

Minutes of the Colorado Commission on Higher Education (CCHE) Meeting
Community College of Denver
December 4, 2014

Vice Chair Pacey called the meeting to order at 10:50am

Vice Chair Pacey, Commissioners John Anderson, Luis Colon, Monte Moses, Hereford Percy and BJ Scott attended. Chairman Dick Kaufman and Commissioner Jeanette Garcia attended via conference call. Also in attendance were CCHE Advisory Committee members Wayne Artis, Dr. Toni Larson, Mark Superka and Melissa Wagner. CCHE Advisor Dr. Barbara Morris also attended via conference call.

Commissioner Moses moved to approve the minutes of the November 6, 2014 CCHE meeting. The motion was seconded by Commissioner Percy and passed unanimously.

Dr. Everette Freeman, President of the Community College of Denver (CCD) welcomed the Commission to the campus. He told the Commissioners that while many community colleges and universities have had declining enrollment, CCD has had a modest increase of one and one half percent. Dr. Freeman expects that increase to rise in the spring and fall of 2015. He spoke of the TRIO support on campus geared toward first generation students and shared that he had been a TRIO student when it was called Upward Bound. In a report to the Department of Education about the TRIO program, Dr., Freeman shared that 200 new students at CCD were served, had a persistence rate of 89 percent, students in good academic standing were at 93 percent and students completing degrees or certificates was at 39 percent – the goal was 23 percent. The school also has a transfer rate of 35 percent. Dr. Freeman credits the CCD advisers who have worked so well with their students.

COMMISSIONER REPORTS

Commissioner Anderson reported that he went to the Complete College America conference in Miami with Department of Higher Education (DHE) staff members, Dr. Rhonda Epper and Dr. Beth Bean. The emphasis of the conference was on guided pathways to success or GPS and how Colorado might implement GPS in Colorado.

EXECUTIVE DIRECTOR REPORT

Chief Operating Office, Jennifer Sobanet, gave the Executive Director's Report in the Lt. Governor's stead. She reported on the recent personnel changes in DHE. Karla Viteri, a program specialist with the Division of Private Occupational Schools (DPOS) has moved out of state and Ms. Jessica Googins, recently with the Department of Regulatory Affairs, has replaced her.

Ms. Sobanet also told the Commissioners that Chief Legislative and Strategic Policy Officer, Mark Cavanaugh, who has been with DHE for the past five years, is leaving at the end of

December. Ms. Kachina Weaver, Project Manager for HB14-1319 will become the new Chief Policy Officer.

Ms. Sobanet announced that at today's meeting the funding allocation model, in compliance with HB14-1319, will be presented for approval.

Also presented for approval will be the final nine statewide transfer articulation agreements. If approved, the State of Colorado will have 28 articulation agreements. The statutory mandate was to have 14 agreements in place by 2016. Congratulations were given to Dr. Ian Macgillivray, Dr. Rhonda Epper and the General Education (GE) Council for being 18 months ahead of schedule and doubling the number of agreements.

Ms. Sobanet gave the Commission a few division updates: College in Colorado was successful in generating enthusiasm around applying for college in October (college application month) with sponsors and more than 100 schools participating. They had 1,000 students enter into a scholarship drawing and more participation in the southern and rural parts of the state were noted; DPOS is continuing its investigation of College America's advertising practices and requested more information at the December 2nd DPOS Broad Meeting. The Colorado Attorney general's office of consumer protection filed a complaint against College America. The Commission will be informed of the results of that complaint and further action by DPOS.

Mark Cavanaugh updated the changes to the Legislature for the Commissioners:

- 1) Representative Dickey Lee Hullinghorst is the new Speaker of the House. She has not yet appointed members to the House Education Committee. Both Senator-elect Laura Woods and Senator-elect Tim Neville will be on the Senate Education Committee.
- 2) Senator Kent Lambert is the Chairman of the Joint Budget Committee. Two new members of the JBC are Senator Kevin Graham and Representative Bob Rankin. Also on the JBC are Senator Pat Steadman, Representative Millie Hamner and Representative Dave Young.

PUBLIC COMMENT

Mr. Frank Waterous of the Bell Policy Center publically acknowledged the accomplishment of the 28 articulation agreements and called it a good example of the value of a coordinating board such as the Commission on Higher Education.

CONSENT ITEMS

Degree Authorization Act: University of Saint Mary – Request for Authorization as a Place of Business

Degree Authorization Act: Rocky Mountain School of Ministry and Theology – Request for Authorization as a Seminary/Religious Training Institution

Recommend Approval of gtPathways Courses

Recommend Approval of Associate Degrees with Designation at Colorado Mountain College

Recommend Approval of Associate Degrees with Designation in Communication at Colorado Community College System

Recommend Approval of Master of Arts in Art at Western State Colorado University

Two-Year Cash Funded Capital Lists

Five-Year State Funded Capital Lists

Commissioner Percy moved to approve the consent items. The motion was seconded by Commissioner Anderson and unanimously passed.

ACTION ITEMS

Revisions to Commission Policy I, W: Policy and Procedures for Authorization of a State Institution of Higher Education to Provide Supplemental Academic Instruction - Dr. Ian Macgillivray, Director of Academic Affairs, stated that there were no changes to this revision since it was presented to the Commission at the November 6th meeting and reminded the Commissioners that the revision process was an opportunity to clarify the policy based on feedback from the institutions. It was vetted with the Academic Council and members of the original task force who created the policy.

Commissioner Anderson moved to approve the revisions to the admission policy. The motion was seconded by Commissioner Percy and unanimously passed.

Revisions to Commission Policy I, V: Policy and Procedures for the Approval of new Academic Programs in Public Institutions of Higher Education in Colorado Operating Under a Performance Contract - Dr. Ian Macgillivray reminded the Commissioners that when this item was presented for discussion at the November meeting, it was explained that currently the department and the Commission do not acknowledge certificates at four year institutions and there is no mechanism for getting those approved and entering them in SURDS (Student Unit Records Data System), thus allowing institutions to report enrollment and completion in certificate programs. The purpose of this revision is to have those certificate programs state approved and entered in SURDS.

Commissioner Percy moved to approve the revisions to the policy. The motion was seconded by Commissioner Colon and unanimously passed.

Recommend Approval of Statewide Transfer Articulation Agreements - Dr. Ian Macgillivray, presented this item that adds the final nine statewide transfer articulation agreements between Colorado's Public Institutions in the following majors: Art History,

Biology, Chemistry, English, Horticulture Business Management, Music, Physics, Studio Art, and Theatre.

Commissioner Moses moved to approve the new statewide articulation agreements. The motion was seconded by Commissioner Percy and unanimously passed.

Vice Chair Pacey read a Resolution of Tribute to the General Education Council congratulating them on their major accomplishment of 28 agreements approve by December 2014. Dr. Macgillivray will present the Resolution to the GE Council at their next meeting.

Commissioner Percy moved to approve the Resolution. The motion was seconded by Commissioner Moses and unanimously passed.

Recommend Approval of Institutions' Admission Standards to Commission Policy I, F: Admissions Standards Policy Admission (For Fall 2016 and After) – Carl Einhaus, Director of Student Affairs, presented this item for approval. He explained that all state-supported baccalaureate institutions of higher education in Colorado are required to submit their admission standards for review and approval by CCHE, effective for students seeking admission for the fall of 2016 and after. The new admissions standards are the result of the new policy which is replacing the index and the higher education admissions requirements (HEAR). These admission standards are mid-50 percentile range of GPA and test scores, which is a reflection of their most recently admitted class.

In addition to replacing HEAR as rigor, the public four year institutions are discussing and presenting what they will be determining as their academic rigor for their admission standards in the future.

Commissioner Anderson moved to approve the proposed admissions standards. The motion was seconded by Commissioner Percy and unanimously passed.

HB14-1319 Update

Public Comment - Mr. Frank Waterous of the Bell Policy Center expressed the Center's support of the HB14-1319 Funding Allocation Model and urged the Commission to approve it. He also provided a cautionary note on how the model could be incorrectly perceived moving forward and the work that remains to be done.

Regarding support for HB14-1319: the model reflects the state's Master Plan goals, the project principles and key themes identified through public outreach; it directs a substantial share of the state appropriation to College Opportunity Funds (COF) stipends; it supports and incentivizes closing the attainment gap and success for all students through performance funding tied to retention, transfer and completion, and incorporates both full-time and part-time students.

Regarding the cautionary note: focusing only on how the model moves forward could create the misconception that higher education funding in Colorado has been fixed or solved. It should be made clear that this is not a model that provides the level of increased and sustained funding that

is needed to make post-secondary education affordable for all students to achieve the credential-completion goals, nor does it close the state's "aspiration gap"; and, moving forward the model should be used to better explain the benefits of a post-secondary education in all forms to garner broader support for increased public investment. The model represents a starting point, not an end point.

Lt. Governor Joe Garcia began the HB14-1319 discussion by acknowledging that it has been quite an extensive process and involved a lot of participants working on HB14-1319 though the process. He thanked the Executive Advisory Group, the Funding Allocation Model Expert Team, the Outreach Team and the Department of Higher Education staff.

The Executive Advisory Group, at their final meeting, approved the model being presented to the Commission, as did the Funding Allocation Model Team. The Funding Allocation Model Team approved it unanimously and the Executive Advisory Group approved it with one exception. The exception vote was not against the model; there were still questions this person had.

The Lt. Governor noted there is still more work to be done, such as the cost driver analysis which will be part of the tuition study that will be presented to the legislature during the General Assembly.

Kachina Weaver, Project Manager for the HB 14-1319, provided a presentation that gave an overview of the HB 14-1319 process. Over the past eight months the Colorado Department of Higher Education (CDHE) and CCHE led an inclusive and transparent process to create and finalize a model that is **unanimously supported** by all affected governing boards. Included in this process and the decision making were legislators and members of the Joint Budget Committee; current and former higher education commissioners; business leaders; non-profit organizations; leaders of state higher education institutions; and advocates representing students, parents and faculty.

These individuals served as members of our Public Education & Outreach Team, Funding Allocation Model Expert Team (FAMET), Executive Advisory Group (EAG), and participated in a monumental effort to develop and implement a higher education funding model that is more transparent and understandable for Colorado taxpayers; improves predictability for institutions to engage in long-term financial planning and tuition setting, with a goal of ensuring both accessible and affordable higher education for residents; meets the directives of the legislation; and, harmonizes with the statewide goals for higher education as articulated in [CCHE's Master Plan – Colorado Competes, A Completion Agenda for Higher Education](#).

Ms. Weaver reminded everyone that the Commission is being asked to approve the model because of deadlines stipulated in HB 14-1319, which require the Department and the Office of State Planning and Budget (OSPB) to submit an amended budget request by January 15, 2015.

She then proceeded to provide an overview of the project principles and public outreach process. The focus of the public education and outreach efforts were to: (1) help project participants and leaders understand the higher education priorities of the stakeholders across the state, and how these priorities should impact what consideration is given to the calculation and weighting of the

metrics and factors within the funding allocation model; and, (2) educate the public about the role of higher education and its importance to our state and our economy. The outreach process consisted of three components:

Key Informant Interviews

As a first step in the outreach process, Keystone and Engaged Public conducted 25 phone/in-person interviews with key stakeholders. The purpose of these interviews was to identify opportunities, concerns and provide a baseline understanding of perspectives in order to better inform the design of the subsequent community meetings.

Community Meetings

From September 17, 2014 to October 14, 2014, Keystone and Engaged Public conducted 16 meetings statewide with 425 attendees. These meetings were held at institutions as well as community locations which helped ensure a diversity of voices and sectors.

Online Outreach

An online tool - Mind Mixer – was utilized to gather input from those who were unable to attend the meetings or preferred to be reached in a non-traditional manner using Mind Mixer, additional feedback was solicited from 135 students.

The following emerged as the top priority areas for participants in the public education and outreach process:

- Affordability
- Increasing Completions
- Serving low income, first generation and underserved undergraduate students
- Access to higher education in all geographic areas of the state

Diane Duffy, Chief Financial Officer for the Department, and Matt Crellin from NCHEMS walked through the HB 14-1319 model. The model is broken down into four sequential worksheets (dashboards) that follow the model allocation method and are based on the statutory requirements set forth in HB 14-1319. The four dashboards are:

1. Budget
2. Role & Mission
3. Performance
4. Final Model Output

Each dashboard includes a set of adjustable policy levers. The following summarizes the components of the model with weights for each factor and metric.

Ms. Duffy and Mr. Crellin walked the Commission through each dashboard. The budget dashboard contains the basic starting points for the model, including:

- The appropriation (state funding amount) for institutions of higher education;
- The option to provide an additional increase to “Specialty Education Programs (SEP),” “Area Vocational Schools (AVS)” and “Local District Junior Colleges (LDJC);”

- “Total state appropriation” (the amount to be distributed through the model)
- The COF stipend rate; and
- The percentage split between Role and Mission and Performance.

Ms. Duffy remarked that the Role & Mission factors are designed to help offset the costs incurred in providing undergraduate, graduate and remedial programs to students in a manner that recognizes who the institution serves, how it serves students, and the environment in which it serves students. Specifically, HB 14-1319 requires that the Role & Mission factors be comprised of funding to offset the costs of providing programs – undergraduate, graduate and remedial programs. This is accomplished by using completed courses as measured by completed student credit hours, called Weighted Student Credit Hours. Student credit hours are weighted by discipline cluster that is cost informed and was developed by the National Center for Higher Education Management Systems (NCHEMS).

The legislation specifically requires dedicated funding for support services for Pell-eligible students, which must be funded at a level equal to at least 10% of the COF stipend. The EAG recommended model also provides an additional amount of funding to offset the costs of support services for underserved students, which is also based on a percentage of the COF Stipend.

Finally, the model includes the Tuition Stability Factor, which is an additional Role & Mission factor pursuant to 23-18-303 (3)(e), C.R.S., and is a flat dollar amount to help ensure institutional affordability. Diane added that this factor was designed to address the six percent tuition cap. Affordability was the number one priority that was heard in public education and outreach, and this is probably the component to the model that will need additional attention going forward.

Ms. Duffy and Mr. Crellin discussed the performance dashboard, which rewards institutions for the number of credentials awarded and students transferred, as well as academic progress/retention. These metrics are based on the student counts at each institution who are reaching these thresholds. In addition, the EAG recommended model includes an additional metric that rewards performance in a manner that recognizes institutional performance in relation to their size and capacity.

As required in statute, the model includes specific weights related to the academic award level and identifies STEM and health care as “high priority” subjects that receive a higher weight. Additional bonuses are provided for completions awarded to and transfers of Pell-eligible (required by statute) and underserved student populations.

In regards to the “high priority” subjects, Ms. Weaver added that there were a number of conversations about what other sorts of subjects and degrees are very important in Colorado and where the needs might be and anticipates that this will be a conversation for a future version

(HB14 1319 2.0). She also added that the volume adjusted performance was designed to help smaller institutions compete and also recognizes the rates of completion which created a fair mechanism to allow everyone to compete for the performance dollars.

Ms. Weaver also discussed the final dashboard, which includes a summary of allocations to the Governing Board from each of the model components: COF Stipend, Role & Mission, and Performance. She noted that staff was still working through data verification, and NCHEMS was finalizing the model programming, which includes the guard rails.

Following a discussion of the models flexibility and a discussion of the challenges other states have faced in maintaining performance models, Lt. Governor Garcia discussed the FY 2015-16 budget request; which includes \$15.0 million in transition funding for each of the next five years to ensure a successful implementation of HB 14-1319. This transition funding is one-year funding, and is not considered base funding. This funding is intended to be separate and apart from the base funding allocation model. The transition funding of \$15 million is approximately 2.5% of the current year allocations to the governing boards. It is necessary to seek legislation to clearly establish the five-year transition funding along with the grant program, and any necessary technical amendments to current law.

Commissioner Percy moved to endorse the Governor's FY2015-16 Budget request and adopt the funding allocation model approved unanimously by the FAMET and the EAG. This includes the use of the Governor's request of \$15 million in transition funding in an amount sufficient to bring all governing boards to at least a ten percent increase over prior year operating funding to comply with Senate Bill 14-001. The Commissioners also moved to authorize staff to make any necessary technical adjustments prior to the required January 15th updated budget submission (Note: SB14-001 requires resident tuition rate increases at or below six percent for FY2015-16).

The motion was seconded by Commissioner Scott and passed unanimously.

Commissioner Percy moved to endorse the department's recommendation on the proposed use of the remaining transition funds. The Commissioner also moved to direct department staff to work with the JBC and General Assembly on legislation necessary to allow the Commission to oversee the awarding of remaining funds as strategic grants to assist governing boards in the transition to the new funding model and to further the goals of the Master Plan.

The motion was seconded by Commissioner Anderson and passed unanimously.

Commissioner Anderson moved that Commissioner support and sign a letter to the Joint Budget Committee, also signed by the institutions of higher education in Colorado.

The motion was seconded by Commissioner Scott and passed unanimously.

Going the Next Steps: Life after HB 1319

Jennifer Sobanet, Dr. Beth Bean, Diane Duffy and Dennis Jones provided a presentation and conversation on life after 1319 and the Commissions focus on the Master Plan. Dennis Jones' presentation focused on what Colorado is going to need to do to reach the goal of 66 percent post-secondary attainment by 2025. Mr. Jones demonstrated a model that went over the importance of tuition and financial aid policy, in addition to state support, that go into financing the kind of goals that the Commission is trying to reach.

DISCUSSION ITEM

FY2013-2014 Financial Aid Report – Celina Duran, Lead Finance Analyst, informed the Commission that the Long Bill footnotes required the Department to report financial aid expenditures annually to the Joint Budget Committee, and the Senate and House Education Committees. Although the footnote no longer mandates the report, the Joint Budget Committee has requested the Department continue reporting the financial aid expenditures.

Highlights of the report are:

- The average grant for state student need based aid increased slightly. This speaks to institutional flexibility in targeting aid; therefore a slightly larger award goes further.
- The largest single source of aid after loads is institutional grants. There is a greater concentration of this aid at four year schools, both public and private. Two year schools, in general, do not attract that sort of aid
- The average load debt in 2013/2014 was \$26,057 for Colorado students with a bachelor's degree. This is slightly above the national average.
- 56 percent of Pell eligible students are attending two year institutions

Commissioner Colon moved to adjourn. The motion was seconded by Commissioner Moses. The meeting was adjourned at 3:55pm.