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COLORADO DEPARTMENT OF



**HIGHER  
EDUCATION**

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ACCESS TO HIGH-QUALITY, AFFORDABLE EDUCATION FOR ALL COLORADANS

Request for Proposal

Institutional Cost Driver Analysis

*Date Issued: February 25, 2014*

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1560 Broadway, Suite 1600 • Denver, Colorado 80202 • (303) 866-2723  
LT. GOV. JOSEPH A. GARCIA, EXECUTIVE DIRECTOR

## 1. Overview

### *Statement of Purpose*

The Colorado Commission on Higher Education (“CCHE”) and the Department of Higher Education (“DHE”) seek to provide better data and greater transparency to Colorado citizens consumers, and other stakeholders. The purpose of this project is to provide current, accurate, and unbiased information about the cost and value provided by Colorado’s public system of higher education and help identify some of the challenges facing the system.

The State of Colorado (“State”) acting by and through the Colorado Department of Higher Education is soliciting proposals from qualified researchers to conduct analyses on the cost drivers that influence Colorado’s public institutions of higher education. Specifically, DHE is seeking detailed analysis, reporting and explanation on the elements that have influenced increases in cost, spending and price in recent years. The analysis should focus on the three primary tiers providing public higher education: (1) public research universities, (2) public four-year colleges and universities and (3) community colleges and include comparisons that illustrate the similarities and differences of costs across these public institutions tiers.

## 2. Proposal Submission Guidelines and Process

### *Proposal Requirements:*

#### *General:*

- Cover letter to include:
  - Statement of training, expertise and particular interest in the project.
  - Detailed description of relevant industry experience in providing data analysis and reporting for similar projects.
    - Especially as relates to projects requested/managed by public sector clients or related to public sector programs.
  - Identification and background of the person(s) who will be working on the project and how their experience will serve the requirements of the project.
  - Confirmation of availability during the project period.
  - Cost estimate – hourly rate and estimated number of hours expected to complete the project OR flat rate for entire project.
  - Budget/expense proposal.
- Two client references.

#### *Research Project Specific: Please describe each of the following.*

*(Please limit to one page)*

- Proposed questions
  - Including research and analysis questions with the understanding that the answerability of research questions may be limited by the availability and quality of existing data.

- Proposed method or methods to address the scope of work. Tell us how you would address your proposed research questions. Be specific regarding the statistical procedure(s) or other analytical or research methodologies to be used.
- Potential project limitations, assumptions and expectations
- Additional data, ideas or concerns.

***RFP Timeline:***

February 25, 2014	RFP Posted and Open
March 14, 2014	Proposals Due
March 17 - 19	DHE Interview Finalists (in person or phone conference)
March 19-21, 2014	Award Notification and Finalize Agreement/Contract
June 30, 2014	Preliminary “Draft” Report to DHE
August 1, 2014	Present Final Report Findings to DHE
Aug- Oct 2014	Follow-up Questions and Possible Presentations

***Qualifications of Desired Respondent/Research Team***

- Master degree(s) in economics, higher education, statistics, or a related field from an accredited institution. PhD preferred.
- Excellent analytical, writing, and communication skills with the ability to synthesize information concisely and present complex ideas to a lay audience.
- Demonstrated ability to apply quantitative and qualitative research methods, data analyses, clear and comprehensible writing and reporting.
- Preference will be given to individual, work group or team with experience on topics in education/higher education policy and/or practice.

***Contractual Terms and Conditions***

- The State of Colorado reserves the right to amend the contract in response to legislative changes.
- The parties agree that venue for any action related to performance of the contract shall be in the City and County of Denver, Colorado.
- Except as specified in the researcher’s proposal, the submission of the researcher’s proposal will indicate its acceptance of the terms and conditions of this RFP. Researchers must disclose in their proposals’ terms and conditions or required clarifications of terms and conditions consistent with these instructions. The State reserves the right to clarify terms and conditions not having an appreciable effect on quality, price/cost risk or delivery schedule during post-award formalization of the contract.

- All products produced in response to the contract resulting from this RFP will be the sole property of the State of Colorado. Any exceptions must be outlined in detail. Exceptions may serve as cause for rejection of the proposal.
- The State of Colorado is not liable for any costs incurred by researchers prior to issuance of a legally executed contract. No property interest of any nature shall accrue until a contract is awarded and signed by all concerned parties and approved by the State Controller.
- The awarded researcher(s) are required to comply with all policies and procedures of DHE and the State.
- The State reserves the right to cancel this entire RFP or individual phases at any time, without penalty.

#### ***Data***

- Potential data needed for the project currently exist through the National Center for Education Statistics; Colorado's Student Unit Record Data System (SURDS) maintained by DHE or various other data sources accessible through DHE or the institutions.
- DHE will facilitate meetings, interviews and data sharing from institutions as needed.
- The submission of the Researcher's proposal will indicate their acceptance of the terms and conditions of all DHE policies and procedures related to data including confidentiality and privacy.
- The researcher(s) agree to sign and abide by a data use agreement similar to the appendix attached at the end of this document.

### **3. Project Details and Schedule**

#### **Institutional Cost Drivers for Colorado Institutions of Higher Education**

##### ***Scope of Work***

In recent years, the price of attendance (tuition) at Colorado public institutions of higher education has increased significantly year over year at rates far exceeding inflation. This is due, in part, to recent year decreases in State funding. In response, institutions have increased tuition and student fees in order to cover the reductions in state revenue. Decreased state funding, however, only partially explains the price increases seen at Colorado public institutions.

DHE is seeking analysis that will quantify and explain the reasons for cost increases at Colorado's public colleges and universities with an emphasis on recent year cost increases (analysis and reporting at a minimum should cover the years FY 2007-08 to the year with the most recent reliable data available). More than a purely quantitative analysis, DHE is seeking a final work product that is grounded in data but will help state leaders and the general public better understand what is really behind the increased cost of attaining a higher education degree in 2014. Decision makers can design better

informed cost containment strategies with a clearer understanding of the complexities of cost, spending and pricing across the diverse system of public institutions in Colorado.

There are significant differences in consumers and business models among public research, public four-year and two year institutions with further differences evident between public urban and rural institutions<sup>1</sup>. DHE is seeking an analysis that will carefully consider these differences in identifying primary cost and expenditure drivers.

***At a minimum the analysis and final report should contain the following features:***

- Establish the difference and relationship between *cost, expenditure (spending) and price* for public higher education institutions and how these factors are different depending on the nature of the institution (two-year, four-year, research rural, urban) as described above.
- Examine the relationship between uncontrollable or “mandated” cost drivers (such as costs related to health care cost increases or utility cost increases) versus strategic or discretionary spending (such as spending on new programs or facilities).
- Identify as clearly and consistently as possible what cost factors should go into the “cost of instruction” and its relationship to spending on administrative support functions or other cost and expenditure areas.
- Analyze and explain costs related to the delivery of credit hours to students including faculty compensation, curriculum structure, and use of technology at various institutions (two-year, four-year, research, rural, urban).
- Study and explain expenditures on facilities and facility maintenance and the relationship of student fees to these cost areas at various institutions (two-year, four-year, research rural, urban).
- Establish and examine differences between spending on programs or facilities that are intended to “break even” or generate revenue including auxiliary campus facilities (food service, dormitories, etc.) and athletic programs (where they are a part of the campus experience).
- Understand and explain the relationship of cost and expenditures to institution pricing strategies and the use of institutional financial assistance and scholarships at various institutions (two-year, four-year, research rural, urban).
- Illustrate how cost, spending and pricing decisions are arrived at various institutions (two-year, four-year, research rural, urban), and how they align with institutional strategic planning in areas such as enrollment changes and degree and certificate completion strategies.

***In addition the analysis and report should attempt to answer the following questions:***

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<sup>1</sup> An example of a Colorado research institution is The University of Colorado at Boulder, Metropolitan State University of Denver is an urban four-year college, and Adams State University in Alamosa is a rural four-year college. An example of a urban two year college is Red Rocks Community College in Lakewood, Colorado.

- The state has recently adopted a new master plan articulating the top higher education priorities as increased degree completion, closing attainment gaps and improving student services to help retain students. How are these goals anticipated to impact cost and pricing decisions, if at all?
- Colorado has a national reputation for high productivity across tiers in the delivery of postsecondary degrees and certificates and is consistently at or near the top among states for the number of degrees produced per \$100,000 (state funding and tuition). This is partly explained by low levels of state funding but to the extent possible, further analyze and explain how efficiency and other measures taken at the various institutions (two-year, four-year, research rural, urban) are responsible for Colorado's level of productivity.
- What other measures have been taken to control costs on campus at various institutions? (two-year, four-year, research rural, urban).
- How does Colorado compare nationally and regionally regarding cost increases and drivers? What appears to be unique to Colorado?

#### ***Oversight and Deliverables***

- Work will be overseen by a DHE project manager and the selected vendor will be required to work closely with other members of the DHE staff.
- Selected vendor will work closely with multiple public higher education institutions and institutional representatives in the field. DHE may facilitate/participate in some of these contacts.
- Participate in periodic meetings calls and progress updates concerning research, data collection, analysis, report drafts with DHE project manager and other personnel.
- Communications as needed for follow-up questions.
- Limited (3 to 5) presentations to appropriate groups/stakeholders in the weeks following the release of the final report.

#### ***Final Report Format and Deadline***

- Preliminary ("draft") report to DHE June 30<sup>th</sup>,
- Final written report (approximately 30-50 pages), which must include complete statistical analyses.
- Final report due on or before August 1<sup>st</sup>, 2014

#### ***Award Range:***

- Contingent on proposals

#### **DHE Contact for Submission:**

Please submit all proposals by email to:

Mark Cavanaugh, Chief Financial Officer  
[mark.cavanaugh@dhe.state.co.us](mailto:mark.cavanaugh@dhe.state.co.us)

Mr. Cavanaugh may be contacted directly at (303)866.4198 with questions related to the listed research projects. Proposals submitted by March 10, 2014 will be given priority consideration.

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**APPENDIX**

**Data Use Agreement**

This Data Use Agreement (Agreement) is between the *State of Colorado, acting by and through the Department of Higher Education* and \_\_\_\_\_, referred to as **Data Receiver/User**.

**Program Name Obligations:**

**Program Name** will agree to provide the following information to the Data User in the format as indicated in the Application or alternatively: (list files, by source, with data elements, and the format data is to be delivered in, and note if paper files, computerized records, etc. if different than that requested in the Application.)

\_\_\_\_\_

\_\_\_\_\_

**Data User Obligations:**

- a. *Uses and disclosures as provided in this agreement.* Data User may use and disclose the confidential information provided by **Program Name** only for the activity described in the Application. Only the individuals or classes of individuals will have access to the data that need access to the confidential information to do the work as presented in the Application.
- b. *Nondisclosure Except as Provided in this Agreement.* Data User shall not use or further disclose the confidential data except as per this Agreement and applicable law.
- c. *Follow-Back.* Data User may not contact the subject of the information, next-of-kin, the physician, other provider, or any other relative or interested party except as follows (indicate Not applicable if no follow-back is proposed): \_\_\_\_\_  
\_\_\_\_\_
- d. *Safeguards.* Data User agrees to take appropriate administrative, technical and physical safeguards to protect the data from any unauthorized use or disclosure not provided for in this agreement. The Data Owner must ensure that no identifying information will be transmitted through unsecured telecommunications, including the unsecured Internet connections.
- e. *Confidentiality Agreements.* Data User will ensure that all persons who have access to the confidential information sign the confidentiality agreement, **Attachment B**. This includes, but is not limited to all interns, sub-contractors, staff, other workforce members, and consultants. A copy of the signed confidentiality agreements shall be maintained on file and be available for review by **Program Name** if requested.

- f. *Reporting.* Data User shall report to the **Program Name** within 48 hours of Data User becoming aware of any use or disclosure of the confidential information in violation of this Agreement or applicable law.
- g. *Public Release.* No confidential information will be publicly released. Furthermore, any reports or aggregate tabulations that are prepared must: *(insert program or divisional requirements for publications if any or remove this sentence.)*
- h. *Destruction of Records at End of Activity.* Records must be destroyed in a secure manner or returned to **Program Name** at the end of work described in the Application. Data User agrees to send a written certificate that the data have been properly destroyed or returned within 30 days of the end of the work as described in the Application or: \_\_\_\_\_, 200\_.
- i. *Minimum Necessary.* Data User attests that the confidential information requested represents the minimum necessary information for the work as described in the Application and that only individuals with a need to know will have access to the confidential information in order to perform the work.
- j. *Institutional Review Board (IRB).* If the Activity involves research, the Data User agrees to furnish all documentation concerning IRB reviews, and to submit required documentation to an IRB or Privacy Board should research protocols change. Data User agrees to submit to **Program Name** any change in waiver status or conditions for approval of the project by an IRB relating to the work described in the Application.
- k. *Authorizations.* Data User agrees to secure individual authorizations to use the confidential information if the Activity is research unless an IRB has approved a waiver of an authorization. Documentation must be provided prior to receipt of the confidential information. Research means a systematic investigation designed to develop or contribute to generalizable knowledge
- l. *Data Ownership.* The **Program Name** is the data owner. The Data User does not obtain any right, title, or interest in any of the data furnished by the **Program Name**.
- m. *Publication/release requirements.* Any release of information must include the following statement: *(insert program or divisional requirements for publications)* In addition, Data User will notify **Program Name** when the publication or presentation is available and provide a copy upon request.

**Signed by Program Name:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Signed by the Data User:** \_\_\_\_\_ **Date:** \_\_\_\_\_