

**TOPIC:                   MASTER PLAN UPDATE**

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**I.       SUMMARY**

This discussion item has several purposes. The first is to enter a copy of the draft Master Plan, with revisions discussed during the Commission’s annual retreat on August 2-3, 2012, into the Commission’s official record. The second is to discuss a proposed template for demonstrating institutional performance pursuant to goals found in the Master Plan. Finally, the purpose is to discuss a process for completing negotiations with institutions.

**II.      STAFF ANALYSIS**

**Master Plan Draft:** On August 27, 2012, the Department of Higher Education, on behalf of the Commission, disseminated a revised draft of the Commission’s Master Plan (see Addendum A) to campus-level executive officers and members of institutional governing boards. This draft plan was also shared with members of the Senate and House Education Committees. In its letters to these stakeholders (see Addendum B), the Department, again on behalf of the Commission, communicated that, because of the significant modifications made to the Master Plan during the retreat, the Commission would miss the deadline for the delivery of the Master Plan found in Senate Bill (September 1, 2012). This delay was discussed with and supported by campus executive officers during the Department’s monthly meeting with campus CEOs, which took place on August 23, 2012.

Campus CEOs and governing board members may provide comments on the proposed Master plan to the Department on Higher Education on or before Wednesday, September 26, 2012. Any comments received by the Department will be shared with the Commission at its business meeting on October 4, 2012, which will take place at Metropolitan State University of Denver.

**Draft Template for Institutional Performance:** At its retreat on August 2-3, 2012, Commissioners shared ideas for institutional performance contracts. Concurring with many of the comments on the proposed “performance metrics” offered by the campuses and their governing boards, Commissioners suggested that the performance contracts should include indicators of performance related to each of the four statewide goals, but that each institution should be given the flexibility to identify the indicators most relevant to their roles and missions, current performance, and institutional strategic plans. In other words, it was argued that governing boards should be given the opportunity to select indicators that are applicable to their institutional profiles/missions, students, and future plans. Moreover, Commissioners argued that the “negotiations” with institutions need not be overly formal, but that institutions should be able

to share the ways in which certain indicators reflect the conditions on their campuses and their plans for contributing to statewide goals. Finally, it was suggested that institutions should be asked to “weight” the indicators they select, thereby demonstrating the criticality of and difficulty in meeting each indicator. The Commission’s role in this process would be to provide assistance to and, as appropriate, debate the goals or weights or both selected by governing boards.

Department staff created a draft performance worksheet (see Addendum C) based upon the comments made by Commissioners at the August 2-3, 2012 retreat. This worksheet presents a variety of metrics/indicators—some originally suggested by the Commission; others specifically suggested by campuses; and still others developed in response to general comments made by campuses. This worksheet assumes that each institution/governing board would first be asked to select indicators relevant to them and, second, be asked to assign a weight to each. The sum of the weights would equal 100%, though it is likely that no two performance “matrixes” would be exactly similar. This draft worksheet is for illustrative purposes only and should not be viewed as a final document.

To provide some perspective, a copy of the Tennessee Higher Education Coordinating Board’s performance framework, with weights, is available in Addendum D. Though the purpose of this framework differs from that currently under consideration by the Commission in that the Tennessee version is the basis of an annual funding formula, it is nonetheless constructive in providing an model upon which the CCHE’s performance framework could be fashioned.

**Questions for discussion by the Commission:**

- Does the attached performance worksheet sufficiently address the Commission’s intentions for determining institutional performance while maintaining flexibility?
- If yes, are the indicators found in the worksheet appropriate for each performance goal?
- Would the Commission like to assign “required” indicators for all governing boards?
- Would the Commission like to assign certain ranges (minimum & maximum weights) for each goal?
- Would the Commission like to permit institutions to suggest alternative indicators for each goal?

**Definitions:** Several institutions have requested guidance on and have made suggestions for the definitions that may be used for the performance contracts. The following topics and

subordinate questions are intended to inform and draw responses from the Commission to questions or comments raised by campus administrators and governing boards.

- **3-year rolling average:** Several institutions suggested that institutional performance should be based upon three-year rolling averages, rather than fixed annual rates. This is a common practice in education research and practice. The use of three-year rolling averages has a “smoothing” effect on trends and, as a result, illustrates more reliable patterns. If used for institutional performance contracts, Department staff recommend using the 2010-11, 2011-12, and 2012-13 years as the first benchmark.
  - **Question:** Would the Commission like to use three-year rolling averages in the performance contracts?
  
- **Undergraduate and Graduate Degrees:** One system suggested that, for purposes of evaluating institutional performance, four-year institutions should be accountable for bachelor’s degrees only. In other words, neither graduate degrees nor professional certificates should be used in calculating institutional “productivity.” On the other hand, another board suggested allowing institutions to count graduate degrees, as these are important to certain institutions’ roles and missions. The Tennessee Higher Education Coordinating Board uses the following three categories for its colleges and universities: Bachelors/Associate, Masters/Specialist, and Doctoral/Professional.
  - **Question:** Would the Commission like to use bachelor degrees only in evaluating institutional performance among four-year institutions or would it rather consider using all degrees offered by public universities, undergraduate and graduate?
  
- **Sub-baccalaureate Degrees and Certificates:** Both the Colorado Community College System and Aims Community College argued that all certificates, not only those with 30 credit hours or more, should be used to evaluate performance among two-year institutions. Some campus representatives have suggested that this may lead to manipulation of the data, as some credential programs can be “stacked,” a procedure whereby which students can apply a minimum number of credits to multiple certificate programs, thus permitting the student to earn multiple credentials at the same time using the same courses in various arrangements. To address this, campus IR representatives have suggested applying a “one student, one credential” approach. Additionally, the Tennessee Higher Education Coordinating Board uses three indicators for its

community colleges: less than one-year certificates, certificates, and Associates Degrees.

- **Question:** Would the Commission like to consider all certificates and degrees at the community college level?
- **“Underserved” Students:** Several institutions commented that the term “underserved” should either be clarified and/or amended. In the Commission’s initial master plan draft, the following students were identified as “underserved”: Hispanic/Latino, African-American, Native-American, and Low-income (Pell eligible). In addition, the Commission has frequently commented that, for some institutions, rural, adult/non-traditional, and male students could also be considered “underserved.”

The University of Colorado suggested that, for purposes of measuring performance, “underserved” students should be aggregated into a single category, as it is likely that many students will fit multiple categories at the same time, thus potentially confounding the meaning of categorical statistics. Importantly, some categories of students—especially rural, male, and non-traditional—are not universally underserved. That is, whether these students should be classified as underserved may depend, in part, on where they enroll. The University of Colorado also suggested using an alternative descriptor for “low-income” than Pell grant eligibility. CU suggested, and Department staff agree, that Pell grant eligibility changes frequently as a result of federal actions. As a result, students whose financial circumstances remain unchanged year-to-year could be Pell eligible one year, but not the next. A more reliable, consistent indicator of “low-income” status might be the use of an expected family contribution (EFC) level below the current Pell grant threshold of \$4,995.

- **Questions:**
  - Does the Commission agree that all “underserved” students should be included in one group?
  - If so, should certain students—low-income and Latino, for example—be included in all institutions’ definitions of underserved students?
  - Does the Commission support the idea of using an indicator for income that is not the national definition of Pell grant eligibility?

- Does the Commission agree that the inclusion of adult, male, or rural students should depend on an institution's demonstrating the degree to which such students currently/historically enroll in and perform at the institution?

**Process for Moving Forward:** In the immediate near-term, the Commission will need to complete performance contracts for each governing board. Technically, according to state law, the Commission must "negotiate" contracts with each board. These "negotiations" needn't be overly formal, though formal deliberations are certainly possible. Moreover, there is no reason to believe that all commissioners should expect to participate in each performance contract negotiation.

Staff recommend that commissioners agree to serve as liaisons to the various governing boards. Two or three commissioners could serve as liaisons to a particular governing board, and each commissioner could serve as a liaison to two or three governing boards. In these roles, the commissioners could meet with campus CEOs and governing board members periodically throughout October and November in order to establish performance contract criteria. Commissioners would be asked to provide status reports to the entire Commission at its October and November meetings. Department staff would provide administrative assistance to the Commissioners to coordinate meeting times and locations; Department staff would also be expected to participate in meetings with campus representatives. It is anticipated that the Commission would take action on the final performance contracts at its December 6, 2012 meeting, which will take place at Rocky Vista University in Parker.

- **Question:** Does the Commission support the proposed process? If so, how would the Commission like to assign its members to serve as liaisons to governing boards, by congressional district, by system structure, or alternative criteria?

### **III. STAFF RECOMMENDATION**

**No recommendation. For discussion only.**

### **STATUTORY AUTHORITY**

23-1-108 C.R.S.