

**EAG RECOMMENDATIONS TO CCHE
Definitions and Data Sources for Factors and Metrics
of the Funding Allocation Model**

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I. SUMMARY

The Executive Advisory Group (EAG) met on September 24, 2014 to review and act on the recommendations of the Funding Allocation Model Expert Team (FAMET) on the definition and data sources supporting each of the 12 metric/outcome components to be used in the new funding allocation model for higher education as required by HB 14-1319.

This document provides the final recommendations, as approved by the EAG and the FAMET, regarding the model's 12 metric components along with two additional recommended metrics.

II. EXECUTIVE ADVISORY GROUP ANALYSIS

The EAG discussed the preliminary recommendations from the FAMET during their September 11th meeting and acted on the final recommendations during their September 24th meeting.

The Keystone Center facilitated the decision making process; staff from the Colorado Department of Higher Education along with staff from the National Center for Higher Education Management Systems (NCHEMS) helped to answer member's questions.

III. EXECUTIVE ADVISORY GROUP FINAL RECOMMENDATIONS AND COMMENTS

The EAG used a decision making process with red, yellow, and green cards to represent their level of agreement with a decision.

The majority of the metrics had unanimous votes. The voting tallies for the recommendations that were not unanimous are presented in the document with the appropriate metric below and the rationale. The voting color key is as follows:

-  **I agree** with the recommendation as written.
-  **I can live with the recommendation**, but have some reservation.
-  **I oppose** the recommendation as written.

IV. RESIDENT AND NON-RESIDENT STUDENTS

The EAG recommends to: **“Include a count of all students (resident and non-resident), within the funding allocation model, with the exception of counting only resident students for the Pell-Eligible metric under the role and mission section of the statute.”** Per HB 14-1319 section 23-18-303(3)(b).

The EAG members registered their positions as follows:

 **6**  **2**  **1**

The EAG had a lengthy discussion on this issue before acting on the recommendation.

DHE staff prepared several data points for context around this issue. Included in this information was an indicator that **at least 30% of non-resident students remain in Colorado** post-graduation.

Total Awards AY 2012	Non- Resident Award	Non-Resident Awards with CO Wages	%	Resident Awards	Resident Awards with CO Wages	%
44,918	6,456	1,910	30%	38,393	27,898	73%

The rationale for supporting the recommendation from that FAMET were:

- Funding from the allocation model will go directly to the institutions, not the individual student. And, any funding the institutions receive offsets costs to resident students.
- Current performance contracts allocating state dollars to institutions include a count of all students.
- The goals of the CCHE Master Plan – *Colorado Competes, A Completion Agenda for Higher Education* - factors in overall numbers of completions.
- A directive of this bill is that “Colorado’s limited state resources must be used in a way that provides incentives for state institutions of higher education to achieve the policy goals adopted by the General Assembly and the Colorado Commission on Higher Education.”
- COF dollars will continue to be applied only to resident students.

However, those who were opposed, or not fully in support of, the recommendation outlined their concerns about the perception by the public and the Legislature would be that state funds would be being used to support non-resident students.

RECOMMENDATIONS ON FACTORS/METRICS

<p align="center">HB 14-1319 Statutory Metric/ Outcome</p>	<p align="center">RECOMMENDATION (Definitions and Data Source)</p>	<p align="center">SYNOPSIS</p>	<p align="center">Rec Key</p>
<p>Selectivity of institution.</p>	<p align="center">UNANIMOUS</p> <p>Admissions Factors: Use the median of the following admissions factors to create a weighted proxy index:</p> <ul style="list-style-type: none"> • Entering ACT/SAT scores • High School GPA <p>The high school GPA factors will be weighted at 10 times the ACT/SAT composite score.</p> <p>Data source: Student Unit Record Data System (SURDS)</p>	<p>The EAG unanimously supported the recommendations of the FAMET for this metric.</p> <p>The FAMET was unanimous in their decision on this recommendation.</p>	<p align="center"></p>
<p>Number of campuses of the institution.</p>	<p align="center">UNANIMOUS</p> <p>Higher Learning Commission (HLC) definition¹</p> <p>The HLC identifies a location of an institution to be independent of the main campus if the location has all of the following four attributes:</p> <ul style="list-style-type: none"> • Is permanent in nature; • Offers courses in education programs leading to a degree, certificate, or other recognized educational credential; • Has its own faculty and administrative or supervisory organization; and, • Has its own budgetary and hiring authority. <p>The term branch campus is “a location of an institution that is geographically apart and independent of the main campus of the institution”.</p> <p>Data Source: Higher Learning Commission (HLC)</p>	<p>The EAG unanimously supported the recommendations of the FAMET for this metric.</p> <p>The majority of the FAMET supported this, with one member preferring the use of the SURDS definition.</p>	<p align="center"></p>

¹ (HLC relies on the definition of campus per the Federal Higher Education Authorization Act)

HB 14-1319 Statutory Metric/ Outcome	RECOMMENDATION (Definitions and Data Source)	SYNOPSIS	Rec Key
Rural or urban location of the institution.	<p style="text-align: center;">UNANIMOUS</p> <p>Population of Home County Counts: Level of gradation by using the population of home county counts.</p> <p>Data source: U.S. Census Bureau</p>	<p>The EAG unanimously supported the recommendations of the FAMET for this metric.</p> <p>The FAMET was unanimous in their decision on this recommendation.</p>	
Low student enrollment, affecting ability of the institution or campus to meet operational costs.	<p style="text-align: center;">UNANIMOUS</p> <p>Capture the actual enrollment of institutions and campuses.</p> <p>Data Source: SURDS/Finance Data</p>	<p>The EAG unanimously supported the recommendations of the FAMET for this metric and agreed to allow the FAMET the ability to re-examine this metric once the model is further developed to explore how this variable could be used to balance disproportionate outcomes.</p> <p>The majority of the FAMET agreed on this definition, one member was undecided due not knowing how it would impact the overall model.</p>	
Undergraduate programs with a high cost per student.	<p style="text-align: center;">UNANIMOUS</p> <p>NCHEMS High Cost Index Model: An index score created by weighted undergraduate FTE divided by the un- weighted undergraduate FTE.</p> <p>This model was created through a multi-state analysis, conducted by NCHEMS, to identify a common chart of high cost programs by discipline.</p> <p>Data source: NCHEMS, SURDS, other state studies</p>	<p>The EAG unanimously supported the recommendations of the FAMET for this metric.</p> <p>The FAMET was unanimous in their decision on this recommendation.</p>	

HB 14-1319 Statutory Metric/ Outcome	RECOMMENDATION (Definitions and Data Source)	SYNOPSIS	Rec Key
<p>Whether the institution conducts research.</p>	<p style="text-align: center;">UNANIMOUS</p> <p>“Research-ness” Score: Research dollars, divided by an institutions research score, divided by full-time faculty (tenured and tenured track)</p> <p>Data source: IPEDS</p>	<p>The EAG unanimously supported the recommendations of the FAMET for this metric.</p> <p>The FAMET was unanimous in their decision on this recommendation.</p> <p>However, while informed that it may be difficult to exclude Specialty Education Program data as it relates to research institutions, the EAG was clear in their desire to have this accomplished.</p>	
<p>Pell-Eligible, 1st Generation, and Underserved Undergraduate Students - must never be less than 10% of COF.</p>	<p style="text-align: center;">UNANIMOUS</p> <p>Use Pell-Eligible as the metric: Number of undergraduate students eligible for Pell at any time during the year.</p> <p>Data source: SURDS</p>	<p>The EAG unanimously supported the recommendations of the FAMET for this metric.</p> <p>The FAMET was unanimous in their decision on this recommendation.</p>	
<p>Graduate Programs – an amount based on number enrolled, based on subject and level. Shall consider programs that have a high-cost per student.</p>	<p style="text-align: center;">UNANIMOUS</p> <p>NCHEMS High Cost Index Model: An index score created by weighted undergraduate FTE divided by the un-weighted undergraduate FTE.</p> <p>This model was created through a multi-state analysis, conducted by NCHEMS, to identify a common chart of high cost programs by discipline.</p> <p>Data source: NCHEMS, SURDS, other state studies</p>	<p>The EAG unanimously supported the recommendations of the FAMET for this metric.</p> <p>The FAMET was unanimous in their decision on this recommendation.</p>	
<p>Remediation – cost of providing these courses, and must determine how to measure successful remediation.</p>	<p style="text-align: center;">UNANIMOUS</p> <p>Proportion of first-time students identified as requiring remediation through an industry-accepted mechanism.</p> <p>Data source: SURDS</p>	<p>The EAG unanimously supported the recommendations of the FAMET for the remediation definition.</p> <p>The FAMET was unanimous in their decision on this recommendation.</p>	

HB 14-1319 Statutory Metric/ Outcome	RECOMMENDATION (Definitions and Data Source)	SYNOPSIS	Rec Key
<p>Completion An amount for each certificate or degree awarded;</p> <ul style="list-style-type: none"> • An amount for each student who transfers from a community college to another institution after completion of a certain number of credit hours; • Establish the amount to be awarded for each, based on the subject and level of credential; • Establish the number of credit hours to be completed prior to transfer; • The value shall be increased for each credential earned or transfer of a Pell-eligible undergraduate student. 	<p style="text-align: center;">UNANIMOUS</p> <p>COMPLETION - Certificates should be counted when issued for:</p> <ul style="list-style-type: none"> • Programs spanning one year (24 credit hours) or more; or • If program is less than one year (24 credit hours): <ul style="list-style-type: none"> ○ Certificate meets the federal “gainful employment” definition, or ○ Certificate represents the highest award earned at stop-out. <p>Students earning multiple 1-2 year or 24 to 60 credit hour certificates in an academic year will have each earned certificate count as a separate outcome.</p> <p>TRANSFERS - Minimum of 18 credit hours at time of transfer, this will include concurrent enrollment credit hours.</p> <p>Data Source: SURDS</p>	<p>The EAG unanimously supported the recommendations of the FAMET for this metric.</p> <p>The FAMET was unanimous in their decision on this recommendation.</p>	

HB 14-1319 Statutory Metric/ Outcome	RECOMMENDATION (Definitions and Data Source)	SYNOPSIS	Rec Key
<p>Retention</p> <ul style="list-style-type: none"> • An amount for number of students who make academic progress – complete 30, 60 or 90 credit hours; • A community college that receives an incentive for a transfer student cannot also receive a retention bonus for that student in the same year. 	<p style="text-align: center;">UNANIMOUS</p> <p>Credit for number of students as follows:</p> <p>Four-year institutions –number of students who cross the threshold of completing:</p> <ul style="list-style-type: none"> • 30 credit hours • 60 credit hours • 90 credit hours <p>ADDITIONAL: Two-year institutions - number of students who cross the threshold of completing:</p> <ul style="list-style-type: none"> • 15 credit hours • 30 credit hours • 45 credit hours <p>Concurrent enrollment will be included and each student will be counted only once at each academic progress interval.</p> <p>Data Source: SURDS</p>	<p>The EAG unanimously supported the recommendations of the FAMET for this metric.</p> <p>The FAMET was unanimous in their decision on this recommendation.</p>	
<p>Successful Remediation</p>	<p style="text-align: center;">UNANIMOUS</p> <p>Remedial students who successfully complete the gateway course within 30 credit hours of remediation completion.</p> <p>Data Source: SURDS</p>	<p>The EAG unanimously supported the recommendations of the FAMET for this definition.</p> <p>The FAMET was unanimous in their decision on this recommendation.</p>	

ADDITIONAL PERFORMANCE METRICS RECOMMENDED

<p>HB 14-1319 Statutory Metric/ Outcome</p>	<p align="center">RECOMMENDATION (Definitions and Data Source)</p>	<p align="center">SYNOPSIS</p>	<p align="center">Rec Key</p>
<p>Additional Performance Metric:</p> <p>Credit for increases in Completions</p>	<p>Include additional credit under completions for the rate of increase of completions.</p> <p>The EAG encourages the FAMET to consider basing this metric on an average, such as a multi-year rolling average.</p>	<p>The EAG supported the recommendations of the FAMET to add this metric to the model. Two members of the EAG were yellow, as they were uncertain of the ramifications of this and the ability for data collection for all aspects of the model.</p> <p>The FAMET was unanimous in their decision on this recommendation.</p>	<p align="center">● ●</p>