduation requirements that may not be addressed by all students prior to transfer, such as foreign language requirements.
9. Regarding financial efficiency, some institution representatives preferred measuring their relative ranking to peers rather than maintaining a specific or fixed ratio of degrees earned per \$100,000 in state funds.

10. Representatives asked the CCHE to use this information to demonstrate the quality of the system of education in Colorado. In other words, don't simply use this tool for accountability purposes, but use it to show public audiences and elected officials that the system of higher education is high performing and deserving of financial and political support.

Revised Performance Metrics In response to the comments received by the meeting participants, Department staff revised the performance metrics. The following metrics include the changes recommended by Department staff.

Revised Performance Metrics:

All Institutions

1. Increase undergraduate credentials awarded by (institutional share of 1,000 new completers) per year.
2. Increase undergraduate STEM credentials awarded by (institutional share of annual goal) per year.
3. Annually reduce the disparity in the completion rates of entry-level English and entry-level mathematics courses between students originally assigned to remediation and those not assigned to remediation.
4. Annually reduce disparities in the completion rates of entry-level English and entry-level mathematics courses between resident underserved students and resident non-underserved students.
5. Annually reduce disparities in the attainment of postsecondary credentials between resident underserved and resident non-underserved students per 100 FTE of each population.
6. Lower the share of total operating revenues from resident tuition when state revenues for general operations are increased above inflation.
7. Maintain the institution's ranking relative to peers regarding the ratio of credentials produced relative to \$100,000 in total operating revenues

Community Colleges

1. Increase the proportion of degree-seeking part-time students who earn 12 in each year and the proportion of degree-seeking full-time students who earn 24 credit hours each year
2. Increase transfer out rate of degree-seeking associate of art or associate of science students who earn at least 12 credit hours
3. Increase the number of resident underserved students who successfully complete the remedial course sequence.

Four-year Institutions

1. Increase the proportion of degree-seeking part-time student who earn 12 in each year and the proportion of degree-seeking full-time students who earn 24 credit hours each year.
2. Ensure that credit hours to degree for resident transfer graduates are within 110% of credit hours to degree for resident native (non-transfer) students.
3. Annually increase the proportion of newly enrolled resident students who are from underserved populations.

Importantly, the use of the term “underserved students” above is intentionally vague, but principally includes minority students (primarily, Hispanic and African-American students), low income students, first-generation college students, students from rural areas of the state, and adult/non-traditional age students. The term “underserved students” is used above because certain institutions may face more significant or more direct challenges with certain populations than others. For example, a certain institution may perform very well regarding the enrollment of low-income students, but not as well regarding the enrollment of adult students. To balance the unique attributes of certain institutions with the need to address known and near universal needs of certain populations, Department staff recommend providing institutions with some flexibility to define the inclusion of adult-non-traditional, first-generation college, and rural students, provided that all institutions address the needs of low-income and minority populations. For example, all institutions would be required to include metrics for low-income students and minority students, but could have the discretion to select an additional “underserved” population (i.e., adult, rural, or first-generation).

In addition, before the master plan is finalized, the Commission will need to formally adopt operating definitions for the student populations under consideration. For the time being, Department staff assume that “low-income” students are those that receive a Pell grant and “underserved minority” students are those who self-report their ethnic identity as Hispanic/Latino, African-American, or Native American/American Indian.

Finally, since the beginning of the master planning process in 2012, the Colorado Commission on Higher Education has expressed a sincere interest in holding itself accountable to new performance objectives and ensuring that the state's performance goals are used to inform various CCHE actions. Consequently, Department staff suggest the following performance objectives for the Commission on Higher Education and the Department of Higher Education.

Suggested Performance Metrics for the Commission on Higher Education/Department of Higher Education

1. Annually request operating revenues to meet projected enrollment and inflationary increases, based upon the College Opportunity Fund stipend value established in 2005.
2. Annually request appropriations for state financial aid to meet projected changes in enrollments of resident need-eligible residents and changes in costs of attendance for resident full-time students.
3. By December 1, 2013, prepare a method to allocate performance-based operating revenue to public institutions of higher education. By September 1, 2013, prepare and disseminate to institutions and governing boards a draft of the proposed performance funding plan.
4. By December 1, 2012 and each year thereafter, review and, if necessary, modify the allocation method applied to state need-based financial aid to ensure that the allocation of such funds reinforces and supports the achievement of the state's performance goals.
5. By December 1, 2013 and each year thereafter, evaluate the current and projected student and workforce demand for postsecondary education, by type and level, and the roles and missions, locations, and service areas of existing public colleges and universities, and prepare recommendations concerning the ways in which the public system of postsecondary education could address known or projected education shortages.
6. For each year that performance contracts are in place, prepare an annual report on institutional performance regarding the goals and metrics found in the Colorado Commission on Higher Education's master plan and related performance contracts. Ensure that this report demonstrates the impacts that changes in public revenues have had on institutions' capabilities to meet performance targets.

7. Through a range of mediums and venues, improve the public's awareness of the conditions of higher education in the state by illustrating institutions' performance, demonstrating the impacts of changes in public revenues to higher education, identifying areas of opportunity to improve performance, and projecting the financial and academic needs of future students.
8. Complete revisions to the statewide remedial education policy by July 1, 2014 and implement supplemental instruction procedures by December 31, 2012.
9. Complete revisions to the statewide admission policy by July 1, 2014.

The Department of Higher Education does not plan to meet with the senior staff of the state's public colleges and universities again prior to the finalization and adoption of master plan on September 1, 2012. However, the master plan and the performance metrics will be discussed at a Trustees Summit hosted by the Colorado Commission on Higher Education, which will take place on Thursday, June 28 at the Federal Reserve Bank in downtown Denver.

If the Commission supports any of the proposed performance metrics discussed herein, Department staff recommend sharing this information with the institutional governing boards and executive leadership immediately in order to solicit their views on the metrics. Pursuant to SB 11-052, the Commission must allow governing boards at least sixty days to review and respond to the proposed master plan prior to its adoption on September 1, 2012. If a request for comment were disseminated to institutional governing boards on June 8, 2012, the deadline to respond to the Commission would occur on or around August 3, 2012, which would give the Commission several weeks to consider governing boards' comments prior to finalizing the state's master plan.

III. STAFF RECOMMENDATION

If the Commission supports any of the proposed performance metrics discussed herein, Department staff recommend sharing this information with the institutional governing boards and executive leadership immediately in order to solicit their views on the metrics.

V. SUPPLEMENTAL INFORMATION

STATUTORY AUTHORITY

23-1-108 C.R.S.

