

TOPIC: PROJECT UPDATE AND EAG RECOMMENDATIONS

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Agenda for 1319 Portion of Meeting:

1. Project Principles – *Action Item*
 - a. EAG Recommendation: Amend the Project Principles to include the verbiage “*In order to ensure Colorado higher education is of value, affordable, accessible, and high quality; and, seen as a public good.*”
2. Public Education & Outreach
 - a. Update
 - b. Regional Meetings
3. Cost Driver Analysis Team
 - a. Update
4. Funding Allocation Model
 - a. Update
5. Executive Advisory Group – *Action Item*
 - a. Update
 - b. EAG Recommendation: Definitions and Data Sources for Factors and Metrics of the Funding Allocation Model

I. SUMMARY

PROJECT UPDATE:

Public Education & Outreach Team

Webpage: <http://higher.colorado.gov/Publications/General/1319/OutreachPage.html>

Key informants interviews have concluded, and the facilitator guide and regional meeting structure were created based off of these interviews.

Regional Outreach Meetings have begun, and are being held in locations across Colorado:

- Alamosa
- Boulder
- Colorado Springs
- Craig
- Denver - Aurora/East Metro

- Denver - Downtown/Central Metro
- Denver - Golden/West Metro
- Denver - Littleton/South Metro
- Durango
- Ft. Collins
- Glenwood Springs
- Grand Junction
- Greeley
- Gunnison
- La Junta
- Pueblo
- Sterling
- Trinidad

The most up-to-date schedule of dates and times can be found on the following website:

<https://www.keystone.org/component/content/article/150-science-a-public-policy/education-policy/476-higher-education-funding-public-meetings.html>

Information and advertising of the regional meetings has been done as follows:

- CDHE Press Release (institutions have been using this to formulate their own press releases for their regions);
- Keystone/Engaged sent invitations to institutional leaders, Club 20, Progressive 15, Action 22, alumni associations, county commissioners, networks offered from key informants, Colorado Office of Economic Development blueprint list, Colorado PTA, Colorado Education Association, Colorado Association of School Executives, Colorado Association of School Boards, Colorado Adult Education Professionals Association, workforce centers and local members, chambers of commerce, state legislators, students associations, Colorado Association of Commerce and Industry, Colorado Municipal League, Colorado Counties Incorporated, Padres Unidos, United Way Mile High, and Colorado Forum;
- CDHE notified CCHE commissioners, CCHE Advisors, members of the Executive Advisory Group, members of the project expert teams, Colorado Education Association, Colorado Association of School Executives, Colorado Association of School Boards, the project “interested parties”, institutional chief executive officers, institutional chief financial officers, campus communication officers, academic council members, and the data advisory group;
- Members of the Outreach Team each notified their constituencies – parents, faculty, provosts, students, business leaders, institutions, and non-profit organizations;
- The Bell Policy Center sent out a statewide announcement; and,
- We have asked each person receiving the invitation to send it out to their contacts.

While there has been some duplication of contacts, we believed that would help to emphasize the importance of the meetings.

Cost Driver Analysis Team

Webpage: <http://highered.colorado.gov/Publications/General/1319/CostDriverPage.html>

When establishing this team, the initial plan was to have the preliminary information gathered through this process inform both the public education and outreach meetings as well as the funding allocation model discussions. However, due to the deadlines prescribed by the legislation and the timing of executing and completing an RFP to bring on a vendor, the team is still in the formulation stage of identifying the information needed to conduct a thorough analysis and how that data can be collected. The work of this team will continue into the next calendar year and is scheduled to be complete by June 30, 2015.

The information gathered through this analysis will be critical for informing CCHE, CDHE, legislative leaders and the administration as policies are developed around tuition policies (as required by HB 14-1319 to be done by November 1, 2015) along with future funding priority conversations.

The Cost Driver Analysis Team has met twice so far. During one of the meetings OSPB Director Henry Sobanet talked with the team about what he believes the Legislature and the Administration would like to better understand, as it pertains to higher education costs.

Funding Allocation Modeling Team (FAMET)

Webpage: <http://highered.colorado.gov/Publications/General/1319/ModelingPage.html>

The Funding Allocation Modeling Team (FAMET) had several meetings to work through the definitions and data sources for the model factors and metrics. Their recommendations were forwarded to the EAG for action during their meeting on September 24th and are now before the CCHE for action.

The next step for the FAMET will be working through the weighting discussion for these metrics and factors and be prepared to provide the EAG with preliminary information for discussion at the EAG's upcoming conference calls on October 9th and 17th, and have final recommendations on these weights for the action at the EAG's October 23rd in-person meeting. The next FAMET meeting is scheduled for Wednesday, October 8th from 1-4pm in the CDHE offices.

Executive Advisory Group (EAG)

Webpage: <http://highered.colorado.gov/Publications/General/1319/EAGPage.html>

The EAG last met on September 24th via to act on the recommendations coming from the FAMET on the definitions and data sources for the factors and metrics for the funding allocation model. The EAG recommendations are now before the CCHE for action.

The next meetings of the EAG are scheduled for October 9th and 17th as conference calls. During these meetings, the EAG will receive an update on the status of the FAMET discussion regarding the weighting of the factors and metrics and have their own preliminary discussion on these issues. The EAG will then take action on the FAMET recommendations on the weighting of the factors and metrics at the EAG's October 23rd in-person meeting. These recommendations will then be presented to the CCHE during the November 2014 Commission meeting.

HB 14-1319 requires the "draft" to be submitted to the General Assembly by November 1, 2014. Therefore, this draft will be submitted with an asterisk noting that the CCHE has not yet fully approved the weights included and that the final model to be delivered in December will reflect the final decision of the Commission.

II. BACKGROUND

HB 14-1319 requires CCHE to create and implement a new funding allocation model for state general fund dollars to state institutions of higher education in Colorado - and specifically requires this to be done in a transparent manner in consultation with "Interested Parties", which are defined in the bill as including but not limited to *"the governing boards of institutions, institution administrators, higher education advocates, students, faculty, nonprofit education organizations, and members of the business community."*

III. STAFF ANALYSIS

ACTION ITEM #1

EAG Recommendation: Project Principles

CCHE adopted the Project Principles during the September 2014 Commission meeting. During the September 11th EAG meeting, the Bell Policy Center provided public comment urged the EAG to amend the principles and include the following verbiage *"In order to ensure Colorado higher education is of value, affordable, accessible, and high quality; and, seen as a public good."*

The EAG took up this issue during their September 24th meeting and unanimously supported the recommendation. As forwarded to the CCHE for action, the recommended Project Principles are as follows:

HB 14-1319 PROJECT PRINCIPLES
(Suggested revisions by the EAG listed in red.)

HB 14-1319 requires the Colorado Commission on Higher Education (CCHE) to develop a new base funding formula to allocate state general fund dollars among the State's public institutions of higher education.

In order to ensure Colorado higher education is of value, affordable, accessible, and high quality; and, seen as a public good, all decisions regarding the development of this new funding formula should:

- Align project outcomes with Master Plan goals, which are:
 - Increase the attainment of high quality postsecondary credentials across the academic disciplines and throughout Colorado by at least 1,000 new certificates and degrees each year to meet anticipated workforce demands by 2015.
 - Improve student success through better outcomes in basic skills education, enhanced student support services and reduced average time to credential for all students.
 - Enhance access to ensure that the system reflects the changing demographics of the state while reducing attainment gaps among students from underserved communities.
 - Develop resources, through increases in state funding, that will allow public institutions of higher education to meet projected enrollment demands while promoting affordability, accessibility and efficiency.
- Promote clarity, simplicity and predictability in the allocation of state funds to public institutions of higher education.
- Evaluate Colorado public institutions of higher education on accurate and comparable data.
- Respect the individual role and mission purposes of each Colorado public institution of higher education with regard to operational authority and flexibility.

ACTION ITEM #2

EAG Recommendation: Definitions and Data Sources for Factors and Metrics of the Funding Allocation Model:

The attached report from the EAG, with recommended definitions and data source for the factors and metrics of the funding allocation model, is the result of several meetings of the FAMET and the EAG and reflects a near consensus on the issues.

Establishing these definitions and data sources will allow NCHEMS to begin creating the actual model.

IV. STAFF RECOMMENDATIONS

The majority of this item/report is for discussion/information only. However, formal action is needed by the Commission on the Project Principles and EAG recommendation on definitions and data sources for factors and metrics of the funding allocation model.

ACTION ITEM #1

EAG Recommendation: Project Principles

A draft of these Project Principles was created from the discussions held during the CCHE Retreat in July; the EAG reviewed and tightened the verbiage to ensure they accurately address what is required by the legislation and provide clear and concise guidelines upon which project decisions should be based; when adopting the Principles during the September Commission meeting, the CCHE added specific reference to the Master Plan goals; and, now the EAG is recommending additional language.

Staff recommends CCHE adopt the EAG recommended addition to the Project Principles.

ACTION ITEM #2

EAG Recommendation: Definitions and Data Sources for Factors and Metrics of the Funding Allocation Model:

The attached report from the EAG, with recommended definitions and data source for the factors and metrics of the funding allocation model, is the result of several meetings of the FAMET and the EAG and reflects a near consensus on the issues.

Establishing these definitions and data sources will allow NCHEMS to begin creating the actual model.

Staff recommends CCHE adopt the EAG report.

V. STATUTORY AUTHORITY

HB 14-1319 “Concerning the Creation of an Outcomes-Based Funding Model for Higher Education, and, in Connection Therewith, Making and Reducing Appropriations”

ATTACHMENTS:

- EAG Recommendation: Project Principles
- Regional Meeting List
- EAG Recommendation: Definitions and Data Sources for Factors and Metrics of the Funding Allocation Model
- PowerPoint to Accompany the EAG Recommendation