DEPARTMENT OF HIGHER EDUCATION
FY 2015-16 JOINT BUDGET COMMITTEE HEARING AGENDA

Monday, December 15
9:00 am to 12:00 noon

TABLE OF CONTENTS

9:00-10:30 DEPARTMENT OF HIGHER EDUCATION

INTRODUCTION AND OPENING COMMENTS

QUESTIONS COMMON TO ALL DEPARTMENTS

1. SMART Government Act:
   a. Please describe how the SMART Government Act is being integrated into the Department's existing processes (both in terms of service delivery and evaluating performance).

H.B.13-1299 made changes to the Colorado Department of Higher Education's (DHE) requirements under the SMART Government Act to acknowledge the Department's unique effort on performance measures and the performance-based direction previously given by the General Assembly in S.B. 11-52. Section 2-7-205 (1) (a) (II) reads as follows:

> *The Office of State Planning and Budgeting shall prepare the section of the annual performance report for the Department of Higher Education by reviewing the institutions of higher education's progress towards the goals set forth in the institution of higher education's performance contract described in Section 23-5-129, C.R.S., and the outcomes of the recommended performance funding plan required in Section 23-1-108 (1.9) (b), C.R.S.*

While the Colorado Commission on Higher Education (CCHE) adopted performance funding plans for the institutions, as required by Section 23-1-108 (1.9) (b), C.R.S., the implementation of performance funding would not begin until FY 2016-17 and was contingent on the reinstatement of funding for higher education to the $706 million for Governing Board per Section 23-1-108 (1.9) (c) (II), C.R.S. Thus, while the provisions of Section 23-1-108 (1.9) (b), C.R.S. statutorily remain in effect, they apply based on a dollar level and fiscal year not applicable to FY 2015-16's request.

More importantly, in 2014 the General Assembly passed legislation on performance based funding for higher education, H.B. 14-1319. This historic legislation provided that the goals for higher education "can be accomplished by the General Assembly establishing performance metrics that are consistent and predictable…" (Section 23-18-301 (2) (b), C.R.S.) The goals in the Master Plan provided for in Section 23-1-108 are supported specifically and indirectly in H.B. 14-1319. H.B. 14-1319 expressed legislative intent that Colorado students have access to a postsecondary education, that the education be affordable to the students regardless of income, race, gender, age, or academic preparation. The legislation specified that participation by low-income Coloradans and *underrepresented minorities should be increased. (Section 23-28-301, C.R.S.) The legislation effectuated these goals through metrics in the "total state appropriations" which are divided between the COF stipend (at no less than 52.5 percent of total state appropriations) and fee-for-service contracts. Such fee-for-service contacts are broken into and fairly balanced between role and mission and performance funding.*

Among other components of the role and mission funding, the legislation provides for an amount to be provided to each Governing Board to offset costs of serving PELL-eligible students and provides for funding for remediation to offset the costs in providing effective basic skills courses and Supplemental Academic Instruction. Additional specified role and mission factors may be selected as well. The performance funding component of the performance funding plan must focus on completion and retention. The performance funding component also allows for other performance funding metrics that "reflect and support the policy goals adopted by the Commission in the Master Plan" including but not limited to workforce placement, closing the achievement gap, limiting student loan debt, and controlling institutional administrative costs. These H.B. 14-1319 performance metrics support the intent and process envisioned in H.B. 13-1299, the SMART Act.

Thus, H.B. 14-1319 required performance metrics consistent with the accountability goals of H.B. 13-1299. For this reason, the performance measured for institutions of higher education with respect to Section 2-7-205 (1) (a) (II), C.R.S. has been interpreted as performance under the provisions of the performance requirements of H.B. 14-1319. Because DHE uses the CCHE Master Plan goals and the metrics of H.B.14-1319 for its SMART Act requirements, the Department has already integrated performance management into its policies and practices.

b. How is the data that is gathered for the performance management system used?

The Department contracted with the National Center for Higher Education Management Systems (NCHEMS) to produce the H.B.14-1319 funding allocation model, whose metrics will be used for DHE's SMART Act reporting. In order to create the most robust, dynamic and fluid model possible, the Department decided to use its Student Unit Record Data System (SURDS) as a primary data source for the model. The Department began to develop SURDS in 1985 and it has resulted in a database that includes a unique record for each student enrolled in Colorado public institutions of higher education with data on demographics, course enrollment, course completion, financial aid status and completions. The SURDS data is uploaded into the H.B.14-1319 funding allocation model and is the basis for the final results. The department anticipates it will have the aggregate *data from the model included in the statutorily required January 15th H.B.14-1319 appropriations and project report.*

c. Please describe the value of the act in the Department.

As stated above, the Department uses the CCHE Master Plan goals to meet the requirements of the SMART Act. By recognizing the prior performance measures and the performance-based direction of DHE and CCHE that was required in S.B. 11-52, the Act allows the Department and Commission to continue down the path of completion-based performance metrics that it has already forged. This is of significant value to the Department, and more importantly the system, as it allows for:

1) *a continuum of progress towards goals that have been voted on by the Commission and have institutional buy-in; and*
2) *the Department to focus on its main role supporting the Commission as a coordinating board for the institutions of higher education.*

2. Do you have infrastructure needs (roads, real property, information technology) beyond the current infrastructure request? If so, how do these needs fit in with the Department's overall infrastructure priorities that have been submitted to the Capital Development Committee or Joint Technology Committee? If infrastructure should be a higher priority for the Department, how should the Department's list of overall priorities be adjusted to account for it?

   The Colorado Department of Higher Education (DHE) and the Colorado Commission on Higher Education's (CCHE's) role regarding infrastructure is different than other state departments. The Department itself has minimal infrastructure needs, and primarily serves to coordinate higher education infrastructure needs across the state. It is important to note that any state funds an institution receives for capital or infrastructure needs that often have a direct impact on reducing student fees, as institutions rely on cash funds to pay for capital needs when state funding is not available.

   Through an analytical framework and inclusive process, DHE receives and prioritizes each institution's capital construction and infrastructure needs into a single, ranked list reflecting the statewide system of higher education. For state capital construction funds, there are four pieces of the process that related to institutional needs and priorities: the facility master plans, five-year program lists, program plans for new projects, and the annual review of submissions. These four pieces range from a high-level sense of priorities and directions in the master plan and five-year program lists to each year's priorities for each institution as reflected in their submissions and program plans.

The master plans integrate academic, facility, infrastructure, and technology goals into a single document submitted every ten years. This piece reflects a long-term infrastructure plan that is used to build subsequent five-year program lists and requests. The five-year program lists are submitted annually to DHE and are shared with the Governor's Office of State Planning and Budgeting (OSPB), Capital Development Committee (CDC), and Joint Budget Committee (JBC). These lists are projections of future needs used by institutions to list out projects that will be submitted in a funding request in future years. These lists give the Department and General Assembly an idea of future infrastructure needs. These lists are not binding since costs and needs may change over time.

Annual submissions include a narrative outlining the project and its role in meeting institutional priorities and cost estimates broken down by category (i.e. Professional Services, Construction and Improvements, and Equipment). If the submission is new, a program plan must be submitted. This document breaks down how the project meets the institution's goals, its relationship to the facility master plan, alternatives considered, and cost-estimate appropriateness. Each program plan is reviewed by a third-party to check the assumptions used.

All of the annual submissions are shared with OSPB, CDC, and JBC. These submissions are prioritized by DHE staff and the Capital Assets Subcommittee (CAS) of the Colorado Commission on Higher Education. Capital renewal projects are assessed by the State Architect, and if the definition of renewal is met, the projects are recommended to CCHE. These projects are also reviewed and prioritized by DHE staff and the CAS once reviewed by the state architect. The prioritized list is voted on by CCHE each October. The CCHE approved list is then shared with OSPB, CDC, and JBC as a reflection of system-wide infrastructure needs and priorities. Although OSPB limits the Department's submission to the top 20 projects, DHE sends the entire list to CDC and JBC as a reflection of all capital needs submitted in a fiscal year. The Department's priorities are combined by OSPB and CDC with other requests to create a statewide infrastructure prioritization. Although higher education requests are incorporated into the statewide capital priorities, there are needs at institutions that go unmet each year as a result of competition for capital construction funds. The Department's works to combat this by reflecting the true need for each project, but to ensure that needs are met, institutions are able to use cash funds for capital projects.

Cash funds come from many sources including student fees (as approved by the student body,) reserves, donations, or bonds. When using bonds, institutions may participate in the Intercept program, allowing them to use the state's credit rating to secure more favorable terms. All cash projects over $2 million are submitted on two-year lists with appropriate *narratives and cost documentation. If the project is an Intercept project, a program plan is submitted, and the project is subject to review by CCHE and CDC. If the project is not an Intercept project, it is put on the two-year list which is reviewed annually by CCHE. Any subsequent amendments to two-year lists are also reviewed by CCHE.*

3. Describe the Department's experience with the implementation of the new CORE accounting system.

<u>Department of Higher Education Response</u>

Department staff knew implementation of a new, enterprise –wide integrated financial management system would be complex and challenging, and we commend the Department of Personnel and Administration and the Governor's Office of Information Technology on its successful implementation. The following comments are offered from the perspective of end users at the Department of Higher Education and in the spirit of "continuous improvement".

a. Was the training adequate?

The CORE project team recognized the importance of end user training as a critical factor for a successful implementation, and training was made a priority. Training on the basic transaction entry and processing was adequate; however, it would have been helpful if the training provided a deeper understanding of the use of the system's individual processing modules (such as Accounts Payable and Procurement) and the interrelationships of the modules. Unfortunately, because staff lacked knowledge about the modules and their relationships, it were not able to take advantage of the full system in a complete manner on July 1. Also, important values which impact all CORE processing were not described fully during training (chart of account elements), or only at the end of the training period (event types and posting codes). This lack of end user understanding caused delays in CORE processing during the first few months post July 1 start up. Finally, there was no training in the reporting capability of CORE (InfoAdvantage) before 'go live'. This has made it difficult to get critical financial management reports from the system and to use such reports for monitoring operations.

b. Has the transition gone smoothly?

Due to the complexity of the integrated financial management system and the steep learning curve in understanding how the system works and how to use it, the transition has been challenging for our end users. The Department has been learning the system's interrelationships while processing 'live' transactions. As with any implementation of this magnitude, there have been numerous surprises, problems, and frequent delays. Although CORE processing policies and procedures continue to change, the Department understands this necessity and appreciates the communication from the CORE team.

The Department is eager for the reporting tool to improve, especially the ad hoc reporting capability which as of this writing is very limited. The Department knows improvements are coming and that the CORE project team is working hard to resolve issues. Staff has its own tools to manage internal reporting, in the meantime.

c. How has the implementation of CORE affected staff workload during the transition?
During the transition, staff worked many hours to master the learning and gain proficiency in the daily and monthly processing in CORE. At this juncture, DHE staff has not found efficiency as a result of CORE, nor has CORE in and of itself added significant workload. The Department believes once the system is fully implemented, staff will have more effective tools for reporting and budgeting.

d. Do you anticipate that CORE will increase the staff workload on an ongoing basis? If so, describe the nature of the workload increase and indicate whether the Department is requesting additional funding for FY 2015-16 to address it.
No, the Department does not anticipate that CORE will increase staff workload.

Institutional Response

The Department gathered preliminary responses to CORE implementation from institutions. The following bullets are a summary of their responses to each part of the question.

- *The transition was a learning curve for many institutions.*
- *The process generally felt rushed and challenging.*
- *As feeder agencies, the implementation of CORE was different for Institutions of Higher Education than it was for state departments.*

a. Was the training adequate?

- *The training was not robust enough, and did not provide a big picture of how the modules and other pieces of CORE tied together.*
- *Training was conducted well before the roll-out causing some issues once the system went live.*
- *The specific trainings tailored to higher education were helpful and more robust.*

b. Has the transition gone smoothly?

- *The transition was challenging due to system access, difficulties navigating and uploading documents, and system speed.*
- *With time, the transition to CORE became less disruptive, and institutions found ways to navigate.*

c. How has the implementation of CORE affected staff workload during the transition?

- *Interface issues with the system created excess work, in the short-term, for staff at many institutions, but hopefully the issues will be resolved moderating any increases.*
- *The Higher Education Fiscal Coordinator's work increased as a result of the system and having to answer questions for all institutions.*

d. Do you anticipate that CORE will increase the staff workload on an ongoing basis? If so, describe the nature of the workload increase and indicate whether the Department is requesting additional funding for FY 2015-16 to address it.

- *Institutions provided mixed answers on the long-term effect on workload. Some believe the system will increase the workload while others think it is only a short-term increase.*

HIGHER **E**DUCATION **Q**UESTIONS

<u>Request R1 and H.B. 14-1319 Funding Model</u>

4. How do you propose to use/allocate the $15 million requested in transitional funds? Would this be part of the H.B. 14-1319 funding allocation model or not? Would amounts be appropriated to specific governing boards or are you requesting a different approach? Would any of these funds become part of institutional base funding or do you anticipate that, if transition is approved in future years, amounts would go to different governing boards?

   In the Department's January 15th budget submission, the Colorado Commission on Higher Education (CCHE) and Department will request that the transitional funds be appropriated for the governing boards to implement performance funding in accordance with the spirit of H.B. 14-1319. The Department recommends that the funds be allocated in the following methods:

   1. *After invoking the H.B.14-1319 guard rails, first use a portion of the transition funding to bring all governing boards to at least a 10 percent increase above last year. Because the Department's vendor (National Center for Higher Education Management Systems/NCHEMS) is still refining the model and working on the programming of the guardrails within the model, we cannot provide the exact number necessary to bring all governing boards to at least a 10% increase at this time.*

   2. *Utilize the balance of the transition funding for a CCHE-directed, competitive, performance-based fee-for-service program designed to assist institutions in furthering the goals of the statewide Master Plan and improving performance under the H.B. 14-1319 funding model.*

   The CCHE and the Department will develop criteria for the competitive, performance-based fee-for-service program and governing board to apply for these funds by:

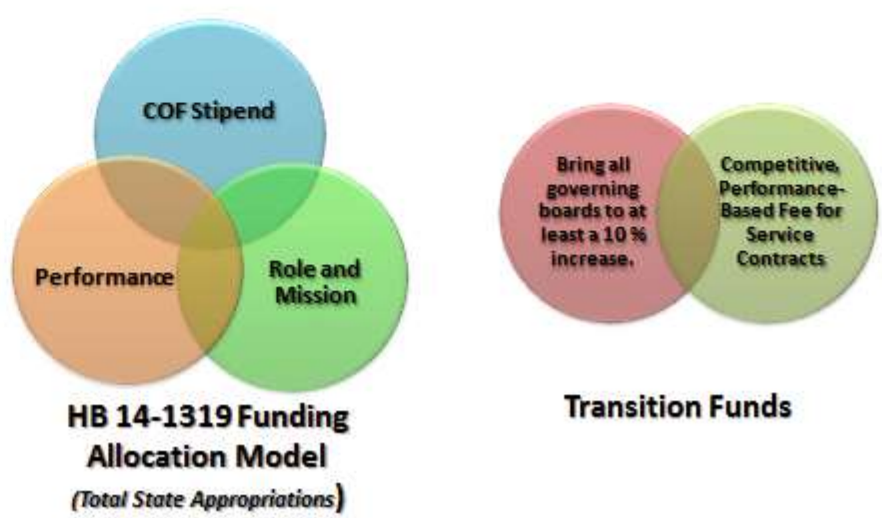
   1. *Developing and submitting a clear plan outlining how the governing board proposes to invest the funds to further the Master Plan's goals, and improve performance under the H.B.14-1319 performance funding model and further, provide a clear explanation of how the governing board will establish and implement strategic goals and objectives necessary for this purpose. For example, the Commission could provide funds to a governing board for enhanced student support services (e.g. academic tutoring, assistance in course selection) to improve student retention and completion (performance metrics in the funding allocation model).*

2. *Annually report to the Department and the General Assembly beginning January 1, 2016, on the governing board's progress and results with the funding they have been provided through this program.*

We recognize the $15 million per year in transition funding will only be available for five years and will be separate from "base" building operating increases. This funding will be separate and distinct from the base performance funding allocation model that was developed by the Department's H.B.14-1319 vendor, NCHEMS. Transition funding will be applied for and awarded annually as one-time funding that will not be base building and not part of the base funding allocation model for these reasons (see figure #1):

1. *Including the funds in the model distorts the H.B.14-1319 base and undercuts the "guardrail" provision.*
2. *If the funds are not differentiated, the percentage change in "total state appropriations" increases. This would have the effect of increasing base appropriations with one-time funds to "specialty education programs," "local district junior colleges and "area vocational schools" (C.R.S. 23-18-304 (1) (A) (I)).*

Figure 1. HB 14-1419 Funding Allocation Model and $15 Million Transition Funds



Why Transition Funding

A transition approach is a best practice commonly found in other states and used in *outcomes/performance funding models. While the existing legislation does contain five year "guardrails" that act as a "stop-loss" provision to keep a governing board from losing or gaining more than five percent of the change in total state appropriations from the prior year, the legislation does not contain a "phase-in" or transition period of time. States that have successfully implemented outcomes/performance-based funding have had a transition period or have taken on significantly smaller portion of state funding to implement outcomes/performance based funding models. This transition funding is even more important for Colorado because 100% of all institutional funding will be allocated through the H.B.14-1319 funding allocation model in the first year of implementation. In addition, this funding will allow institutions time and resources to adjust policies and programs in response to the new state approach to allocating state funding to institutions based on the state priorities codified in H.B. 14-1319.*

Issues Related to Implementing the Transition Funding Program

- *The Department understands that legislation is needed to support and clearly establish the five-year transition funding and that a competitive, performance-based fee-for-service program may require amendments to current law. If this approach is approved, the Department respectfully requests that the JBC carry necessary legislation.*

- *The Department asks that the funding needed to bring the institutions up to a 10 percent increase over the prior year not be appropriated though the H.B. 14-1319 funding model but rather be appropriated directly to College Opportunity Fund fee-for-service contracts so that it does not increase "total state appropriation" forcing a commensurate increase to "specialty education program"*

- *Department staff will begin work on the details of the proposed program working with the Commission and Institutions on the key features so that pending necessary legislative authority and appropriations the program could begin at the start of FY 2015-16. For the competitive, performance-based fee-for-service program, the Department asks that the funds be appropriated to CCHE in a new-line item and the Commission be given authority to award the funds strategically, via a modification to the Governing Board fee for service contract directly to institutions.*

An institution's allocation/award of competitive transition funding would function as a separate, one-time add-on and department staff anticipates this will be a separate part of the fee-for-service contract with a governing board.

5. How were the H.B. 14-1319 factors and rates derived? How much flexibility does the Department and General Assembly have to change these next year? Who will fine- tune the funding allocation model and examine results of the model in future years? Will the process

be similar to this year? What happens next with the model? What is the anticipated time-frame for version 2.0 of the model?

H.B. 14-1319 Funding Model Process

The Department established a project structure to develop and implement a higher education funding model that is more transparent and understandable for Colorado taxpayers; provides greater tuition predictability with a goal of ensuring both accessible and affordable higher education for residents; and, harmonizes with the statewide goals for higher education as articulated in the CCHE's Master Plan – "Colorado Competes, A Completion Agenda for Higher Education." The bill specifically required 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."

The H.B. 14-1319 project structure consisted of three subject matter expert teams that worked with the Department and the Department's vendors directly on the three essential aspects of this project: public engagement and outreach, a study examining what's at the root of postsecondary costs, and the funding model itself. The following is a brief description of the subject matter expert teams:

- *Public Education & Outreach Team – The focus of this Team was to (1) help project participants and leaders understand the higher education priorities of the stakeholders across the state and how these priorities should impact how consideration is given to the weighting of the funding model metrics and factors within the formula, and (2) educate the public about the role of higher education and its importance to our state and our economy.*

- *Funding Allocation Model Team (FAMET) – The heart of what was charged in 1319 was the creation of a new funding allocation model. FAMET was charged with developing a funding allocation model that balanced the policy goals of CCHE, the legislative directives of H.B. 14-1319, and incorporated the feedback from the public education and outreach activities.*

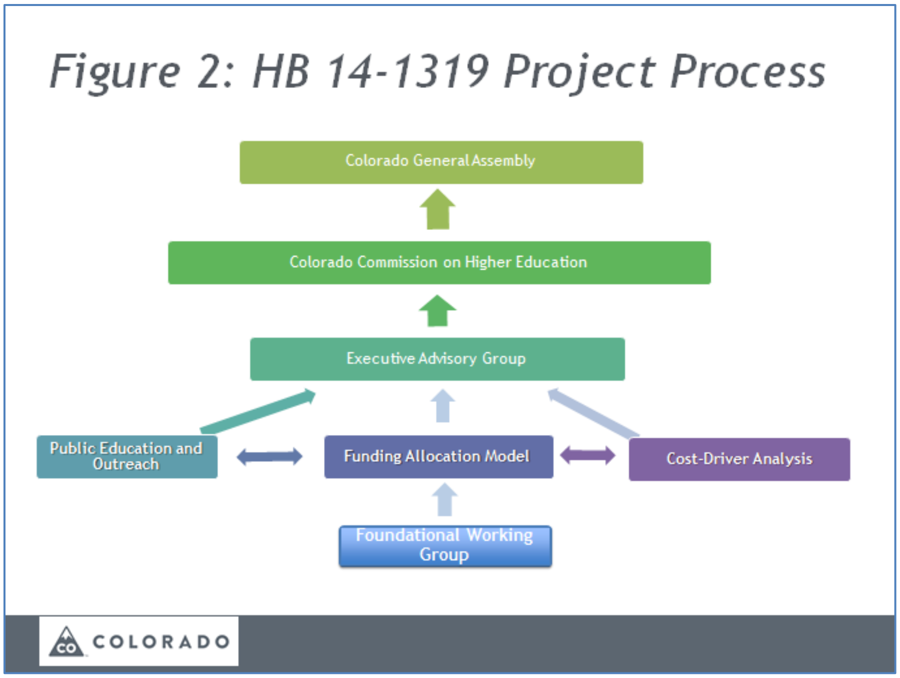
- *Cost Driver Analysis Team – While not specifically called for in the legislation, this project was incorporated to inform the other aspects of the H.B. 14-1319 implementation and address future decisions to be made regarding funding and tuition policies. The Team is scheduled to conclude their work by June 2015.*

The subject matter expert teams reported to the Executive Advisory Group (EAG) - an advisory group comprised of legislators, current and former higher education *commissioners, business leaders, leaders of state higher education institutions, and advocates for students, parents, faculty and provosts. The EAG was charged with digesting the work that the Expert Teams had conducted; help to resolve any conflicts that may have arisen through the granular process; provide guidance, as necessary, to the expert teams for additional issues to take into consideration; and, ultimately make a clear recommendation about what is best for Colorado to CCHE for consideration and action. The EAG is comprised of:*

- *Lt. Gov. Joe Garcia, Executive Director, Colorado Department of Higher Education – co-chair*
- *Donna Lynne, Executive Vice President, Kaiser Permanente – co-chair*
- *Jim Chavez, Executive Director, Latin American Education Foundation*
- *Tim Foster, President, Colorado Mesa University*
- *Russ George, President, Colorado Northwestern Community College*
- *Kent Lambert, State Senator, Colorado General Assembly*
- *Jenise May, State Representative, Colorado General Assembly*
- *Monte Moses, Commissioner, Colorado Commission on Higher Education*
- *Pam Shockley-Zalabak, Chancellor, University of Colorado at Colorado Springs*
- *Pat Steadman, State Senator, Colorado General Assembly*
- *Greg Stevinson, President, Denver West Realty*
- *Jim Wilson, State Representative, Colorado General Assembly*

The final decision maker, and the body ultimately responsible for adopting the final plan, is the CCHE. CCHE was provided with regular reports on the progress of the project; helped to resolve any conflicts that were not able to be resolved at the EAG level; provided guidance, when necessary to the EAG for issues to take into consideration; and, ultimately, adopted the new funding model.

Figure 2 provides an overview of the H.B. 14-1319 project structure.



Through the process, from the ground up, the outcomes of this Project incorporated the views and priorities of the "interested parties", which were fully vetted inclusively and transparently and acted upon by CCHE. All 1319 meetings have been open to the public and information about date, time, and location was posted in a timely manner on the webpage created for all things 1319:

http://highered.colorado.gov/Publications/General/1319/default.html

Flexibility of the Funding Allocation Model and Next Steps

The CCHE Approved Funding Allocation Model includes 13 adjustable policy levers with over six billion possible combinations. In addition to statutorily required role and mission factors and performance metrics, the bill allows the Commission to establish up to two additional role and mission factors (C.R.S. 23-18-303 (3) (e)) and four additional performance metrics (C.R.S. 23-18-303 (4) (c)).

The Department is confident that the flexibility in the bill provides the flexibility to CCHE to revise the funding allocation model to adjust for fluctuations in state appropriations to institutions of higher education and can adapt to changes in national, state and institutional needs. Moving forward, the Department, in consultation with interested parties, will continue to refine and evaluate the model to ensure that the indicators, methodology, and funding allocation processes all aligned with the policy goals of CCHE, the Governor and the General Assembly.

Any recommendation by CCHE for changes to the funding model would be allowed *pursuant to the following sections of the legislation:*

1) *November 1, 2015 and each November 1 thereafter: The Department and Commission shall submit a budget request that includes a detailed description of role and mission factors and metrics, values assigned, and funding for each institution for each funding metric (C.R.S. 23-18-307 (3)).*
2) *July 1, 2016 and each July thereafter through July 1, 2020: the Commission shall submit a written report to the JBC and the education committees concerning the status of implementation and recommended changes to the funding model (C.R.S. 23-18-306 (4)).*

6. Are the proposed governing board allocations in the funding allocation model draft/staff descriptions the same numbers we are going to see in January or do you expect to make further changes?

   The Department of Higher Education (DHE) contracted with the National Center for Higher Education Management Systems (NCHEMS) to provide their expertise in creating a funding allocation model, as required by H.B.14-1319. In order to create the most robust, dynamic and fluid model possible, the Department decided to use Student Unit Record Data (SURDS), as opposed to aggregate data, to feed the funding allocation model being built by NCHEMS, something no other state with performance funding has done. This has resulted in more than eight million total records in the 1319 funding allocation model database. Using SURDS will allow DHE to load and manage future year's data and allow for more dynamic and longitudinal analysis of trends in this data.

   Because the Department has decided to use SURDS as the data source for the model, there is a need to do multiple tests of the database to ensure the unit data is properly feeding the final model numbers. DHE staff and NCHEMS are currently in the process of testing the data, continuing to refine the model programming, which includes programming of the guardrails within the model. The governing board allocations in the CCHE, EAG and FAMET approved model are preliminary figures and are subject to change. DHE staff and NCHEMS anticipate that the changes will be minimal.

   The Department and Commission will submit an updated budget request that includes a detailed description of the model factors and metrics as applied to each institution, including the funding requested for each governing board by January 15, 2015 (C.R.S. 23-18-307(2b)).

7. What is department's preference on what enrollment numbers to use in calculating student stipends: actuals or projections? If we use projections, what projections and when will we receive them?

The Department prefers that the enrollment numbers used to calculate the COF Stipend component be the enrollment projections included in the 2014-2015 Long Bill. This is the Department's preference because the H.B. 14-1319 funding allocation model, built over the last several months, uses these enrollment projections. The enrollment projections in the 2014-2015 Long Bill were the most up-to-date estimates available at the time. All of the representatives from each of the governing boards unanimously agreed to the funding allocation model assumptions, including the 2014-2015 Long Bill enrollment projections. This assumption was subsequently approved by the Executive Advisory Group and the Colorado Commission on Higher Education. The Commission requests the General Assembly concur with the use of the enrollment projections included in the 2014-2015 Long Bill for the allocation to the governing boards for the upcoming fiscal year, and direct the Department to study alternatives such as those suggested by the JBC staff for version 2.0 of model and 2016-2017 allocations to the governing boards.

8. How do you believe institutional behavior will change as a result of the funding allocation model?

   At this point, it is too early to provide a definitive answer to this question. However, analysis of outcomes/performance funding models from others states suggest that the amount of money allocated through the CCHE approved funding model is meaningful enough to incentivize change. National organizations, including National Center for Higher Education Management Systems (NCHEMS), the National Governor's Association (NGA), HCM Strategists, and the National Conference of State Legislatures, have included putting a significant portion of total funding in performance funding as a best practice for performance/outcomes based funding models; Institutions are more likely to change behavior with a meaningful portion of their total funding reliant on performance metrics. By allocating 44 percent of "total state appropriations" through the role and mission and performance funding metrics, the CCHE approved funding model provides clear incentives to institutions to align their efforts with the state's goals and the legislative directives of H.B. 14-1319.

9. Have you had the opportunity yet to look at how the funding allocation model would have performed in past years? If not, when do you expect to do this kind of analysis?

   The Department has focused on fully developing the model with the metrics and measures spelled out in the legislation. In view of the fact that DHE staff and NCHEMS are still refining the model and working on the programming of the guardrails within the model, it would be premature to review how the model would have allocated operating funds in prior years. Moving forward there will be opportunities to run prior year scenarios. Because the *model is built on student level data, we believe that over time, it will provide opportunities to project for future years as well.*

10. Is there a reason CCHE wishes to maintain performance funding requirements pursuant to S.B. 11-052? Should the relevant statutory sections be repealed? Should they be replaced by something else, e.g., if the State wishes to monitor institutional outcomes beyond those outlined in H.B. 14-1319?

    The performance funding requirements of Senate Bill 11-052 do not necessarily conflict with those of H.B. 14-1319 in the legal definition of conflict but they do create duplicative data collection and tracking for the institutions and department. We believe the separate statutory requirements are confusing and administratively burdensome. The CCHE and department recommend a repeal of the parts of Senate Bill 11-052 that create an unnecessary duplication of effort or confusion for the following reasons:

    1. *Senate Bill 11-052 required the negotiation of individual performance contracts with each public governing board containing approximately 70 individual metrics which need to be tracked alongside the data requirements of the new funding model under House Bill 14-1319. This creates a great deal of additional work that will not result in additional or improved performance incentives,*
    2. *The funding model under House Bill 14-1319 applies to the entire operating base for Colorado's public higher education system while S.B. 11-052 will apply to only about 2 percent of the total funds and only then if a total operating funding level of $706 million is achieved after FY 2015-16,*
    3. *The H.B. 14-1319 goals of transparency and creating incentives for performance are undercut by running two separate outcome-based funding models concurrently.*

    It is important to note that there are sections of the S.B. 11-052 legislation that pertain to other areas such as the Statewide Master Plan which we would recommend retaining those sections if a repeal of the portions that are duplicative is undertaken. The department would like to work closely with the General Assembly on such a repeal. At this time we do not recommend requiring additional metrics outside of those agreed to through the H.B. 14-1319 process.

<u>R2 Colorado Opportunity Scholarship Initiative and Financial Aid</u>

11. Provide a brief overview of the financial aid system. What is "expected family contribution" and how is it determined?

    Financial aid is provided in the form of grants, work-study or loans. Sources of financial aid include the federal and state governments, institutional aid, and private sources.

Financial aid is applied to the remaining Cost of Attendance after the Expected Family Contribution is subtracted.

Cost of Attendance is defined as tuition and fees plus a budget that includes an allowance for room/board, transportation, medical care and books.

Expected Family Contribution (EFC) is determined using the financial information provided on the Free Application for Federal Student Aid (FAFSA). The application and the calculations are developed by the federal government. The calculation takes into account the number of people in a household, dependency status, and income. The EFC is the amount that the federal government determines a family can afford to pay towards college.

Using the federal need calculation, the EFC is subtracted from the Cost of Attendance to determine financial need. The financial aid administrator at each institution uses this information to award need-based financial aid from all sources to reduce college costs for needy students.

12. What's the difference between funding student stipends pursuant to H.B. 14-1319 and financial aid? Should financial aid funding also be distributed through the H.B. 14-1319 funding allocation model?

The difference between student stipends and financial aid is essentially that stipends provide funding to institutions and student financial aid provides funding to students.

The COF stipend provides an amount per credit hour, $75 in the current year, based upon actual enrollment for each resident student that authorizes the funding and serves as operating funds for the institution. Each student who authorizes COF stipend funding in a given year receives the same dollar amount per credit hour, regardless of their documented financial need. The COF stipend is one portion of the state operating funding calculation. Prior to H.B. 14-1319 the COF stipend and the Fee for Service contracts were the two components of state operating funding distributed to the governing boards. Pursuant to the passage of H.B. 14-1319, state support will be made up of COF stipend, role and mission funding, and performance funding. State support is funding to institutions to offset operating costs.

In contrast, financial aid is funding awarded to students with documented need to reduce their cost of attendance. (see question 11 for details of how documented need is determined). Financial aid may be used not only for tuition but also for fees, books and materials as well as for living expenses. Statute permits a portion of state funded work-study *funds to be awarded to students without documented need and towards merit aid. Most institutions award a majority of merit and work-based aid to students with documented need.*

To allocate state funded financial aid through the H.B.14-1319 would change the allocation of state funded financial aid. The H.B. 14-1319 model does not currently have a metric to account for individual student's financial need and only uses information for public governing boards. The state funded financial aid allocations are made not only to public institutions but a portion is allocated to private institutions using criteria that are not captured in the 1319 model. Further, current statute authorizes the Colorado Commission on Higher Education to determine financial aid allocations to institutions (C.R.S. 23-3.3-102 (2)).

13. [The Colorado Opportunity Scholarship Initiative (COSI) is supposed to provide scholarships and other support programs to help students who might not otherwise attend college pursue postsecondary education, remain in college, and complete their degrees.] What is already being done for COSI-type programs and scholarships within the existing institutions? Why is an additional state program needed?

    Colorado has over 90 different student success and scholarship programs across the state run by various non-profits as well as a variety of state and institution support programs. However, not all student success programs offer the same services or levels of support: some are holistic and incorporate scholarships, some use a wrap-around service models, while others are informal supports, but all support student services and success. Programs focus on access to postsecondary education, the bridge between high school and post-high school education, retention, and career connections. While a wide variety of programs are found statewide, there is no consistency in the services offered, nor is there an organized effort on the part of the state to track these services and their impact on students.

    The Scholarship Initiative allows for programs already operating to expand their services to new students and improve work being done with current students. It will also reach students in rural areas where no programs or limited programs currently operate. The Colorado Opportunity Scholarship Initiative will improve consistency across programs through creating a platform to share state-wide best practices. This will ensure students access to high-quality programs, and therefore, the best chance possible to be successful in their postsecondary educations.

    For the class of 2013, the average amount of debt a Colorado student had when they graduated from a public institution of higher education was $24,520.[1] There is only

[1] *Project on Student Debt and the Class of 2013*, The Institute for College Access and Success, November 2014, http://projectonstudentdebt.org/files/pub/classof2013.pdf

fragmented information about the amount of total scholarship giving that exists in our state outside of institutional aid, but the current amount given is not enough to fill the gap our students are facing. The Colorado Opportunity Scholarship Initiative encourages communities to give by matching new scholarships dollars. Scholarship recipients will participate in a rigorous student success program and demonstrate financial need. By providing the best quality programs, decreasing student debt, and reaching more students, the Scholarship Initiative strives to close the attainment gap by offering supports to guide first generation and low-income students through postsecondary education; matching scholarships will help reduce the debt students carry when they graduate college helping them enter the workforce without the adverse effects unmanageable debt. Students impacted by the Scholarship Initiative are a good workforce investment because they have the support and skills to graduate faster and with less debt, helping Colorado's financial investments in education go further.

Additional information and examples of student success and scholarship programs can be found at our website: https://sites.google.com/a/state.co.us/cosi/student-supports

14. How much would it cost to comply with state law on increasing financial aid at the same rate as increases for the governing boards?

    With the current operating increase, in order to comply with the statutory increase required in C.R.S. 23-3.3-103 there would need to be a request of $17,709,997 for state funded financial aid programs.

15. What is the basis for the $30M request for COSI? Why that particular number?

    The request for $30M is intended to build a significant corpus in the Colorado Opportunity Scholarship Initiative Fund. The larger the fund, the greater the likelihood of attracting private matching dollars, and putting the scholarship program on sound footing for future sustainability once it is launched.

<u>Requests R3 – DHE Data and Research Personnel Shore Up</u>

16. Does this request fall within Section 24-75-1305, C.R.S. which does not allow backfill of grant moneys that go away?

    The Department's 'Data and Research Personnel Shore Up' request seeks $190,268 Reappropriated Funds from indirect cost recoveries to fund portions of existing positions which are funded with grant dollars that are no longer available. These positions/portions of positions include the following: (1) 0.3 FTE Data Systems Engineer/Web Developer; (2) 1.0 FTE Research and Policy Analyst, (3) 0.5 FTE Director of Information Systems, and (4) 0.2 FTE portion of the Chief Research Officer.

    To counter budget reductions which began in FY 2012-13, the Department looked for grant *funding to sustain staff amid demanding workload. Section 23-1-105 (4) authorizes the CCHE to "seek, receive, and disburse federal, state, and private grants, gifts, and trust for statewide or multi-institutional purposes. During the budget reduction period, the demand from policy makers and interested parties for higher education related data and research increased substantially. The Department's strategy allowed the existing Data and Research team to refinance portions of its prior budget though grant funds which were made available at the time. However, as these grants are coming to an end and the Department's workload has expanded significantly, the Department seeks to secure sustainable funds for these positions in order to not compromise service levels.*

Section 24-75-1305 (1), C.R.S., states that:

> *The general assembly shall not make an appropriation of moneys from the general fund or from any other source of state moneys to fund a program, service, study, or other function of state government that was previously funded through grant moneys and that has not received adequate grant moneys to support the program, service, study, or other function of state government for the applicable fiscal year.*

Subsection (2) of the same section adds that:

> *The general assembly may adopt legislation to reauthorize any program, service, study, or other function of state government that was previously funded through grant moneys and, if such legislation includes an appropriation from the general fund or any other source of state moneys and becomes law, may make an appropriation from the general fund or from any other source of state moneys to a state agency to oversee the program, service, study, or other function of state government.*

The Department has used a JBC Staff Analysis as its guide. The JBC Staff Fiscal Analysis on SB13-007 included a legal analysis from the Office of Legislative Legal Services on Section 24-75-1305, C.R.S. which stated that if a program had been previously funding with a combination of General Fund and grants, and has never been entirely reliant on gifts, grants or donations for the specific program, Section 24-75-1305 (1) C.R.S. does not apply. See http://www.leg.state.co.us/clics/clics2013a/csl.nsf/billcontainers/B46BBDC5BC1159F987257AEE0057B306/$FILE/SB0007_sen.pdf for the full staff analysis.

The Department's Data and Research Personnel Shore Up falls within the category of a program that has never been entirely reliant on gifts, grants or donations, as the previous and current breakdown of program funding illustrates. In FY 2012-13, the Department sought grant funding to cover portions of existing key data and research functions in the Department and obtained grant moneys which allowed the Department to recommend internal General Fund reductions while maintaining responsive research staff amid demand from policy makers and interested parties for higher education related data and research This strategy specifically affected the Data and Research team, as five of the nine members are currently sustained, either full or partially, though grant funds. The other four *members are sustained entirely through reappropriated funds from the Department's indirect cost recoveries. The funding change was proposed in order to "share" in the reductions that the institutions of higher education were taking.*

The Data and Research team is a key link in providing various stakeholders the data and analysis necessary to continue to strengthen the education to workforce pipeline in Colorado. The work that the Data and Research team is doing includes the following critical areas: implementation of H.B.14-1319, managing the DHE website and databases, the annual concurrent enrollment report, annual Postsecondary Outcomes and Success Report, publishing District-at-a-Glance, the FAFSA Completion Initiative, College Measures website and reporting, and coordinating of the Unemployment Insurance or wage record data from the Colorado Department of Labor and Employment.

<u>The Completion Agenda</u>

17. It appears that overall degree completions are increasing, but are completion *rates* increasing at state institutions? Discuss the various ways for calculating completion rates, describe Colorado completion trends over time, and explain the reasons for these trends.

The Department calculates completion rates by taking a cohort of first-time, full-time undergraduate students of all ages and following them through college to see if they earned a credential. If a student transfers to another Colorado public institution during their college career, they are captured in the completion rate. If a student transfers out-of-state or to a private institution, they are not counted. CDHE calculates a 3 year completion rate for students starting at two-year institutions. For those students beginning at four-year institutions, CDHE calculates both 4 year and 6 year completion rates.

Graduation rates increased slightly over the past several years, as depicted in the table below. Department staff is only able to speculate on the reasons behind the trend and hopes some of the increase is due to the numerous reforms and efforts to increase timely degree completion underway at our public institutions. In addition, students may be seeing the increasingly competitive job postings in our labor market and are completing their college program in order to be employable.

<u>Table 1: Graduation Rates Over Time</u>

Students at four-year institutions	**2009-2010 Academic Year**	**2010-2011 AY**	**2011-2012**
4 year graduation rate (100% time)	29.7%	29.0%	31.2%
6 year graduation rate (150% time)	57.2%	57.5%	58.6%

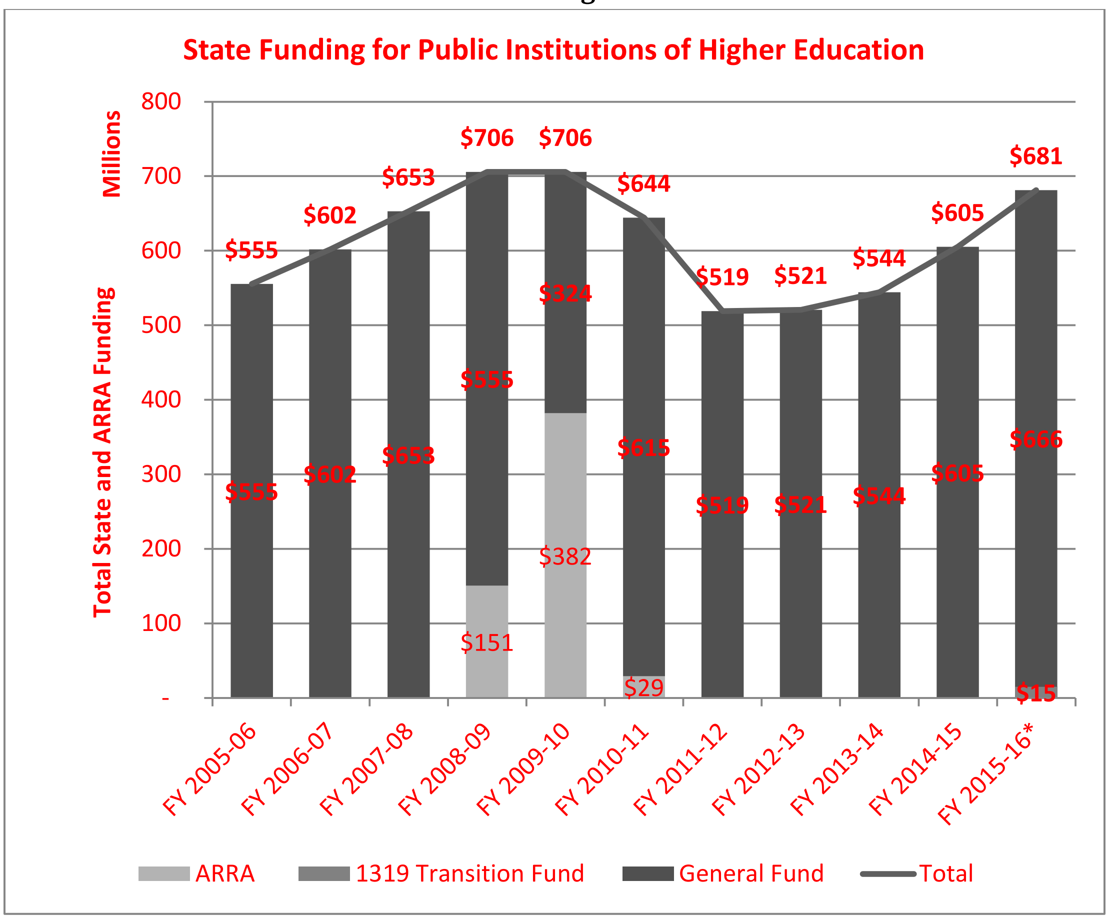
Students at two-year institutions			
3 year graduation rate (150% time)	20.9%	26.1%	21.5%

State Support, Cost of Higher Education

18. How does General Fund state support requested for FY 2015-16 compare to the last state-support high-mark in FY 2008-09?

Before counting the $15 million in transitional funding, the request is roughly $40 million below the high funding mark of $706 million. With the $15 million in transitional funding, the request is $25 million below the high funding mark.

Figure 3



19. How has total institutional support from all sources (including support from research, auxiliaries, etc.) changed over time?

The DHE staff gathered revenue data from the IPEDS data center to show the difference in *total revenues over time. . From 2003 to 2013, total revenues at 4 year college and universities increased by 16%, research institutions by 42%, and community colleges by 17%. Table 2 shows total revenues from all sources in years 1984, 1993, 2003, and 2013. Total revenues have been adjusted to 2013 dollars to account for inflation.*

Table 2

Total Revenues (in 2013 dollars)

Colorado Institutions	Total Revenues 1984	Total Revenues 1993	% change	Total Revenues 2003	% change	Total Revenues 2013	% change
Adams State University	35,445,074	41,371,666	43%	44,313,013	34%	48,760,882	32%
Colorado Mesa University	42,046,598	51,645,438	46%	59,665,263	39%	111,998,029	60%
Fort Lewis College	50,901,462	59,883,029	44%	72,751,502	42%	66,877,100	18%
Metropolitan State University of Denver	96,390,662	134,096,307	52%	144,451,659	34%	169,236,391	36%
Colorado State University-Pueblo	72,672,793	73,409,684	34%	67,144,410	23%	74,210,697	32%
Western State Colorado University	42,918,831	42,909,606	34%	36,998,188	18%	36,131,960	23%
4 Year Colleges and Universities	340,375,420	403,315,730	16%	425,324,036	5%	507,215,059	16%
University of Colorado Denver	88,332,078	142,693,601	59%	168,159,969	40%	1,505,614,111	92%
University of Colorado Colorado Springs	-	68,860,358	0%	102,819,501	53%	145,260,897	47%
University of Colorado Boulder	574,268,239	830,963,026	54%	992,578,602	41%	1,225,747,842	39%
Colorado School of Mines	100,552,875	107,539,786	38%	135,769,733	44%	224,150,471	55%
University of Northern Colorado	169,140,241	184,913,112	39%	186,696,963	30%	196,591,945	29%
Colorado State University-Fort Collins	534,866,418	659,239,426	46%	824,582,444	44%	891,718,613	31%
Research institutions	1,467,159,851	1,994,209,309	26%	2,410,607,211	17%	4,189,083,879	42%
Arapahoe Community College	28,289,926	38,175,427	51%	39,244,240	31%	46,476,721	37%
Colorado Northwestern Community College	13,293,857	17,289,695	49%	13,501,850	10%	14,635,010	31%
Community College of Aurora	11,585,358	21,497,677	64%	25,930,205	41%	35,897,686	46%
Community College of Denver	21,239,823	48,627,421	71%	46,958,263	27%	63,395,055	44%
Front Range Community College	34,756,073	62,520,947	63%	83,508,218	47%	110,806,487	43%
Lamar Community College	6,902,984	11,122,434	59%	10,070,474	22%	8,355,505	10%
Morgan Community College	5,067,914	11,678,488	71%	12,524,002	34%	11,334,229	17%
Northeastern Junior College	19,459,806	20,707,705	38%	20,835,484	30%	18,474,217	15%
Otero Junior College	13,078,026	16,958,997	49%	21,659,628	45%	25,177,222	35%
Pikes Peak Community College	47,885,200	57,222,193	44%	60,846,191	34%	86,377,902	47%
Pueblo Community College	21,018,497	35,888,923	61%	46,654,964	46%	41,858,683	16%
Red Rocks Community College	28,963,394	32,053,851	40%	39,449,006	43%	55,325,516	46%
Trinidad State Junior College	17,112,395	20,916,965	46%	23,271,951	37%	17,800,092	2%
Community Colleges	268,653,254	394,660,721	32%	444,454,477	11%	535,914,325	17%
Aims Community College	27,479,421	42,102,779	57%	53,742,376	45%	74,579,765	46%
Colorado Mountain College	36,605,349	43,674,946	44%	65,019,279	53%	80,319,155	39%
Local District Colleges	64,084,770	85,777,725	25%	118,761,655	28%	154,898,920	23%
System Total	2,140,273,295	2,877,963,486	26%	3,399,147,380	15%	5,387,112,183	37%

Source: IPEDS Financial Data, Commonfund Institute Higher Education Price Index

A more objective comparison is to look at total revenues per Student Fulltime Equivalent (SFTE). This captures the impact that changes in enrollment have on total revenues. From 2003 to 2013, total revenue per SFTE at 4 year college and universities increased by 0.7%, research institutions by 35.6%, and community colleges decreased by -11.6%. Table 3 *provides more information on total revenue per SFTE.*

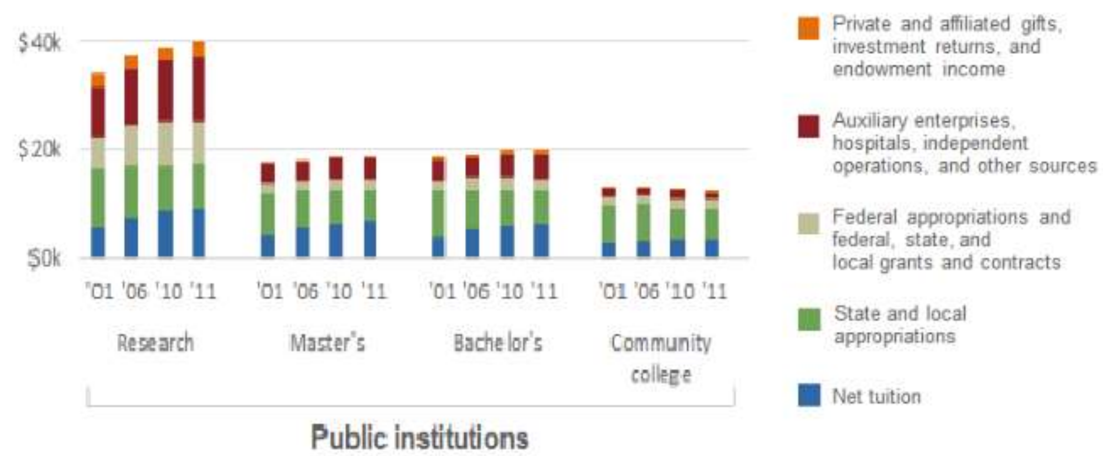
Table 3			
Total Revenues per FTE (in 2013 dollars)			
Colorado Institutions	Total Revenues 2003	Total Revenues 2013	% change
Adams State University	19,084	19,968	4.4%
Colorado Mesa University	12,828	14,688	12.7%
Colorado State University-Pueblo	19,473	17,938	-8.6%
Fort Lewis College	17,831	18,567	4.0%
Metropolitan State University of Denver	10,181	9,999	-1.8%
Western State Colorado University	17,281	20,163	14.3%
4 Year Colleges and Universities	13,796	13,887	0.7%
University of Colorado Denver	15,391	102,179	84.9%
University of Colorado Colorado Springs	17,409	18,002	3.3%
University of Colorado Boulder	39,304	46,920	16.2%
Colorado School of Mines	41,444	42,785	3.1%
Colorado State University-Fort Collins	36,998	38,012	2.7%
University of Northern Colorado	17,603	19,701	10.6%
Research Institutions	30,805	47,818	35.6%
Arapahoe Community College	8,371	7,822	-7.0%
Colorado Northwestern Community College	14,644	19,333	24.3%
Community College of Aurora	8,159	7,589	-7.5%
Community College of Denver	9,313	8,650	-7.7%
Front Range Community College	9,053	8,192	-10.5%
Lamar Community College	13,233	11,818	-12.0%
Morgan Community College	13,496	10,603	-27.3%
Northeastern Junior College	12,697	13,524	6.1%
Otero Junior College	18,983	21,556	11.9%
Pikes Peak Community College	9,513	8,226	-15.6%
Pueblo Community College	11,954	9,563	-25.0%
Red Rocks Community College	8,823	8,944	1.3%
Trinidad State Junior College	14,692	12,642	-16.2%
Community Colleges	10,129	9,073	-11.6%
Aims Community College	14,668	20,769	29.4%
Colorado Mountain College	22,758	22,436	-1.4%
Local District Colleges	37,426	43,204	27.9%
System Total	21,313	28,299	24.7%
Source: IPEDS Financial Data, Commonfund Institute Higher Education Price Index, Department's FTE Data File			

Source: IPEDS Financial Data, Commonfund Institute Higher Education Price Index, Department's Finance FTE Data File

Figures 4 and 5 from the Delta Cost Project's most recent report, "Trends in College Spending: 2001-2011," show national trends in college revenues per FTE.

Figure 4

Total Revenues per FTE Student, FY 2001–FY 2011 (in 2011 dollars)



Sources. IPEDS Analytics: Delta Cost Project Database 1987-2010, IPEDS Fall Enrollment 2010 and Finance FY2011 surveys (11-year matched set).

Figure 5

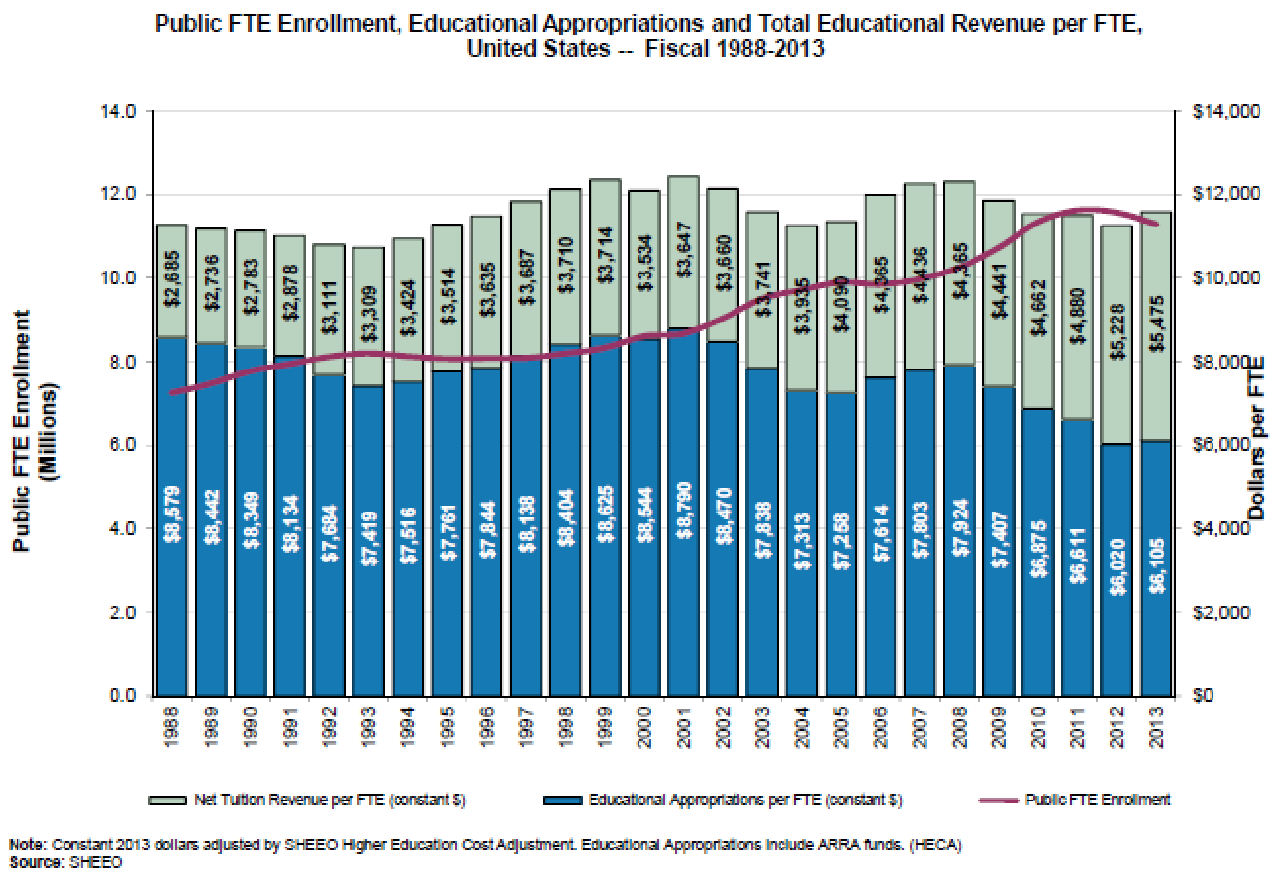
Net Tuition Revenue and State and Local Appropriations per FTE Student, FY 2001–FY 2011 (in 2011 dollars)

Sources. IPEDS Analytics: Delta Cost Project Database 1987-2010, IPEDS Fall Enrollment 2010 and Finance FY2011 surveys (11-year matched set).

20. How does Colorado total cost/revenue per student compare to national data? How has this changed over time, after adjusting for inflation, *i.e.*, how much has Colorado changed over time compared to how other states have changed?

Nationally, according to the Fiscal Year 2013 State Higher Education Finance (SHEF) Report, total revenue per student dropped from its peak of $12,289 in 2008, to $11,248 in 2012. Increases in state and local support and tuition combined with declining enrollment caused total educational revenue to grow to $11,580 in 2013. The SHEF report uses the Higher Education Cost Adjustment (HECA) to adjust for inflation over time.[2] *The figure below shows national data on Total Educational Revenue per FTE from 1988 to 2013. In constant 2013 dollars, national total revenue per FTE was $316 more in FY 2013 than in FY 1988.*

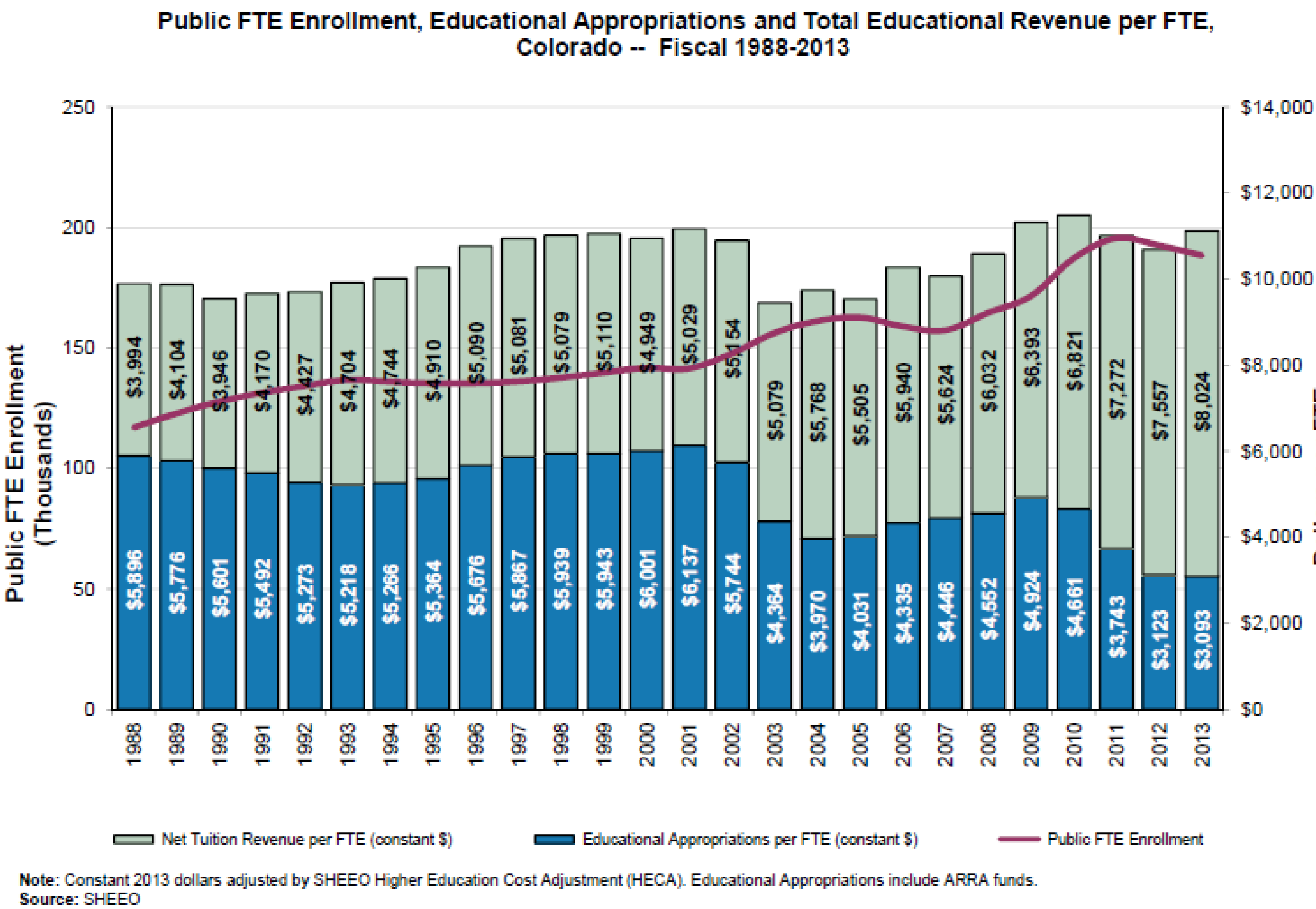
Figure 6



university expenditures, the HECA is based on a market basket with two components—personnel costs (75 percent of the index), and non-personnel costs (25 percent). SHEEO constructed the HECA based on the growth of the ECI (for 75 percent of costs) and the growth of the GDP IPD (for 25 percent of costs). See *FY 2013 State Higher Education Report, Technical Paper A* for more information on the HECA.
http://www.sheeo.org/sites/default/files/publications/SHEF_FY13_04292014.pdf

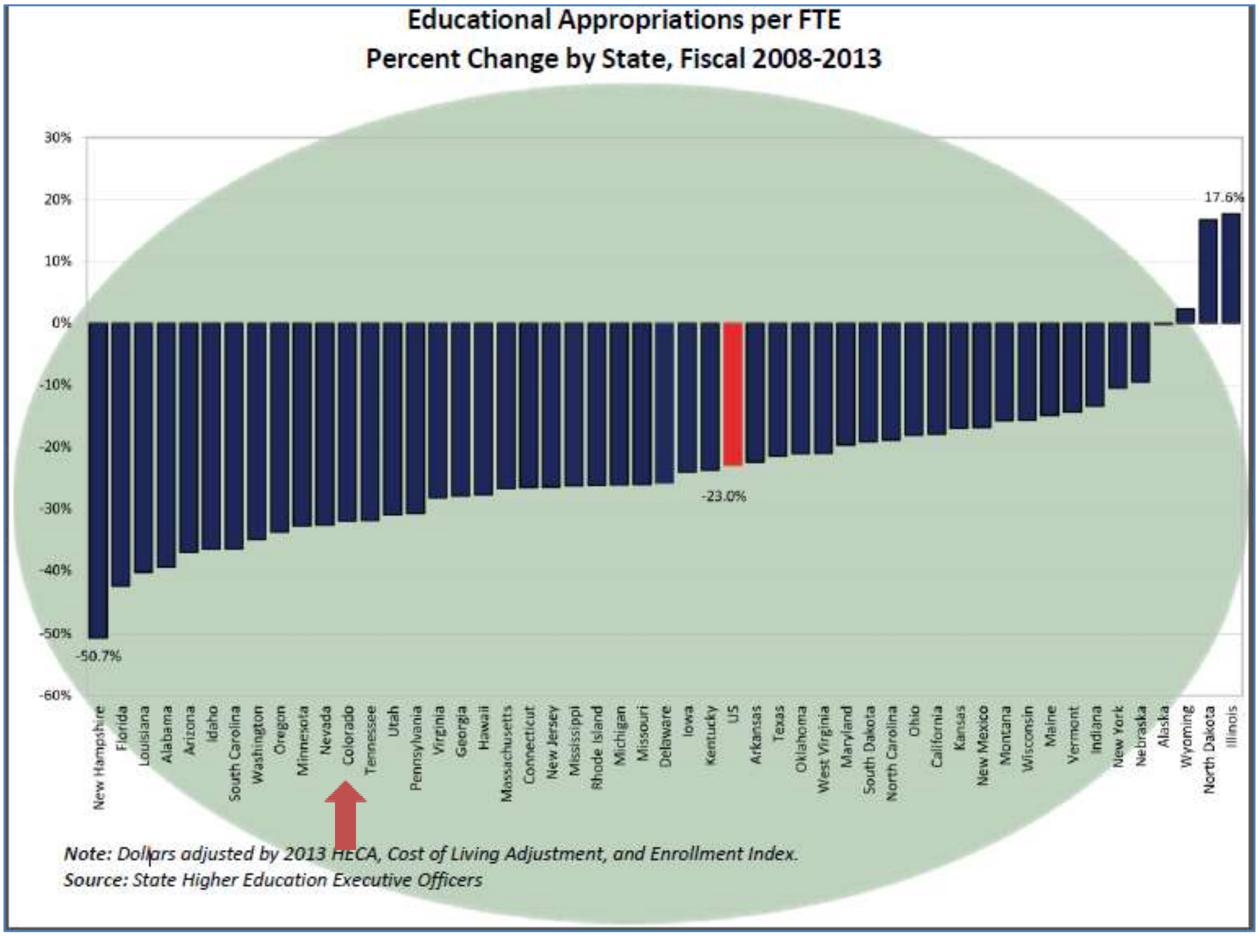
The next figure shows total educational revenue per FTE data for Colorado. In FY 1988, Colorado's total revenue per FTE was $9,890, which was significantly below the national average of $11,264. From FY 1988 to FY 2013, Colorado's overall total educational revenue per FTE grew by $1,227 in constant 2013 dollars. Despite this growth in total revenue, Colorado's total revenue per FTE, $11,117, was still $463 below the national average of $11,580 for FY 2013.

Figure 7



These figures also show the change in the make-up of total educational revenue per FTE, which is consists of two (2) sources, tuition and state & local appropriations. In 1988, state & local appropriations made up the majority of the institutions of higher education's support. In FY 2013, tuition made up the majority of support to institutions. This flip in the make-up of total educational revenue per FTE is more pronounced and extreme in Colorado than the national trends show. The figure below, which includes fifty (50) state data on the percent change in educational state & local appropriations per FTE, shows how this trend has played out nationally. Colorado has had the twelfth (12th) largest decrease in appropriations over this period nationally.

Figure 8



21. What factors are driving state higher education costs in addition to changes in state support? How does this differ between the community colleges, research institutions, and other 4 year institutions?

    Across the country increasing student tuition and fees, and concern about levels of student debt, have put college and university spending in the spotlight. There have been questions from the General Assembly and the Administration, as well as the public, about why charges assessed to students through tuition and fees have increased. A clear message from the H.B. 14-1319 public outreach/engagement process was the public's concern about "affordability." As question twenty-one (21) states, clearly changes in the level of state support, which provides an important portion of the financing for the costs of educating a postsecondary student, have a direct impact on the tuition and fee prices charged to students.

With regard to the factors driving costs in Colorado, the Commission has authorized a Cost Driver Analysis Team, a group of subject matter experts, to work with the National Center Higher Education Management (NCHEMS) to study the factors that explain costs and the factors that determine prices charged to students. This study is intended to inform development of the Commission's proposal on tuition policy, which is to be submitted to the General Assembly on November 1, 2015.

Studies that report on national trends can be instructive to the degree national trends reflect the experience of Colorado public colleges and universities. For example, colleges and universities devote an average of 60-70 percent of their total spending (excluding auxiliaries, hospitals, and other independent operations) on employee compensation – salaries and benefits. A recent (February 2014) national study, "Labor Intensive or Labor Expensive: Changing Staffing and Compensation Patterns in Higher Education," concluded that despite rising expenditures, the proportion of spending dedicated to compensation remained steady across most institutions, and that benefit costs-rather than salaries- drive much of the increase in overall compensation costs.

DHE staff reviewed expenditure data reported by Colorado public institutions to the federal Integrated Postsecondary Education Data System (IPEDS) and found that expenditures for employee benefits, defined as payments made to an individual over and above that received in the form of salary or wage, such as for insurance or retirement benefits, increased in 2013 over 2012 as follows: Colorado community colleges increased by an average of 16%, Research institutions by 11%, and 4 year colleges by 9%.

<u>Tuition and Fee Policy</u>

22. What is the average cost per credit hour in tuition by institution? How has this changed over time? How does it compare to national trends?

    Please see Table 4 for average cost per credit hour in tuition and fees by institution. This data was collected from the Colorado colleges and universities in the Department's Finance Tuition and Fee Data File. The average cost per credit hour for Colorado institutions increased by 5% annually from 2012 to 2015. Nationwide institutions saw a 3% increase in 2013 and a 1% increase in each 2014 and 2015. Although the state is increasing faster than the national average, in Table 4, it shows that Colorado is still below the national average in cost per credit hour.

    Table 4 includes the cost of one credit hour at an institution. It does not include the adjustments to tuition and fees resulting from the various tuition and fee structures in place at institutions.

    One the most common tuition and fee structures at Colorado institutions is the tuition window. When an institution charges a flat rate for a range of credit hours, this is called a tuition or credit hour window. Institutions, through their governing boards, may choose to utilize or reduce windows over time to better align themselves with market conditions, peer institutions, and recruiting practices. For example, the cost for credit hours one through *three at the University of Colorado-Boulder is $1,184 whether a student takes one, two or three credits. Table 5 summarizes the tuition structure for resident undergraduate students at institutions within the ten governing boards.*

Table 4
Tuition and Fees per Credit Hour

Colleges and Universities	2012	2013	% Change	2014	% Change	2015	% Change
Adams State University	215.00	247.00	13%	289.00	15%	301.00	4%
Colorado Mesa	218.66	229.41	5%	240.60	5%	253.05	5%
Fort Lewis College	235.00	255.00	8%	274.00	7%	287.00	5%
Metropolitan State University Denver	192.70	214.35	10%	230.45	7%	242.20	5%
University of Northern Colorado	256.50	263.25	3%	274.00	4%	285.50	4%
Western State Colorado University	216.40	253.80	15%	288.80	12%	299.80	4%
Colorado School of Mines	481.50	522.00	8%	550.00	5%	563.00	2%
Colorado State University	344.45	371.20	7%	401.30	8%	493.30	19%
Colorado State University - Pueblo	327.55	264.91	-24%	264.91	0%	277.15	4%
University of Colorado Boulder	1,072.00	1,122.00	4%	1,148.00	2%	1,184.00	3%
University of Colorado Colorado Spring	263.00	275.00	4%	289.00	5%	297.00	3%
University of Colorado Denver	295.00	298.00	1%	316.00	6%	326.00	3%
Colorado Northwestern Community College	113.85	121.75	6%	128.50	5%	133.90	4%
Community College of Aurora	111.85	118.75	6%	125.50	5%	130.90	4%
Community College of Denver	127.85	136.75	7%	146.50	7%	151.90	4%
Front Range Community College	113.85	120.75	6%	128.50	6%	133.90	4%
Lamar Community College	118.85	125.75	5%	133.50	6%	138.90	4%
Morgan Community College	111.85	118.75	6%	125.50	5%	130.90	4%
Northeastern Junior College	125.85	132.75	5%	139.50	5%	144.90	4%
Otero Junior College	112.85	122.75	8%	129.50	5%	134.90	4%
Pike Peak Community College	114.85	121.75	6%	129.50	6%	134.90	4%
Pueblo Community College	122.85	130.75	6%	137.50	5%	142.90	4%
Red Rock Community College	113.85	122.75	7%	129.50	5%	134.90	4%
Trinidad State Junior College	119.85	127.75	6%	133.50	4%	138.90	4%
System Average	230.25	242.37	5%	256.38	5%	269.20	5%
National Trend*	290.93	299.70	3%	302.07	1%	304.63	1%

*National Trend was data was gathered from “Trends in College Pricing 2014” report by The College Board. It was calculated by using total yearly tuition and fees from Figure 2B and dividing it by 30 credit hours.

Table 5
Summary of FY 2014-15 Tuition Windows

Institution	Full Time Tuition Window
University of Colorado - Boulder	1-3 credit hours 12 to 18 credit hours
University of Colorado - Colorado Springs	Linear
University of Colorado - Denver	17 to 18 credit hours
Colorado State University	Linear with discounted credit hours between 10 -18 credits
Colorado State University - Pueblo	Linear with discounted credit hour between 12-18 credits
Fort Lewis College	12 to 18 credit hours
University of Northern Colorado	Linear with discounted credit hour between 12-16 credits
Adams State University	12 to 18 credit hours
Colorado Mesa University	Linear
Metropolitan State University of Denver	12 to 18 credit hours
Western State Colorado University	12 to 18 credit hours
Colorado School of Mines	15 to 18 credit hours
Colorado Community College System	Linear

	Fees may be capped at 12-15 credit hours

23. How does student demand and space available at institutions affect tuition price? Does the cost of tuition reduce enrollment at institutions or does student competition for placement enable institutions to charge more? How do these factors relate to growing student debt?

    Managing student enrollment, institutional capacity related to facilities and instruction, and the nuances of tuition pricing is the role and expertise of our institutional leaders and Governing Boards responsible for the management of our colleges and universities. There is not a one-size-fits-all response to questions of capacity and tuition pricing as institutions operate within very different contexts and operating environments – reflecting differing missions, program offerings, geographic locations, competitive environments, level of state support and other considerations.

    With regard to student debt, student debt varies by the type of student (full-time/part-time, dependent/independent, or undergraduate/graduate) and the type of program in which the student enrolls. Students may borrow up to the cost of attendance which includes tuition and fees plus a budget for room and board, books and supplies, and health insurance. Tuition costs alone are not the sole driver of student debt. It is the net price to the student, or the cost that remains after all financial aid is applied, where students might incur debt. Depending on family or individual savings available to a student, a student may need to incur debt to cover costs.

    In an effort to manage borrowing habits, the US Department of Education Student sets maximum limits to both annual and lifetime loan amounts. Generally, students cannot remain eligible for loans beyond 150 percent of the length of the program. Time to degree, is the most significant factor in managing debt, but course of study and financial literacy are other factors related to student borrowing. While institutions have tried to increase outreach efforts to counsel students about debt, they are limited in their ability to limit loans because of federal rules.

    Below is a table of annual loan and lifetime limits set forth by the U. S. Department of Education.

Table 6: USDOE Annual Loan and Lifetime Limits

Year	Dependent Students (except students whose parents are unable to obtain PLUS Loans)	Independent Students (and dependent undergraduate students whose parents are unable to obtain PLUS Loans)
First-Year Undergraduate Annual Loan Limit	$5,500—No more than $3,500 of this amount may be in subsidized loans.	$9,500—No more than $3,500 of this amount may be in subsidized loans.
Second-Year Undergraduate Annual Loan Limit	$6,500—No more than $4,500 of this amount may be in subsidized loans.	$10,500—No more than $4,500 of this amount may be in subsidized loans.
Third-Year and Beyond Undergraduate Annual Loan Limit	$7,500—No more than $5,500 of this amount may be in subsidized loans.	$12,500—No more than $5,500 of this amount may be in subsidized loans.
Graduate or Professional Students Annual Loan Limit	Not Applicable (all graduate and professional students are considered independent)	$20,500 (unsubsidized only)
Subsidized and Unsubsidized Aggregate Loan Limit	$31,000—No more than $23,000 of this amount may be in subsidized loans.	$57,500 for undergraduates—No more than $23,000 of this amount may be in subsidized loans. $138,500 for graduate or professional students—No more than $65,500 of this amount may be in subsidized loans. The graduate aggregate limit includes all federal loans received for undergraduate study.

24. How do tuition and fees at public institutions compare to tuition and fees at private institutions? How do operating costs compare at the two types of institutions?

Department staff used data from the College Board's report "Trends in College Pricing 2014" to compare tuition and fees between public and private institutions. For 2014-15, average tuition and fees at private nonprofit four-year institutions are $31,231; $9,139 at public four-year institutions and $3,347 at public two-year institutions. Please see Table 7 for more information on tuition and fees at public and private institutions.

Table 7

TABLE 2B Average Tuition and Fees and Room and Board in 2014 Dollars, 2004-05 to 2014-15

	Tuition and Fees in 2014 Dollars						Tuition and Fees and Room and Board in 2014 Dollars			
	Private Nonprofit Four-Year	One-Year % Change	Public Four-Year	One-Year % Change	Public Two-Year	One-Year % Change	Private Nonprofit Four-Year	One-Year % Change	Public Four-Year	One-Year % Change
2004-05	$25,215	—	$6,448	—	$2,615	—	$34,549	—	$14,310	—
2005-06	$25,581	1.5%	$6,696	3.8%	$2,660	1.7%	$35,046	1.4%	$14,772	3.2%
2006-07	$26,117	2.1%	$6,795	1.5%	$2,653	–0.3%	$35,705	1.9%	$15,029	1.7%
2007-08	$26,787	2.6%	$7,081	4.2%	$2,624	–1.1%	$36,593	2.5%	$15,507	3.2%
2008-09	$26,881	0.4%	$7,148	0.9%	$2,580	–1.7%	$36,610	0.0%	$15,567	0.4%
2009-10	$28,476	5.9%	$7,825	9.5%	$2,842	10.2%	$38,799	6.0%	$16,855	8.3%
2010-11	$29,251	2.7%	$8,337	6.5%	$2,997	5.5%	$39,850	2.7%	$17,680	4.9%
2011-12	$29,405	0.5%	$8,728	4.7%	$3,135	4.6%	$40,043	0.5%	$18,092	2.3%
2012-13	$30,146	2.5%	$8,991	3.0%	$3,280	4.6%	$41,022	2.4%	$18,528	2.4%
2013-14	$30,731	1.9%	$9,062	0.8%	$3,306	0.8%	$41,771	1.8%	$18,749	1.2%
2014-15	$31,231	1.6%	$9,139	0.8%	$3,347	1.2%	$42,419	1.6%	$18,943	1.0%

NOTE: Average tuition and fee prices reflect in-district charges for public two-year institutions and in-state charges for public four-year institutions.

SOURCES: The College Board, Annual Survey of Colleges; NCES, IPEDS data.

http://trends.collegeboard.org/sites/default/files/2014-trends-college-pricing-final-web.pdf

To compare total operational costs between private and public institutions, Department staff used data from The Delta Cost Project report "Trends in College Spending: 2001-2011." In 2011, average total operating cost ranged from $19,777 for public bachelor's institutions to $67,359 for private research institutions. Additional details on how operating expenses compare at private and public institutions can be found in Table 8.

Table 8

Average Expenditures per FTE Student, FY 2001–FY 2011 (in 2011 dollars)

Public bachelor's institutions	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
Instruction	$5,981	$5,896	$5,779	$5,672	$5,670	$5,763	$6,053	$6,234	$6,187	$6,200	$6,249
Research	$403	$510	$527	$504	$527	$491	$483	$471	$462	$459	$434
Student services	$1,721	$1,664	$1,627	$1,588	$1,570	$1,583	$1,643	$1,713	$1,667	$1,696	$1,694
Public service	$801	$715	$721	$627	$667	$685	$601	$578	$552	$524	$556
Academic support	$1,578	$1,425	$1,365	$1,338	$1,341	$1,367	$1,422	$1,486	$1,489	$1,509	$1,502
Institutional support	$2,421	$2,349	$2,326	$2,265	$2,286	$2,362	$2,455	$2,557	$2,555	$2,464	$2,471
Operations and maintenance	$1,782	$1,961	$1,751	$1,796	$1,888	$2,058	$2,090	$2,086	$2,047	$1,617	$1,659
Net scholarships and fellowships	$2,430	$1,414	$1,160	$1,110	$1,047	$1,008	$1,000	$1,053	$1,013	$1,314	$1,382
Education and general	$16,863	$15,637	$14,973	$14,657	$14,709	$15,045	$15,516	$15,971	$15,772	$15,597	$15,766
Auxiliary enterprises, hospitals, independent and other operations	$2,989	$3,000	$2,962	$2,784	$2,860	$2,956	$3,077	$3,626	$3,417	$3,705	$3,658
Total operating expenditures	$19,699	$18,560	$17,859	$17,441	$17,532	$17,963	$18,593	$19,597	$19,189	$19,254	$19,377

Public community colleges	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
Instruction	$5,514	$5,259	$4,997	$4,971	$4,987	$5,120	$5,312	$5,408	$5,241	$4,894	$4,843
Research	$41	$66	$56	$40	$54	$69	$53	$44	$72	$59	$64
Student services	$1,259	$1,232	$1,206	$1,187	$1,204	$1,236	$1,291	$1,297	$1,292	$1,207	$1,172
Public service	$447	$417	$402	$374	$372	$377	$361	$372	$357	$327	$310
Academic support	$1,113	$1,058	$964	$944	$952	$983	$1,009	$1,043	$1,012	$933	$919
Institutional support	$1,910	$1,819	$1,717	$1,762	$1,741	$1,804	$1,875	$1,947	$1,889	$1,714	$1,716
Operations and maintenance	$1,191	$1,189	$1,136	$1,119	$1,141	$1,228	$1,263	$1,278	$1,247	$1,061	$1,029
Net scholarships and fellowships	$1,710	$1,401	$1,242	$1,152	$1,058	$979	$944	$1,031	$1,188	$1,645	$1,766
Education and general	$12,987	$12,220	$11,457	$11,300	$11,255	$11,542	$11,882	$12,173	$12,016	$11,577	$11,560
Auxiliary enterprises, hospitals, independent and other operations	$922	$1,189	$1,030	$1,110	$1,102	$1,087	$1,171	$1,270	$1,370	$1,392	$1,422
Total operating expenditures	$13,822	$13,328	$12,423	$12,354	$12,304	$12,573	$12,989	$13,385	$13,322	$12,915	$12,918

Public research institutions	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
Instruction	$9,708	$9,606	$9,422	$9,308	$9,404	$9,551	$9,798	$9,990	$10,106	$10,187	$10,134
Research	$5,261	$5,265	$5,421	$5,550	$5,587	$5,529	$5,538	$5,597	$5,751	$6,010	$6,090
Student services	$1,227	$1,262	$1,242	$1,251	$1,265	$1,298	$1,329	$1,364	$1,401	$1,424	$1,429
Public service	$1,956	$1,973	$1,931	$1,980	$1,971	$1,939	$1,964	$2,016	$1,989	$2,048	$2,028
Academic support	$2,701	$2,443	$2,398	$2,410	$2,446	$2,526	$2,595	$2,842	$2,882	$2,957	$2,838
Institutional support	$2,268	$2,244	$2,232	$2,201	$2,235	$2,327	$2,434	$2,557	$2,563	$2,550	$2,514
Operations and maintenance	$1,924	$2,034	$1,934	$1,997	$2,064	$2,208	$2,248	$2,218	$2,188	$1,818	$1,838
Net scholarships and fellowships	$2,316	$1,197	$1,118	$1,046	$1,093	$1,100	$1,125	$1,147	$1,207	$1,442	$1,496
Education and general	$27,348	$26,012	$25,671	$25,718	$26,039	$26,451	$26,998	$27,697	$28,051	$28,395	$28,339
Auxiliary enterprises, hospitals, independent and other operations	$7,280	$7,262	$7,183	$7,344	$7,423	$7,665	$7,857	$8,428	$8,634	$8,834	$9,069
Total operating expenditures	$34,628	$33,274	$32,854	$33,063	$33,462	$34,116	$34,855	$36,125	$36,684	$37,229	$37,408

Public master's institutions	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
Instruction	$6,171	$6,143	$6,056	$6,008	$6,018	$6,061	$6,217	$6,415	$6,439	$6,469	$6,545
Research	$383	$361	$360	$355	$380	$382	$380	$384	$374	$409	$400
Student services	$1,312	$1,304	$1,270	$1,266	$1,302	$1,318	$1,365	$1,438	$1,462	$1,485	$1,507
Public service	$652	$644	$659	$637	$621	$633	$624	$609	$604	$590	$570
Academic support	$1,561	$1,449	$1,418	$1,412	$1,437	$1,448	$1,475	$1,522	$1,558	$1,547	$1,534
Institutional support	$2,060	$2,014	$2,013	$2,013	$1,932	$1,970	$2,023	$2,092	$2,063	$2,071	$2,038
Operations and maintenance	$1,468	$1,490	$1,472	$1,462	$1,576	$1,655	$1,663	$1,713	$1,695	$1,398	$1,400
Net scholarships and fellowships	$2,127	$1,155	$1,028	$990	$934	$892	$910	$953	$1,048	$1,304	$1,418
Education and general	$15,677	$14,487	$14,198	$14,062	$14,127	$14,293	$14,590	$15,040	$15,159	$15,216	$15,349
Auxiliary enterprises, hospitals, independent and other operations	$2,493	$2,390	$2,355	$2,378	$2,402	$2,408	$2,494	$2,730	$2,828	$2,950	$2,993
Total operating expenditures	$18,170	$16,877	$16,553	$16,440	$16,529	$16,701	$17,085	$17,769	$17,987	$18,166	$18,342

Private bachelor's institutions	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction	$8,098	$8,034	$8,213	$8,339	$8,378	$8,368	$8,539	$8,671	$8,784	$8,588	$8,547
Research	$919	$975	$851	$877	$899	$866	$844	$809	$807	$823	$807
Student services	$3,340	$3,355	$3,498	$3,559	$3,639	$3,754	$3,900	$3,982	$4,092	$3,997	$4,052
Public service	$687	$716	$800	$707	$647	$625	$643	$584	$602	$598	$629
Academic support	$1,996	$2,007	$2,014	$2,058	$2,056	$2,084	$2,132	$2,148	$2,205	$2,150	$2,120
Institutional support	$5,360	$5,154	$5,093	$5,139	$5,068	$5,171	$5,292	$5,366	$5,421	$5,208	$5,152
Operations and maintenance	$2,012	$2,008	$2,013	$2,211	$2,239	$2,265	$2,344	$2,367	$2,352	$2,167	$2,201
Net scholarships and fellowships	$3,424	$3,065	$2,785	$2,832	$2,832	$1,779	$1,659	$1,622	$1,818	$1,742	$1,527
Education and general	$22,356	$21,945	$22,073	$22,198	$22,197	$22,112	$22,614	$22,924	$23,307	$22,760	$22,705
Auxiliary enterprises, hospitals, independent and other operations	$5,634	$5,424	$5,252	$5,318	$5,268	$5,446	$5,465	$5,504	$5,409	$5,173	$5,138
Total operating expenditures	$27,916	$27,309	$27,245	$27,435	$27,363	$27,451	$27,972	$28,332	$28,634	$27,877	$27,798

Private research institutions	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction	$16,942	$17,915	$18,509	$18,720	$19,203	$19,111	$19,957	$20,052	$20,505	$20,114	$20,103
Research	$9,613	$10,552	$11,283	$11,736	$12,080	$11,819	$11,733	$11,675	$11,861	$12,201	$12,617
Student services	$2,706	$2,859	$2,868	$2,902	$3,029	$3,165	$3,284	$3,346	$3,493	$3,489	$3,511
Public service	$1,172	$1,505	$1,589	$1,450	$1,479	$1,334	$1,325	$1,349	$1,349	$1,322	$1,330
Academic support	$4,690	$4,848	$4,895	$4,920	$4,998	$5,199	$5,376	$5,631	$5,815	$5,681	$5,756
Institutional support	$5,837	$6,027	$6,206	$6,346	$6,433	$6,527	$6,750	$7,093	$7,212	$6,943	$6,829
Operations and maintenance	$3,027	$3,210	$3,127	$3,536	$3,676	$3,979	$3,880	$4,102	$4,340	$4,045	$3,735
Net scholarships and fellowships	$1,301	$1,360	$1,439	$1,558	$1,383	$1,241	$1,284	$1,307	$1,425	$1,418	$1,363
Education and general	$42,114	$44,754	$46,172	$47,114	$48,337	$48,543	$49,790	$50,831	$52,145	$51,332	$51,418
Auxiliary enterprises, hospitals, independent and other operations	$13,845	$14,010	$14,210	$14,330	$14,557	$14,756	$14,921	$15,129	$15,809	$16,136	$16,266
Total operating expenditures	$55,821	$58,623	$60,240	$61,158	$62,604	$63,004	$64,562	$65,657	$67,796	$67,306	$67,359

Private master's institutions	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction	$6,707	$6,930	$6,974	$7,053	$7,100	$7,142	$7,290	$7,245	$7,425	$7,377	$7,439
Research	$567	$604	$631	$623	$597	$522	$515	$503	$481	$514	$481
Student services	$2,387	$2,466	$2,498	$2,549	$2,601	$2,676	$2,771	$2,792	$2,879	$2,897	$2,967
Public service	$586	$754	$659	$620	$558	$533	$529	$524	$521	$491	$503
Academic support	$1,587	$1,641	$1,649	$1,699	$1,705	$1,694	$1,734	$1,746	$1,771	$1,736	$1,769
Institutional support	$3,566	$3,704	$3,765	$3,783	$3,838	$3,816	$3,953	$3,951	$4,036	$3,929	$3,913
Operations and maintenance	$1,391	$1,407	$1,440	$1,484	$1,497	$1,511	$1,518	$1,564	$1,556	$1,473	$1,445
Net scholarships and fellowships	$1,533	$1,527	$1,370	$1,273	$1,350	$985	$1,112	$1,005	$1,017	$1,122	$996
Education and general	$16,414	$16,947	$17,045	$17,053	$17,197	$17,183	$17,624	$17,642	$18,011	$17,896	$18,003
Auxiliary enterprises, hospitals, independent and other operations	$3,373	$3,484	$3,245	$3,221	$3,149	$3,202	$3,202	$3,284	$3,383	$3,193	$3,203
Total operating expenditures	$19,737	$20,368	$20,241	$20,225	$20,299	$20,347	$20,778	$20,876	$21,303	$21,012	$21,130

Source: http://www.deltacostproject.org/sites/default/files/products/Delta%20Cost_Trends%20College%20Spending%202001-2011_071414_rev.pdf

25. Texas is experimenting with requiring institutions, within ten years, to have some degrees that students can receive for less than $10,000 per four year degree. Is this the kind of thing Colorado should consider?

As Texas and other states experiment with $10,000 bachelor's degrees, it is important to remember that price is not necessarily equal to cost in the higher education system. In Texas, one institution was able to implement this program in certain academic areas due to excess physical and instructional capacity, allowing enrollment to increase at a reduced marginal cost. Since the personnel and classroom space costs were already being incurred, each newly admitted individual's tuition was 100% revenue for the institution. The Department believes that this is a short-term solution from an economic standpoint, and once capacity is reached, an institution will leave revenue on the table by discounting tuition well below programmatic costs. Forcing institutions to charge rates below costs may result in financial instability and will.

Implementing this approach does not account for the role and mission of each institution. Some institutions have more high-cost programs or meet certain workforce demands through their program array, and the tuition price is not necessarily reflective of the program cost. This may prohibit certain programs from being included in tuition reduction efforts like this pricing model, and may cause to students avoid high cost programs with higher workforce demand.

There may be physical capacity at some institutions of higher education in Colorado, but increased utilization comes with a cost. Teaching classes throughout a larger share of the week increases labor costs associated with higher education over time either through the hiring of additional faculty or through paying a premium to faculty members so they will teach at less desirable times. Additionally, there may not be capacity in programs with lower costs, where the lower tuition rate has less of an effect on revenue.

If there is capacity in low-cost programs, applying the lower tuition price to students is still problematic. If the low tuition affects only new students and not current students, you have a subsidizing effect where the current enrollees are supporting new students by keeping the average revenue higher and closer to the true cost of the program thereby mitigating the need for other revenue sources. As the program composition shifts and the student population within this degree are all paying the same rate, the costs associated with the degree may not have changed, leaving the institution to recoup funds elsewhere. If students are selected for the lower tuition rate based on merit, this could leave disadvantaged or underprepared students (the largest growing portion of the population seeking a post-secondary education in Colorado) to pay a higher tuition.

Some institutions are using concurrent enrollment programs to build a base of credits for students at a lower cost before enrolling at an institution to finish their degree in a shorter time than it would normally take. These partnerships only work if there is a natural geographic pair between a four-year and a two-year institution. This approach still does not reflect the true cost of the degree, and it only benefits local students who are able to take the concurrent enrollment courses.

The ability to reduce price is tied directly to finding other funding sources. In Colorado, institutions recently used tuition to offset reductions in public investment. If institutions are going to offer $10,000 degrees, the lost revenue has to be offset elsewhere. This means increasing public investment, finding other revenue sources, or cutting costs through reducing quality. As Dr. David Feldman, a professor of Economics at William and Mary, points out, forcing institutions to take this approach cuts into their revenue base, and can cause schools to decrease quality by increasing class size, reducing offerings, or relying on teaching aids and adjunct faculty. However, the state may force institutions to meet this price ceiling, but to offset the reduced revenue without facing decreased quality, the state needs to be willing to supply the difference between revenue and costs for institutions.
Another concern is the chance that $10,000 degrees may increase the time to degree through cost cutting measures like reducing course offerings. This does not align with Colorado's goals for higher education.

At this time, the Department does not believe that a $10,000 degree is a viable approach for Colorado because it further disassociates price and costs. A more viable approach is to investigate costs, find ways to reduce them, and pass the savings along to students in the form of lower tuition. Through the Cost-Driver analysis the Department will be performing over the next few months, the Department will work to isolate the motivating costs factors in Colorado's Higher Education System. This analysis will allow the department to target cost reduction at each institution which could have a downward effect on tuition. Finding other effective ways to target costs would likely be more viable than following the $10,000 degree approach.

26. How uniform are policies related to student fees across institutions? Do they all incorporate student input in the same way? Levy fees for the same kinds of activities? If not, should they?

C.R.S. 23-1-105.5 states:

> *"The commission shall adopt policies concerning the collection and use of student fees by the governing boards of the state institutions of higher education, as defined in section 23-5-119.5. The policies may address, but need not be limited to, the purposes for student fees, categories of student fees, the distinctions between tuition revenue and student fee revenue, accounting for student fee revenue, student fee fund balances, the minimum level of student involvement in the processes for establishing, reviewing, changing the amount of, and discontinuing student fees, and student fees that apply to a student concurrently enrolled pursuant to article 35 of title 22, C.R.S."*

C.R.S. 23-5-119.5 states that, "it is important to allow the governing boards flexibility in managing student fees in the manner that is most effective for their respective institution," and directs the governing boards to "adopt policies concerning the definition, assessment, increase, and use of fees" "in accordance with the policies adopted by the commission pursuant to section 23-1-105.5." This permits each governing board the opportunity to manage its student fees in the most appropriate method for the institution. Due to this flexibility, every institution has a different method by which student fees are determined. It is important to note that all institutions have a process to garner student input in the creation and management of student fees, whether by referendum to the entire student population or through their student government organization. Student fees policies are uniform across governing boards in that they are transparent and have open and public process by which fees are created and set.

Table 9 gives a broad overview of institutional fee policies on student involvement in the setting fees. Table 10 gives a breakdown of types of fees and how they are managed by institutions. The Colorado Department of Higher Education's website includes more information on individual governing board fee plans. Attached is a link to that information http://highered.colorado.gov/Finance/Fees/default.html or the department can provide hard copies if requested.

Table 9: Institutional Fee Policies

Institution	Fee Policy
Adams State University	Student government serves to recommend or comment on any new mandatory fees or increases in mandatory fees. Certain types of new mandatory fees or increases in mandatory fees (in excess of inflation) must be approved by student election.
Colorado Community College System	New mandatory fees or fee increases (in excess of inflation) must be approved by student election.
Colorado Mesa University	The student senate holds hearings, makes recommendations and presents to the governing board on student activity fees. All capital fees must be approved by student referendum or the student government. There is an appeals process in place for a student or student group to oppose a proposed new fee or fee increase.
Colorado School of Mines	New mandatory fees or fee increases (in excess of inflation) must be approved by student election.
Colorado State University	The student Senate must approval all new fees and any increases in fees before they can be adopted by the governing board.
Colorado State University – Pueblo	Increases to existing or new mandatory student fees must be recommended by both the Student Fee Governing Board and the Associated Student Government in order to be considered by the Board of Governors.
Fort Lewis College	The student Senate has can recommend, not recommend or recommend with modifications most new mandatory fees or fee increases (in excess of inflation) before the fee is reviewed by the governing board.
Metropolitan State University of Denver	Fees can be increased by a mandatory cost percent without a student vote. An increase in program fees and administrative fees does not require a referendum. Other fee increases require a referendum from the Student Government Assembly.
University of Colorado – Boulder	Fee proposals and recommendations will be reviewed by a Boulder Campus Fee Advisory Board. Most new student fees must be approved by a simple majority of voting students at a regularly scheduled election.
University of Colorado – Colorado Springs	Mandatory campus-wide student fee proposals must be approved by a majority vote of the student body and must contain an expiration date, if applicable.
University of Colorado – Denver	Existing fees may be increased at the rate of inflation from the Denver-Boulder CPI. New, increased, eliminated, and modified student fees must be approved by the Management Fee Review Team (MFRT), the CU Denver Chancellor, and the CU Board of Regents. Student activity fees will be subject to a referendum.
University of Northern Colorado	Members of the student body may propose new fees. Student Senate may recommend an increase per student fees by the official CPI rate of inflation for Denver- Boulder-Greeley.
Western State Colorado University	Newly proposed campus wide fees are subject to a vote by the student body. The Student Senate will review all new fees and fee increases and forward any recommendations or comments to the President's cabinet.

Table 10: Student Involvement in Fee Setting by Institution

	Administrative	Bond Fees	Capital Fees	Instructional Fees	Nonpermanent Student Purpose Fees	Permanent Student Purpose Fees	Comments
Adams State University	N/A	Same as permanent or nonpermanent fees, depending on fee detail	Referendum	Student Government	Referendum	Student Government	
Colorado Mesa University	Referendum	Student Government	Student Government	Student Government	Student Government	Student Government	
Colorado School of Mines	N/A	Student Government	Student Government	Student Government	Referendum	Referendum	
Colorado State University - Ft. Collins	N/A	Student Government	Student Government	Student Government	N/A	Student Government	Any fee can be refered to a vote of the students by the student government
Colorado State University - Pueblo	Student Government	Student Government	Student Government	Student Government	Student Government	Student Government	
Fort Lewis College	Student Government	Student Government	N/A	Student Government	Student Government	Student Government	Does not allow for the use of student fees for academic facilities construction.
Metropolitan State University of Denver	Student Government	Referendum	Referendum	N/A	Referendum	Referendum	
University of Colorado - Boulder	Referendum	Referendum	Referendum	Student Government	Referendum	Student Government	
University of Colorado - Colorado Springs	Referendum	Referendum	Referendum	Student Government	Referendum	Referendum	
University of Colorado - Denver	Student Government	Referendum	Referendum	Student Government	Referendum	Referendum	
University of Northern Colorado	Student Government	Referendum	Referendum	Student Government	Referendum	Referendum	
Western Colorado State University	Referendum	Referendum	Referendum	Referendum	Referendum	Referendum	

27. JBC staff has recommended that the Department provide a proposal on student fee policy on November 1, 2015, in addition to submitting a proposal on tuition policy, given the significance of student fees in overall higher educational costs. What is the Department's response to this proposal?

Current statute (C.R.S. 23-1-105.5) gives the Colorado Commission on Higher Education (CCHE) the ability to "adopt policies concerning the collection and use of student fees by the governing boards of the state institutions of higher education, as defined in section 23-5-119.5." Additionally, statute (C.R.S. 23-5-119.5) as created through H.B. 11-1301, gives "governing boards flexibility in managing student fees in the manner that is most effective for their respective institution." Under statute, institutions are able to take a democratic approach in selecting appropriate fees to meet their own specific needs without a cap in place. This approach reflects the scale of each institution and its ability to raise revenue for certain purposes.

CCHE's policy focuses on the transparency to current and future students regarding such fees to ensure that no sudden or opaque changes are made and students are aware of the potential full price of attendance. The Department understands that increases in fees have resulted in overall higher sticker prices at institutions of higher education both in Colorado and across the nation. Through the Cost Driver Analysis, the department intends to take a detailed look at all motivating factors, including fees, in order to have an informed discussion about increasing costs. The legislature asked the Department to review tuition policies in H.B. 14-1319, and it is their prerogative to include a specific review of fee policy beyond the approach the Department plans to take

10:30-10:40 BREAK

10:40-12:00 PANEL 1: COMMUNITY COLLEGES, LOCAL DISTRICT JUNIOR COLLEGES, AREA VOCATIONAL SCHOOLS

INTRODUCTIONS AND OPENING COMMENTS (10 MINUTES PER GOVERNING BOARD)

PANEL QUESTIONS

H.B. 14-1319

1. What do you think of the new H.B 14-1319 funding allocation model? Do you have any related recommendations for this year? For future years? Recommendations related to the use of the $15 million requested for transitional funding?

   Colorado Community College System

   CCCS supports the FY 2015-16 funding model that was approved by the Colorado Commission on Higher Education at its December 4th meeting. CCCS also supports the use of transition funds to allow all governing boards to comply with the 6.0 percent tuition cap.

   We recognize that no funding model, especially a new one, is perfect right out of the gate; this funding allocation model is no exception. With the commitment from the Department and room in the legislation and formula methodology to make future recommendations (and test their impact) between now and the next budget cycle, this will allow the Department to further harmonize the allocation formula with the State's key priorities.

   In addition to supporting the ability of all governing boards to have a 10% increase in FY 2015-16 using a portion of the transition funds, CCCS would also support providing some additional transition funds to rural community colleges, which is one of the areas that we feel needs additional attention in the formula.

   Aims Community College

   Regarding recommendations related to the use of the $15 million requested for transitional funding, Aims is not seemingly a recipient of any of these funds. The addition of these funds will subsequently raise the overall increase for those in the funding model to 11.2 % increase from the original 10% proposed by the Governor. Additional funds should have been included to bring the local junior college districts up to the new average of 11.2%.

   Colorado Mountain College

The Local District Junior Colleges did not participate in the funding allocation model and therefore, do not have a particular opinion about it either way. It is our sincere hope that the collaboration among the colleges in developing the model will allow each institution included in the model to feel it is an equitable and fair model going forward. Colorado Mountain College (CMC) does have the ability through statute to opt in to the formula funding in future years. Therefore, we will be attentive to the outcome and to any changes to the formula in future years.

Related to the $15 million for transitional funding, in accordance with H.B. 14-1319, CMC and Aims Community College funding should be based on the average overall increase to higher education, which implies consideration of the additional $15 million.

Area Vocational Schools

The funding allocation model does not impact the Area Vocational Schools (AVS). In addition, we do not participate in COF. H.B. 14-1319 provided that the AVS institutions would receive the statewide average each year – though we are allowed to request a different amount based on the success of our performance contracts.

2. Do you think the funding allocation model will affect institutional behavior over time? How?

Colorado Community College System

Over the last five years, CCCS and its Board has focused on implementing its strategic plan which includes: increasing student retention and credential attainment; increasing transfers to four-year institutions; improving remedial completion; and reducing credential attainment and transfer disparities between underserved and non-underserved students. The emergence of H.B. 14-1319 aligned with and reinforced our Board's strong commitment toward its strategic plan goals. CCCS has been and will continue to be focused on these goals, along with supporting our access mission through affordable tuition. Where the allocation model can support governing boards is through making sure that governing boards are aligned with the State's goals, providing incentives for governing boards to align with the state goals, and rewarding those governing boards that are moving toward these goals. This is a longer-term proposition and one that does require consistent, stable funding in order allow for long-term investments to pay dividends in the future.

Aims Community College

Although the passage of H.B. 14-1319 adjusted the Colorado higher education funding model for most public institutions, the local district junior colleges maintained the same type of state funding allocation. As a result, it is not anticipated that institutional behavior will be impacted based upon the H.B. 14-1319 implementation.

Colorado Mountain College

Again, neither Aims nor CMC were part of the deliberations that designed the proposed funding formula, so we would prefer not to comment on the formula as designed by the Department and representatives of the other governing boards. Nonetheless, in general, changes in allocation methods do indeed affect institutional behaviors, both positively and negatively depending on how the policies are structured. But, yes, whether through changes in compliance or through more policy oriented and targeted approaches, modifications to allocation methods directly influence institutional behaviors. Consider the adoption of the Concurrent Enrollment Programs Act. In 2009 the legislature dramatically reshaped access to and funding for high school students enrolled in college-level courses. Though "dual enrollment" policies had existed in Colorado since the mid-1980s, the changes that took place in 2009 created new incentives for colleges and universities and led to great changes in institutional behaviors, including dramatically expanded high school alignment efforts and the restructuring of campus advising and student support services. In turn, the targeted modifications found in the Concurrent Enrollment Programs Act resulted in dramatic increases in dual enrollments—largely due to changes in institutional behaviors. Today, Colorado has one of the largest and most successful concurrent enrollment programs in the nation, one that has been adopted by other states and is considered a national model.

Area Vocational Schools

As indicated above, we are not part of the H.B. 14-1319 formula requirements. That said, our three institutions will continue to place high priority on recruitment, retention, completion and placement.

Based on our accreditation agency (COE) requirements, we have seen, and fully expect to see increased focus on improving our completion, placement and licensure (for applicable programs) across all of our programs at our Institutions. In addition, we have placed an increased vigilance around student success/retention, which includes monitoring ongoing student performance, and includes investing in early alert systems, linked with our Student Information System(s), to identify student drops/withdraws and better understand the related barriers. In addition, we anticipate working closely with our Foundations and Marketing/Outreach teams to promote our programs to area High Schools, and increase student momentum and success, evidenced through increased matriculation rates from our concurrent enrollment and pre college programs. In addition, given we are majority minority serving institutions, we anticipate kicking off intensive work around closing our attainment and progress gaps, focusing on how we better serve our minority populations across all of our programs. Lastly, we will continue to look to operate lean, being good stewards of state funding, but look to invest in critical instructional and student service areas to improve our student success and retention rates.

Retention and Completion

3. Discuss retention and completion at your institution. Has overall degree/certificate production been increasing or decreasing? Have completion/retention rates by cohort been increasing or decreasing? Why? What steps are you taking to improve retention and completion?

Colorado Community College System

As stated in the response to question # 2 above, the CCCS Board and its colleges have been focusing on meeting their strategic plan goals, of which retention and completion are key components. Below are the most recently available results for retention and completion on a system-wide basis.

Degree and Certificate Production: From AY 2010-11 through AY 2011-12, degrees and certificates awarded by CCCS colleges increased by 7.9 percent. From AY 2011-12 through AY 2012-13, degrees and certificates awarded increased by 10.5 percent. From AY 2012-13 and AY 2013-14, degrees and certificates awarded increased by 8.7 percent.

Retention: From Fall 2011 to Fall 2012, CCCS retention rates increased from 46.9 percent to 47.1 percent. From Fall 2012 to Fall 2013, CCCS retention rates increased from 47.1 percent to 47.8 percent.

There are two significant system-wide initiatives aimed at improving retention and completion: the Developmental Education Redesign and Degrees with Designation. In addition, there are college-specific initiatives, of which several examples are highlighted below.

Developmental Education Redesign

CCCS completely redesigned developmental education across all 13 system colleges. This multi-year effort was fully implemented in the fall of 2014. The intent of the redesign is to get students enrolled in college-level courses much more quickly than in the past. Data from across the country show that this strategy is strongly correlated to increased student success and retention.

Major funding for the redesign was provided by a Trade Adjustment Assistance Community College and Career Training (TAACCCT) grant from the US Department of Labor. The TAACCCT grant provided $3.5 million in funding for this effort. Additionally, another $1 million was allocated to the redesign from funds awarded to the Colorado Department of Higher Education from Complete College America. Meanwhile, as we intentionally reduce the amount of remedial courses to expeditiously move students into college-level, credit-bearing courses, this directly decreases the credit hours our students take, accelerating their path to college degrees with less debt and costs. However, this also significantly reduces *tuition collected by the colleges.*

While our initial data on remedial redesign are promising in terms of student retention and success in gatekeeper college courses, we will need to track our results for several more years to provide an accurate assessment of how well the redesign is working. Our redesign efforts have garnered considerable attention, and CCCS is considered a national leader in developmental education reform.

Degrees with Designation

The State Board of Community Colleges and Occupational Education has approved 19 Degrees with Designation and will approve an additional 9 at its December, 2014 Board meeting. Degrees with Designation guarantee that students completing these programs of study will be able to transfer to a Colorado public university and complete their degrees by taking no more than additional 60 credits. The 60 credits transferred from the community college along with the 60 credits taken at the university insure that students complete their degrees on time and with no additional credits.

These guaranteed pathways will improve student retention and completion by helping students select a degree pathway early in their educational experience and also by identifying the courses they will need for the full four-year program sequence. These strategies have been identified through research as fostering student success and retention.

Other College Strategies

There are numerous initiatives in place that are focusing on retention and completion at our individual colleges. For example, the Community College of Aurora has a student success center with a strong emphasis on improved advising and working with students who are demonstrating academic difficulties. Arapahoe Community College has merged its career services and transfer services into one shop to better inform students of options. Pikes Peak Community College created new a space to work with military and veteran students to assist that group of students achieve success. Additionally, a number of our colleges have participated in an initiative focused on enhanced student advising, including the use of DegreeWorks, a software product, to help students focus on the courses needed to graduate.

Aims Community College

According to the National Community College Benchmark Project (NCCBP), over the previous three year period the Aims Community College full-time student completion rate is 81%. Steps to improve retention and completion rates have been included as mid-term goals and activities in the newly drafted Aims Community College Strategic Plan. Current programs to increase persistence, retention and completion include the college's First Year Experience program, the Emerging Scholars Programs, the College Promise Program and the TRIO grant program.

Colorado Mountain College

The number of degrees conferred has been climbing steadily since the 2008/09 academic year. Colorado Mountain College's conferred rates accelerated from 672 degrees in 2008-09 to 1212 in 2013-14. Enrollment during this time frame has been steady with a slight decline in recent academic years largely due to improvements in the economy. These improvements in degree production are part of a broader trend as CMC: that more students are taking a greater number of credit hours per semester, which allows them to complete at a faster rate than we observed in the past. The College began conferring bachelor's degrees in the 2012/13 academic year which also contributed to the increase in conferred degrees.

Retention rates are viewed as cohort based, defined as first-time, degree seeking students. Data are calculated for full time and part time students and in aggregate. The table below reflects this data for CMC for four years.

	2009/10	*2010/11*	*2011/12*	*2012/13*
All 1st time degree-seekers	68.3%	63.7%	59.9%	61.4%
FT 1st time degree-seekers	76.4%	73.2%	66.8%	67.8%
PT 1st time degree-seekers	58.5%	54.3%	49.8%	51.3%

Our, retention rates, Fall-to-Fall, at CMC are high compared to other community colleges. Overall rates have remained steady around 60%. Fulltime only rates exhibited a decrease over the last two reporting years, likely due to the increasing numbers of students attending the college on a full-time basis. That is, with a larger share of students attending full-time, the overall retention rate for such students moderated slightly. Importantly, a very high number of CMC students successfully transfer to other Colorado institutions. This is considered a success for CMC and may influence the change in the retention of full-time students.

The College is currently developing a Strategic Enrollment Management (SEM) plan, which intends to improve retention and completion. Representative teams of faculty and staff have looked at and are evaluating data, business processes and supporting technology in order to determine how best to improve the College's retention and completion rates. The SEM plan is scheduled to be launched July 2015. Another key strategy to improve retention and completion involves supplemental support to "Barrier Courses," courses with statistically higher attrition. CMC data show large gains in student success and completion in these courses. Other contributing factors include focusing on improving student orientations; small class sizes; SENSE surveys indicate that CMC is a leader in the areas of "Early Connections," "Academic and Social Support," and "Clear Academic Pathways"; and CCSSE data show that CMC has made rapid improvement since 2005 in engaging students in learning.

Area Vocational Schools

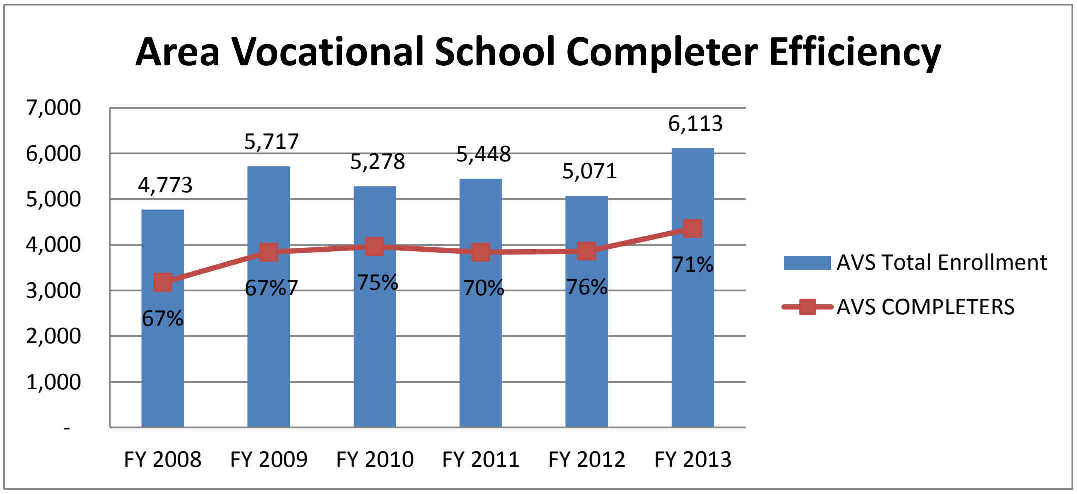
The Area Vocational Schools have historically been strong in areas of certificate completion and placement, and given our new accrediting body, the Council on Occupational Education (COE), places a minimum required percentage of 60% completion and 70% placement for all programs, it has become imperative for the Area Vocational Schools to make a concerted effort for year to year improvement.

COUNCIL ON OCCUPATIONAL EDUCATION (COE) MINIMUM REQUIRED PERCENTAGES FOR ALL PROGRAMS	
Completion Rate	**60%**
Placement Rate	**70%**
Licensure Exam Pass Rate	**70%**

In addition, given we have the lowest tuition and fee cost structure in the state, we place an emphasis on affordability, ***thus graduating students debt free*** *and allowing those dollars to flow back into the local economy versus the current student loan debt crisis. We have historically never had an issue with keeping tuition increases less than 6% per year.*

The Area Vocational Schools award about 35% of all certificates awarded in the State of Colorado. Our overall completion percentages have increased 5 points over a 5 year timeframe. Completion is at the core of our mission, and given the aforementioned minimum requirements of our accrediting agency, it will remain an incredibly important metric for us to track.

Area Vocational School Effeciency Metric	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	5 Year Average
AVS Total Enrollment	**4,773**	**5,717**	**5,278**	**5,448**	**5,071**	**6,113**	**5,525**
AVS COMPLETERS	**3,175**	**3,837**	**3,960**	**3,837**	**3,859**	**4,357**	**3,970**
AVS Completion %	67%	67%	75%	70%	76%	71%	**72%**



As mentioned in the response to question #2, we are monitoring ongoing student performance, which includes investing in early alert systems, linked with our Student Information System(s), to identify student drops/withdraws and better understand the related barriers. We have recently implemented a process which reaches out to enrolled students who withdraw/drop from programs at set intervals to better understand why they have dropped, and to provide resources to the student(s) to promote re-enrollment and completion. We then aggregate the data, then bring it to the monthly meetings to determine if the barriers our students are seeing can be remedied for them and all future students. Specifically for Pickens, overall completion has increased, but due to multiple shortened exit points we have discovered that students are not exiting with enough experience to be successful in their chosen field. Now that we are under the guidance of the Council on Occupational Education, we are removing several shorter exit points to ensure our completers will be prepared for employment.

<u>Tuition and Fees</u>

4. What are the major drivers behind tuition and fee increases at your institution?

Colorado Community College System

The primary driver of tuition increases during the recession was to compensate for cuts to state funding. As we emerge from the recession, the primary drivers of tuition are to help cover (along with State General Fund appropriations) personnel costs (salaries, PERA, and Health, Life and Dental benefits) and mandatory operating costs (risk management, utilities, information technology, regulatory compliance, etc.). A new cost driver coming on line in FY 2015-16 is related to the federal Affordable Care Act provisions which require coverage of *all employees working 30 hours or more. Depending on enrollment and take-up rates, this could add an additional $1.7 million to $7.0 million in additional costs beginning in FY 2015-16. This would be on top of typical annual HLD increases (which in the current year was $2.2 million).*

Aims Community College

Tuition rates have remained unchanged over four years due to the Board of Trustees and Administration's responsiveness to student affordability concerns. In 2013-14 the College eliminated the technology fee and the infrastructure per credit hour fees.

Colorado Mountain College

Colorado Mountain College has three main sources of revenue: 1.) tuition and fees; 2.) property taxes; and 3.) state funding. Property tax revenue represent the largest share of total operating revenues, but, as with any diverse economy, can also be volatile and challenging to forecast. In order to protect against large swings in overall revenue and to provide for budget sustainability, tuition and fees and state revenue must contribute 28-35% of total revenue. Therefore, annually, the College considers all three sources, in addition to projections in student enrollments and changes in mandatory costs such as health care and PERA contributions, in developing tuition and fees rates for each year. Importantly, CMC maintains more than a dozen tuition classification types, from in-district to in-state to out-of-state as well as "associate's level" and "baccalaureate level," so the CMC Board of Trustees also has to consider each student and degree types, including their relative contributions and costs, in setting final tuition rates.

Area Vocational Schools

Historically, the Area Vocational Schools have contained tuition increases between 0-4% on an annual basis. We place an emphasis on affordability and graduating students debt free. As a note, a unique challenge is that career and technical education is far more expensive to deliver compared to general education. Lower student to instructor ratios are required, and supply and capital costs are higher. Given the high costs of instructional equipment, we must occasionally raise tuition rates to ensure we have relevant, modern teaching equipment that will successfully prepare students to compete successfully in the workforce. As an example, Emily Griffith just successfully completed a move to their new downtown location, and many critically important equipment enhancements were needed to upgrade their programs and instruction in the new building. In addition, investing in key areas of student services support, such as job developers, student liaisons, advisement support and marketing/outreach personnel help us identify potential students, educate them about their career and technical education opportunities, and then ensure they successfully complete and find employment. In addition, we have looked to increase our technology platform, evidenced by our investment in *a new Student Information System, which will help address needed efficiencies for both students and employees. At the end of the day, we strive to ensure the cost of each program (tuition, fees books and supplies) are covered by the current tuition and fees while continuing to remain one of the most affordable colleges in Colorado.*

5. What costs/services are charged through fees, as opposed to tuition, at your institution? How is student input solicited/incorporated into decisions about fees?

Colorado Community College System
For CCCS colleges, mandatory fees primarily pay for student-related services, including student government fees, student activity fees, student center fees, parking fees, fitness center fees, and health center access fees. A number of our colleges also have capital construction bond fees associated with specific capital construction projects that were financed in part through student fees.

A full student body vote is required for any increases to existing mandatory fees above the Denver-Boulder-Greeley CPI. A full student body vote is required for any new mandatory fee charge. The specific student fee vote policies for each of our colleges can be found at the following link: http://highered.colorado.gov/Finance/Fees/. These institutional fee plans include requirements around student involvement, election notification, and election administration.

Aims Community College
Course fees are pass-through fees associated with specific programs and based on the cost of education rather than the cost of instruction. Students are advised at the inception of starting programs of the course fees and their purpose. Fees are amended as needed.

Colorado Mountain College
Very intentionally, Colorado Mountain College requires minimal fees in addition to tuition. These fees are for very specific supplemental activities and are not used to subsidize general operations. These fees can vary from student to student depending on their degree program and the campus at which they are enrolled (CMC maintains 11 physical instructional sites and has an on-line operation). Following college and statewide policies, the following fees have been approved by CMC students or the CMC Board of Trustees:

- *Student activity fees for students living on residential campuses.*
- *Program fees for career and technical education programs that have higher direct costs for instructional supplies, consumables, equipment, etc. An example is culinary arts, in which the fee charged covers students' uniforms and a professional knife kit.*
- *Specific course fees for consumable supplies such as art supplies or similar materials.*

Students vote on the student activity fees since they are controlled by CMC student government.

Students do not vote on the program fees or specific course fees. The Board of Trustees approves all program and course fees.

Area Vocational Schools

The Area Vocational Schools have worked to streamline their tuition and fee rate matrix over the last few years. It is critically important for us to minimize the amount of fees charged, as it's a barrier to entry for many of our concurrent enrollment students. As of now, at Emily Griffith, the only institutional wide fees that we charge are for capital/building improvements, at $2 per credit hour, and a technology fee that covers our student information system and I/T infrastructure and support at $22 per credit hour. In some programs, we will have fixed flat fees to cover materials costs, such as steel for our Welding program, and kits for our Cosmetology, Esthetician and Barbering programs. For Pickens, there are differed tuition fees, ID badges, program fees, clinical fees, Skills USA and other dues along with conference fees that are optional by program. The Career and Technical Student Organizations (CTSO) for each program have input as to what fees or charges are paid from club funding.

<u>Financial aid and Colorado Opportunity Scholarship Initiative (COSI)</u>

6. What is the impact of providing—or not providing—an increase for state-funded need-based financial aid and work-study in FY 2015-16?

Colorado Community College System

FY 2014-15 saw a historic increase in need-based financial aid, along with significant increases to work study and the reinstatement of state-funded merit aid. Given CCCS colleges' student demographics, this was a welcome infusion of funds directed toward students. The impact of providing these kinds of financial aid funds is to allow our colleges to more flexibly package financial aid from its various sources (federal, state, institutional, foundation, and other external sources) in a way that reduces the impact of tuition increases and lowers future student loan debt for students.

Aims Community College

Sixty-eight percent of Aims Community College students are financial aid eligible. Because a high percentage of students are Pell eligible (high need), the greater the amount of state-funded need based assistance as well as additional funds for the work study program would positively impact retention and increased enrollment. The increase in funding could also have a positive effect on students allowing students to borrow less loan funds which would then help with the overall default rate. The opposite effect could happen with a decrease in funding *and possibly cause students to have to request additional loan funds to supplement their education.*

Colorado Mountain College

Providing increases in state need-based grant aid provides the following benefits:

a. *Enhances affordability for our resident students*
b. *An inflation hedge: it serves to offset tuition increases*
c. *Reduces the need for additional student loan debt*
d. *Increased funding aids retention and degree attainment*
e. *State aid diversifies the dependence on federal financial aid Work Study funding is an excellent alternative to student loan debt, builds work experience and assists CMC with part-time staffing needs across 11 campuses.*

While CMC is a very low cost institution, it also serves a large population of historically underrepresented and low income students. Demographically, many of these are high-need students that directly benefit from increases in state grant aid and work study. These funds serve to bolster this under-represented cohort in terms of degree attainment. Current funding for the state grant is at $1,179,482 awarded at present to 913 students. To qualify, these students must be degree-seeking, and demonstrate high need with an Expected Family Contribution (EFC) of $0 to a maximum of $6000.

Importantly, recent changes in CCHE policies for the allocation in need-based financial aid have been very positive for CMC. By focusing the allocation on student progression and outcomes for the highest need students, open access institutions with high success rates, like CMC, have done well. The college is supportive of focusing attention on student progression and is considering ways to design its own financial aid allocation methods in ways that complement the one adopted by the CCHE.

Not providing or withholding increases in state-funded financial aid will:

1. *Increase the real cost of attendance given inflation and tuition increases*
2. *Lessen our institution's affordability advantage over competing schools*
3. *Work against all of the impacts listed above from providing increases in state-funded need-based aid.*

Area Vocational Schools

The goal of need-based student financial aid is to provide financial resources to Colorado residents who otherwise would be unable to pursue postsecondary education.

- *Colorado Student Grant – is a program designed for students with demonstrated financial need.*
- *Work-study – is an employment program designed to provide students who are in good academic standing the opportunity to earn money. It is considered a form of "self-help" assistance, since the student is earning money to help meet the costs of education.*
    - *70 percent of the funds are reserved for students with documented financial need*

- *30 percent are for students who wish to work their way through college without documenting need*

The impacts of providing an increase in Colorado Student Grant in the FY 2015-2016 will:

- *Reduce college debt, because grants do not require repayment*
- *Decrease the gaps in education costs, since we do not participate in student loans*
- *Allow us to modify the amount of aid available to meet the ever increasing costs of education*
- *Enhance our ability to assist more students, resulting in an increase in enrollment*
- *Enable students the opportunity to pursue postsecondary education*

The impacts of providing an increase in Colorado Work-Study in the FY 2015-2015 will:

- *Allow this institution an opportunity to increase the number of aid available to award*
- *Students will have the convenience of earning money and attending school in the same place, improving time management and increasing success*
- *Make pay increases available in accordance with the ever increasing cost of living*
- *Provide incentive for students to participate in the program and gain valuable work experience*
- *Ensure comparative compensation*
- *Motivate students to work*

The impacts of not providing an increase in Colorado Student Grant in the FY 2015-2016 will:

- *Increase the burden to students*
- *Limit the number of students that we can assist with education costs*
- *Increase student debt due to the availability of funds*

The impacts of not providing an increase in Colorado Work-Study in the FY 2015-2016 will:

- *Limit the number of students that can participate in the program*
- *Not allow for pay increases*
- *Students will be forced to seek outside employment that does not consider education the primary focus gram*

7. What kinds of programs are already offered at your institution(s) that are the kinds of programs COSI plans to support (targeted at recruiting and retaining low-income/underrepresented student populations, including providing scholarship support)?

Colorado Community College System
CCCS has programs on advising, tutoring, financial literacy, career services, and transfer at each of its colleges. These programs are focused on improving retention and completion of all students at our colleges, while COSI is specifically targeting the retention of low income and under-represented students. Given our student demographics, our existing programs certainly

serve low income and under-represented students. Of the programs that are most similar to COSI are our TriO programs and "success centers" that pull academic and student support resources (tutoring, advising, time management, financial planning, etc.) to focus on smaller cohorts of economically and academically disadvantaged students. These programs, often funded through federal grants, have specialists working with a smaller caseload of students, through intense, high-touch monitoring and interventions. Given the high-touch nature of these programs, these are very expensive to scale up beyond smaller cohorts of students.

Aims Community College

Most students at Aims Community College are low-income and/or underrepresented; we currently have more than 3,200 students with full Pell-grant eligibility with fall 2014 headcount of 4,400 students. Approximately 40% of our students are non-white with more than 30% identifying as Hispanic/Latino. Moreover, more than half of new students at Aims come with a developmental education need, all of these factors are generally linked with low academic success. All developmental students are required to take the Advancing Academic Achievement (AAA090) success skills course enrolling 500+ students in fall 2014 and approximately 900 students annually. Research by Sánez and Ponjuan (2011) found that the most important factors in ensuring success for underrepresented populations are personal connections with faculty/staff, high expectations, instructor quality, and campus engagement; therefore we focus on these areas in addition to skill development related to time management, studying, and note-taking in AAA090. Starting with the 2007-2008 AAA student cohort, and continuing for the subsequent four academic years, AAA students boast an average four-year completion (degree, certificate, or transfer) rate of 29%. This compares to an institution-wide completion rate of 22%. Scholarship support from COSI would be used to provide compensation for a new peer mentor/coach program where current students who have completed AAA090 would be assigned to an AAA090 and MAT050 co-registered block course to help students make curricular connections predicting retention and success in both courses. This is a new high-impact First-Year Experience practice we have been unable to implement due to limited resources.

In spring 2014, the Center for the First-Year Experience began the Catalyst second semester/second year program to focus on retention, success, and completion for students in the developmental education sequence. Entering its third semester, the program has been highly successful with a spring 2014 GPA of 3.5 for students completing the program. Of the 20 students who completed Catalyst in spring 2014, 100% returned to Aims or transferred to a university, with 95% returning to the program. Of the 33 students who completed Catalyst fall 2014, 100% intend to return to Aims and 91% intend to return to the Catalyst program. COSI support would help us grow the Catalyst program by using scholarship money to recruit *and retain students in the program as we hope to expand to the Aims satellite campuses (Fort Lupton, Loveland, and Windsor) starting in the 2015-2016 academic year.*

Colorado Mountain College

CMC submitted a COSI proposal on behalf of all of its service area high schools, school districts, and BOCES. The COSI program's priorities align very closely with CMC's priorities and initiatives. Examples of these include the college's plan to develop capacity throughout the central mountains to offer "remedial" courses to high school students free of charge to the schools and students, as well as focused efforts to enhance college counseling and build supplementary career-oriented college curricula in high need schools. With funds from COSI, CMC could dramatically expand these efforts and build additional college-going capacities throughout the college's service area.

In addition to the initiatives mentioned above, CMC also maintains a variety of other access oriented programs, including the following:

- *Financial aid is being offered to qualified part-time students, who complete the FAFSA and agree to enroll at a full-time level for the spring 2015 semester. The benefits will be more aid to students, accelerate graduation, aid retention and lower the net cost for attending full-time.*
- *CMC's Richard C. Martin Grant provides a unique benefit to 2-year in-district CMC graduates who go on to a four year program. Those who qualify will receive a one-time payment of tuition paid at CMC that is applied toward the first semester of a four-year school's program. This applies to students who continue at CMC for a four-year program as well.*
- *The ASSET program offers undocumented students the in-district tuition rate of $59 per credit. A savings of 56% over the $100.50 per credit rate for Colorado residents.*
- *The CMC Foundation has several minority, low-income scholarship programs such as the Alpine Bank minority scholarship, the Guardian Scholars, Karri Casner-HERO, Acevedo for Underserved students and the Clough Scholarship. For students in the Roaring Fork and Summit school districts there is the pre-collegiate scholarship.*
- *The state need-based grant is a significant grant that is targeted for low-income students.*
- *Financial need is a requirement for receiving Colorado Work study funding for low-income students.*
- *The college maintains a "No Barrier Fund," which allocates funds to campuses to help students meet emergency expenses that may prevent a student from attending classes.*
- *Per Board of Trustees action, CMC offers in-district tuition to all veterans and their dependents. This program is substantial and is entirely funded by the college.*
- *CMC participates in the Western Undergraduate Exchange (WUE) program that reduces the non-resident tuition cost to 150% of the resident rate.*
- *CMC maintains a successful concurrent enrollment program, which allows the college to support many students through the state's ASCENT program. We are hopeful that future modifications to the ASCENT program, those that improve the timing of the awards, will allow more students to benefit from this program.*

- *The ASCENT program provides a "5th year Senior" opportunity to our Eagle Valley High School students who take all college-level courses and get a head start on the post-secondary career.*

Area Vocational Schools

For Delta Montrose and Pickens, the work-study program is beneficial for our students who attend either half or all day by supplementing their income in jobs that are curtailed around their class time; as well the scholarship fund, which assists students in finalizing their unpaid balances allowing them to register for a subsequent semester.

For Emily Griffith, the below programs are current programs that COSI plans to support:

Student Success Center
The Student Success Center (SSC) staff is dedicated to assisting students with life-long learning and facing academic challenges by providing tutoring, workshops, and supplemental materials. This student-centered environment provides support for success in the classroom, and offers resources that will help make them more valuable in the workforce. By utilizing the SSC, students are more likely to succeed in their programs, develop working relationships with others in their profession, and prepare for their transition into the workplace.

Services:

- *Computer Access*
- *Student Email Accounts*
- *Tutoring*
- *Study Groups*
- *Learning Style Evaluation*
- *Help with Test-Taking Skills*

Career Services

- *Workshops*
- *Rèsumè Writing*
- *Career Fairs*
- *Career Counseling*

Students may receive assistance with resumes and cover letters, job search strategies, employment applications, and interview skills.

Working Wardrobe

We have a style consultant that you can contact to set up an appointment. Let the professionals help get you dressed for success. Each participant receives an outfit for free.

Disability Services provides:

- *Accommodations for disabilities*
- *Academic advising, registration assistance and support services*
- *Communication with case managers in the Division of Vocational Rehabilitation or insurance agencies*

Advising

The Disability Services office will assist any student who is disabled with academic advising, registration assistance, and support throughout the educational program.

Third-Party Support

If a third-party such as the Division of Vocational Rehabilitation or an insurance agency will be assisting a student financially, the Disability Services office will be available as a liaison.

Advising and Counseling Services

Academic advisors serve as coordinators of the students' educational experiences. Helping students define realistic educational goals, advisors assist students in planning a program consistent with their abilities, interests, and career goals.

Students with Veteran Benefits

The school provides a veteran's counselor certifying official to assist students with veteran's educational benefits. The veteran's counselor is located in the Registration Center.

Denver Department of Human Services Clients

Advisors are available to provide assistance to Denver Department of Human Services clients. Working closely with case managers and school staff, the advisors provide the following services:

- *Assessment of educational and training needs;*
- *Information about career/technical programs;*
- *On-going evaluations of career goals and purposes;*
- *Referral to community agencies for support services;*
- *Portfolio preparation and job placement assistance.*

Workforce Needs

8. How do you assess and respond to workforce needs?

Colorado Community College System

CCCS uses multiple strategies to assess workforce needs to adjust our educational programming to meet workforce needs. Listed below are the most commonly used strategies:

- *Input from Local Advisory Committees*
  - *Local Career and Technical Education (CTE) programs have advisory committees comprised of many representatives from local and state businesses and industries. Advisory committee members often share their companies' needs regarding workforce issues, whether it is for additional employees, new curriculum, or training for current employees. CCCS has over 5,000 people participate in this process across the colleges in the system.*

- *Input from CCCS CTE Program Directors*
  - *The CTE Program Directors (Agriculture, Natural Resources, & Energy; Business, Marketing, & Public Administration; Career Guidance & Counseling; Hospitality, Human Services & Education; Health Science, Criminal Justice & Public Safety; STEM, Arts, Design & IT; Skilled Trades & Technical Sciences) work closely with business and industry leaders from across the state. Consequently, they hear of and solicit industry needs in various occupational areas. When they sense that a new program or program option may be needed to address these needs, they contact the appropriate college to discuss possible new programming. They also work with faculty in their areas to develop curriculum for new programs.*

- *Environmental Scanning and Strategic Planning*
  - *As colleges work on their strategic plans, they often conduct environmental scanning activities. These typically include a review of labor and business demographics, along with projections on the types of business and workforce needs that will be needed. Periodically, the system and the colleges use focus groups with businesses by region.*

- *Program Reviews*
  - *Although the interval of time may vary, colleges require that their CTE programs go through a review process. A component of this review is an analysis of enrollment trends, student placement in jobs, and projected employment trends. A key source of employment information for this process is the Colorado Labor Market Information website (LMI Gateway). Data from sources such as the LMI help insure that CTE programs continue to be relevant and are either growing or scaling back depending on the projected employment needs.*

- *Relationships with Local and Regional Economic Development groups and Workforce Centers*
  - *CCCS colleges have strong relationships with their local economic developers and regional Workforce Centers. Through these relationships, the colleges are informed of existing and emerging workforce needs in their communities, which in turn can lead to customized training for area companies, training or re-training for workers wishing to enter employment, or even new CTE programs or program options.*

- *Sector Summits which are sponsored by the Colorado Workforce Development Council (CWDC) and the Colorado Department of Labor and Employment*
    - *CCCS colleges and the system as a whole have been closely involved with the Sector Summit process in order to identify employment and training "pipeline" needs. By knowing these needs, they can help to address with new or revised CTE programs or with training programs for the existing workforce.*
    - *Sector Summits are heavily focused on the needs of industry. Sector Summits, as described by the CWDC, " …focus on education, workforce, and economic development initiatives being equally engaged partners with industry. All partners bring with them the goal of using sector partnerships to meet industry's workforce needs, long-term education pipeline goals, and larger economic development needs. This is why it is very important that industry lead the partnerships."*

- *Corporate Training Offices*
    - *A number of CCCS colleges have some type of corporate training office to work directly with businesses and industries that need short-term, specialized training for their employees. Examples of this type of training include communications skills, lean processes for manufacturing, welding, safety and many others. These corporate training offices often have access to services that companies can use to determine or assess what kinds of training or specific skills their employees actually need, and then to develop training that specifically matches these needs.*
    - *The corporate training offices serve as a link to businesses wishing to access the Colorado First and Existing Industries programs (CFEI). The Colorado Office of Economic Development and International Trade has funding for companies that are new to Colorado and wish to train their workforce as well as funding for existing Colorado businesses that have a pressing need to provide new skills training for their current workforce to enable them to maintain their competiveness. The CCCS colleges work with businesses in their regions to help them in accessing these funds and in developing appropriate training programs consistent with the CFEI guidelines.*

Aims Community College

The Aims Community College Customized Training Program provides education and support services for new, expanding and repurposed industry throughout Northern Colorado. The customized training program has been designed to support business and industry in job creation, training on new machinery, equipment and technology and streamlining processes for efficiency. Currently, Aims offers specialized training for the oil and gas, aviation, and logistics industries. Aims Community College also participates in the OEDIT Colorado First/Existing Industry grant program. Colorado First grants are awarded to companies relocating or expanding in Colorado. The funding is available to train new hires. The Existing Grant program supports current Colorado industries to remain viable by adapting to new technology and prevent lay-offs. Finally, through industry sector partnerships and strong collaborative efforts between businesses, Aims Community College educational programs and local departments of labor, projects have been designed that are more *responsive to industry needs. This is particularly true for rural communities where companies directly impact curriculum, equipment choices and program delivery for students who are directly pipelined as employees in those same businesses upon graduation.*

Colorado Mountain College

CMC maintains advisory committees for each of its campuses. These advisory committees are comprised of community and business leaders, K-12 and non-profit executives, and elected officials. These committees help the college understand trends in regional workforce and business needs as well as provide feedback on existing programs and graduates' skills.

In addition, the college is very actively engaged with regional workforce centers, economic development commissions, and chambers of commerce. Through these associations, faculty and staff are aware of regional workforce and education needs, and thus can develop new degrees and certificates based on our geographic area, trends, etc. Additionally we review data of trends locally, state-wide and nationally to identify workforce needs. The College's new program process includes a feasibility study which looks specifically at job placement upon graduation. Going forward we are planning to use an economic modeling software to try to stay in front of trends.

CMC has also been an active member of the Northwest and Rural Resort Workforce Center Regional Workforce Investment Boards for over 10 years. At the quarterly meetings, key business sector representatives share their projected personnel needs for both short and long range employment. Those vary from technical skills to supervisory/managerial skill development. CMC has created certification programs and credit programs driven by industry feedback from Investment Board members.

CMC partners with its client organizations, such as Garfield County, to survey its employees to determine supervisor and frontline worker professional development needs. Frequently these surveys are an online questionnaire but end-user interviews are also employed. Department help-desk professionals are consulted to learn of frequently asked questions and from those, training programs are generated. As new software upgrades are installed, CMC steps up to offer organizational training on all levels for all departments on all programs.

Resulting from rapid expansion, CMC has offered supervisory skill professional development to keep organizational morale and growth on a positive track. As new companies appear in the marketplace, they are approached with training opportunities delivered by CMC through customized training programs tailored to their industry.

CMC also participates, through board membership, with several economic and business development organizations, i.e. Roaring Fork Business Resource Center and Rifle Regional Economic Development Corporation, Colorado Community College System Office and Colorado Office of Economic Development and International Trade. Through these avenues and others, CMC learns of cutting edge start-up companies in our district and find training professionals to mentor or provide professional development opportunities.

Area Vocational Schools

Emily Griffith responds to workforce needs in a variety of formats. An over-arching, institutional workforce needs assessment is gathered from feedback from the College Executive Advisory Committee, which is chaired by Emily Griffith's Executive Director and comprised of high-level executives from industry sectors representing the Metro Denver workforce community, convening a minimum of three times each year. Data collected around development of new program recommendations from this group is presented to the College Instructional Master Planning Committee, which in turn produces a needs assessment based upon extensive environmental scanning to determine factors such as sustainability and job placement. Additional instructional programmatic review on existing and new program development is conducted at an institutional grass-roots level via instructional advisory committees made up of business and industry leaders and Emily Griffith faculty to assure that curriculum meets workforce needs. Emily Griffith also scans metro business and industry to determine needs for contract training for incumbent workers and the College develops and markets non-credit training programs to meet workforce needs.

Assessment exists in three areas: 1) institutionally via annual review by the College instructional master planning committee for instructional quality and integrity, 2) at an annual state-level assessment (completion and placement rates) programmatically (for-credit) by the Colorado Community College System, and finally 3) at the institutional accrediting body level via criterion established by the Council on Occupational Education (COE), a national accrediting agency that requires each Emily Griffith instructional certificate program annually to maintain a 60% Completion rate, a 70% Placement rate, and a 70% Licensure rate, also known as CPL criterion, and programs not meeting this criterion will trigger a review by COE requiring Emily Griffith to develop an outcomes strategy to raise CPL rates to meet COE criterion. Strong CPL rates, particularly around placement, provide a viable indicator that the institution is providing relevant training addressing Metro Denver workforce needs.

For Pickens, Institutional Advisory Committee assists us with these types of assessments

- *Let us know what we should continue to teach*
- *Recommend program changes to fit industry needs*
- *Generate reports utilizing Colorado Labor Market Information Gateway*
- *https://www.colmigateway.com/analyzer/default.asp?fromaltentry=1*
- *Average Wages*
- *Current Number of jobs available in a particular industry*
- *Projected forecast of the number of jobs in 5 years in a particular industry*
- *Attend Labor Market Conferences*

- *Colorado Career Development Conference*
- *Colorado Workforce Development Council*

ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED - DEPARTMENT OF HIGHER EDUCATION (FOR CCHE/DEPARTMENT)
(See shorter list below for governing boards)

1. Provide a list of any legislation that the Department has: (a) not implemented or (b) partially implemented. Explain why the Department has not implement or has partially implemented the legislation on this list.

   The Department has partially implemented the following:

   1. *Senate Bill 11-052 – The department has implemented all the sections related to the statewide master plan, data collection and institutional performance contracts. Legislation is not fully implemented because the bill prescribes that the actual allocation of performance funding cannot occur until FY 2016-17 at the soonest. The department recommends a repeal of the sections of SB 11-052 that create duplication or confusion since the passage of H.B. 14-1319 (see question #10),*
   2. *Senate Bill 14-001 – Creates a tuition increase limit of 6 percent for resident students for the public institutions of higher education for FY 2014-15 and FY2015-16. The institutions successfully complied with the statutory limit for FY 2014-15 and will set tuition for FY 2015-16 in the spring of 2016. The department anticipates full compliance in the second year of the limit,*
   3. *House Bill 14-1319 – The Department is in the process of implementing H.B. 14-1319 completing elements related to convening meetings with interested parties and developing the statutory funding model. The department is on track to submit the updated budget request on January 15, 2015 and anticipates implementing the outstanding sections of the legislation on or before statutory deadlines.*

2. What is the turnover rate for staff in the department? Please provide a breakdown by office and/or division, and program.

   The Department of Personnel will provide a statewide report in response to this question during the Department of Personnel's hearing with the Joint Budget Committee.

3. Please identify the following:
   a. The department's most effective program;
   b. The department's least effective program (in the context of management and budget);
   c. Please provide recommendations on what will make this program (2.b.) more effective based on the department's performance measures.

   The department's programs are in place to carry out the Department's mission: "to improve the quality of, ensure the affordability of, and promote access to, postsecondary education for the people of Colorado."

The most recent projections indicate that by 2020, 74% of all jobs in Colorado will require some level of postsecondary education (3rd highest in the nation). In order to meet the State's economic and workforce demands, the State's Master Plan calls for increasing the percentage of Coloradans with postsecondary credentials from 48% to 66% by 2025. The plan, adopted by the General Assembly in 2013, establishes four performance goals:

1. *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 2025.*

2. *Improve student success through better outcomes in basic skills education, enhanced student support services and reduced average time to credential for all students.*

3. *Enhance access to, and through, postsecondary education to ensure that the system reflects the changing demographics of the state while reducing attainment gaps among students from underserved communities.*

4. *Develop resources, through increases in state funding, which will allow public institutions of higher education to meet projected enrollment demands while promoting affordability, accessibility and efficiency.*

There are 31 public institutions of higher education delivering postsecondary education to Coloradans and intently focused on Goal 1 of increasing the attainment of postsecondary credentials to meet the anticipated workforce demands of Colorado; goal two of improving student success and goal three enhancing access to and postsecondary education and reducing the attainment gaps. Effective programs include concurrent enrollment, Colorado GEAR UP, Colorado Challenge, College in Colorado, Degree Within Reach (reverse transfer), ASSET, Own Your Future, Colorado Opportunity Scholarship Initiative, Supplemental Academic Instruction, and many institution-specific initiatives.

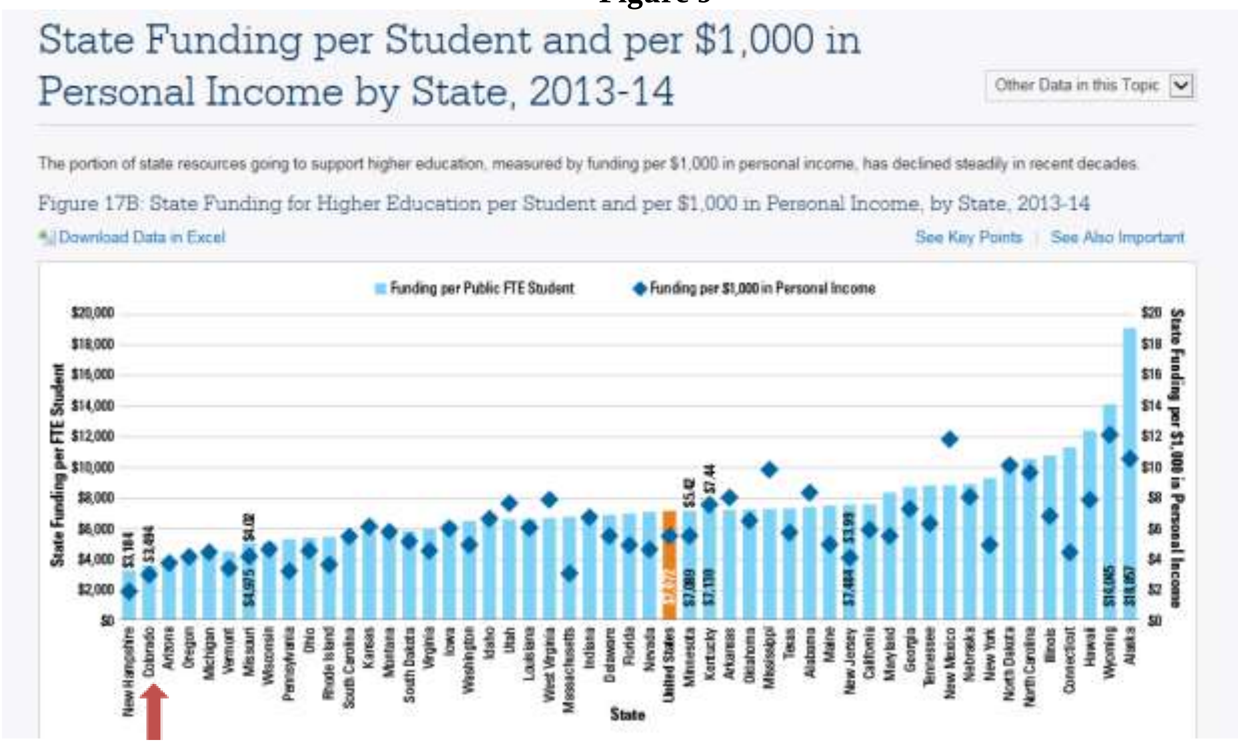
For the public institutions, which enroll over 250,000 students, the new H.B. 14-1319 legislation establishes the state's priorities and the legislation directs the allocation of state funding through the funding allocation model to incent the following:

- *Increase postsecondary credential attainment by rewarding institutions for credential earned, including an additional increase for awards in the high priority fields of STEM and health care*
- *Improve student success and outcomes by rewarding basic skills education and rewarding student retention/progress*
- *Encourages and rewards institutions to increase the number of low-income and underserved minority students*

- *Recognizes the important that Coloradans have access to affordable postsecondary education in all geographic locations*

The Department's least effective effort/program is that captured by Goal 4 – to develop resources, through increases in state funding, which will allow public institutions of higher education to meet projected enrollment demands while promoting affordability, accessibility and efficiency. The most recent state by state comparison from the College Board (http://trends.collegeboard.org/home), figure 9 below, shows Colorado as 49th in state funding per student ($3,494) and per $1,000 in personal income ($2.78) The Department is heartened by the increase in state funding appropriated last year for 2014-2015 by the General Assembly, and is confident the case has been built for increased state funding for 2015-2016.

Figure 9



4. How much capital outlay was expended using either operating funds or capital funds in FY 2013-14? Please break it down between the amount expended from operating and the amount expended from capital.

   Institutions of higher education receive state funding for capital only as capital construction funds. All state operating funds given to an institution are from the College Opportunity Fund in the form of student stipends or fee-for-service contracts, which are now allocated through the H.B.14-1319 funding allocation model. In this sense, institutions spend no state operating funds on capital outlay. In FY 2013-14, institutions received $83.8 million in state capital construction funds for capital projects, with an additional $18.6 million allocated to the

Department for projects listed on the Federal Mineral Lease Certificate of Participation. $25.3 million in state capital construction funds was allocated for controlled maintenance.

Institutions of higher education differ from other agencies in their unique ability to fund capital outlay through their own cash funds, which could be considered operating funds in the sense that they are institutional general fund, federal, donated, or student fee dollars. The Department keeps data on two types of institutional capital expenditures: small cash projects (less than $2 million) and large cash projects (greater than $2 million). Small cash projects do not require approval, while large cash project require approval from the Colorado Commission on Higher Education (CCHE), the Capital Development Committee (CDC) and, in the case of an intercept project, the Joint Budget Committee (JBC).

In FY 2013-14, institutions spent approximately $131.5 million on small capital projects. Of this total, 96% ($126.2 million) was from cash funds while the other 4% ($5.3 million) was from federal funds. The specific revenue source for the cash funds is not reported. However, expenditures are categorized by type of capital expenditure: Acquisition, Repair and Replace, Professional Services, New Facilities or Addition, Infrastructure Improvements, Remodel/Renovate/Modernize, Site Improvements, Fixed Equipment, Demolition, Leasehold Improvements, or Instructional/Scientific Equipment. Institutions spent the most ($108. 2 million) on the four small project categories that meet the definition for controlled maintenance (infrastructure improvements, repair and replace, remodel/renovate/modernize, and site improvements). Institutions accounted for 81% ($108.2 million) of total controlled maintenance spending on higher education in FY 2013-14 as compared to 19% ($25.3 million) from the state.

The Department tracks expenditures on newly initiated and continuing large cash projects. In FY 2013-14, Governing Boards spent approximately $1.85 billion on large cash projects. Spending on large cash projects has continued to increase over the last four year as institutions continue to meet capital needs through their own resources. These projects are submitted annually to CCHE on Two-Year Cash Funded list, which can be amended at any point. However, a project must be approved by CCHE and CDC before an institution may start. Intercept projects are included on the list and go through a review by CCHE. The specific revenue source for a project is not reported to CCHE, but institutions do indicate if the project will use the Intercept program for funding. Large cash projects are categorized by intercept status and then as either academic or auxiliary. The following table shows expenditures by category.

Table 11: Large Cash Project Expenditures: FY 2013-2014

	Academic	*Auxiliary*	*Total*
Intercept	*$132,000,599*	*$335,516,096*	***$ 467,516,695***
Non-Intercept	*$634,810,885*	*$753,771,134*	***$1,388,582,019***
Total	***$766,811,484***	***$1,089,287,230***	***$1,856,098,714***

5. Does Department have any outstanding high priority recommendations as identified in the "Annual Report of Audit Recommendations Not Fully Implemented" that was published by the State Auditor's Office on June 30, 2014? What is the department doing to resolve the outstanding high priority recommendations?

   The Department of Higher Education does not currently have any audit recommendations that are outstanding.

ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED - DEPARTMENT OF HIGHER EDUCATION (GOVERNING BOARDS)

COLORADO COMMUNITY COLLEGE SYSTEM

1. Does governing board have any outstanding high priority recommendations as identified in the "Annual Report of Audit Recommendations Not Fully Implemented" that was published by the State Auditor's Office on June 30, 2014? What is the governing board doing to resolve the outstanding high priority recommendations?

   CCCS has no outstanding high priority recommendations as identified in the report referenced above.

   What benefits do you offer to adjunct, Teacher Assistants and/or non-tenure track faculty?

   CCCS provides PERA benefits for adjunct instructors. Beginning July 1, 2015, CCCS will provide health care benefit coverage for adjunct instructors (and all qualifying employees) who worked an average of 30 hours per week as determined by the standards set by the provisions of the Affordable Care Act.

2. What percentage of your credit hours and students are taught by adjunct faculty, teaching assistants, and/or non-tenure track faculty.

   In 2013-14, 54.6% of CCCS course credit hours are taught by adjunct instructors.

   How many of your adjuncts or non-tenure track faculty and teaching assistants teach 30 or more credit hours in a year?

   329.

3. Are you limiting the number of credit hours taught by adjunct instructors, teaching assistants, and/or non-tenure track faculty?

   On a system-wide basis, CCCS is not limiting the number of credit hours taught by adjunct instructors, except enforcing maximum allowable teaching loads for quality purposes at 21 credit hours per semester. This limit is higher than what it would take to qualify for health care benefits under the affordable care act.

4. Has your institution completed an oil and gas mineral right agreement? If so, what did your institution receive for a royalty rate and bonus payment? How does this compare to what the State Land Board received for the oil and gas mineral lease royalty rates and bonus payments at the Lowry Bombing Range property? With whom did you complete the agreement? What happens to any revenue you receive? [The total Lowry Range bonus payments were $137 million paid over 5 years + 20% royalty rate when production starts (within the last month). We think the bonus payment breaks down to about $6,500 per acre.]

   No

For Community College State System only

1. I understand that you have been working on some issues regarding adjunct instructors this past summer and fall. Could you update us on what you have done?

   CCCS conducted a survey of more than 4,400 adjunct instructors working at CCCS. 1,164 adjunct instructors responded to the survey. Based on these responses, CCCS formed a task force that met over the summer. The task force created a report based on its discussions and deliberations and presented its report to the CCCS Board. The complete task force report is attached.

   CCCS is currently conducting an inventory of the costs associated with implementing the recommendations. However, CCCS does know that the recommendation to increase adjunct pay by 28% will cost roughly $20 million.

2. Have your adjunct instructors received any pay increases in the past 5 years?

   Yes, over the last five years, adjunct instructors have received an average increase of 25% in the rate of pay per credit hour, depending on the college and the adjunct instructor's circumstances.

3. What is the percent of credit hours taught by adjuncts in Colorado community colleges compared to the national average?

   In 2013, 54.6% of CCCS course credit hours are taught by adjunct instructors. The most recent data from 2012 show the national average for community colleges is 69%.

4. How do the CCCS adjunct pay rates compare nationally?

The national average for pay in 2013 was $690 per credit hour. On average, the CCCS average pay per credit hour at our urban institutions is $745 per credit hour.

5. What kind of benefits are you providing the adjunct instructors (if not addressed above in question #2)?

   CCCS provides PERA benefits for adjunct instructors. Beginning July 1, 2015, CCCS will provide health care benefit coverage for adjunct instructors (and all qualifying employees) who worked an average of 30 hours per week as determined by the standards set by the provisions of the Affordable Care Act.

LOCAL DISTRICT JUNIOR COLLEGES

AIMS COMMUNITY COLLEGE

1. Does governing board have any outstanding high priority recommendations as identified in the "Annual Report of Audit Recommendations Not Fully Implemented" that was published by the State Auditor's Office on June 30, 2014? What is the governing board doing to resolve the outstanding high priority recommendations?
   http://www.leg.state.co.us/OSA/coauditor1.nsf/All/1FE335CE3162803F87257D7E00550568/$FILE/1422S%20-%20ANNUAL%20REPORT%20OF%20AUDIT%20RECOMMENDATIONS%20NOT%20FULLY%20IMPLEMENTED%20AS%20OF%20JUNE%2030,%202014.pdf

   Not Applicable

2. What benefits do you offer to adjunct, Teacher Assistants and/or non-tenure track faculty?

   Benefits for any employee class who work more 40 hrs. per week are benefited. Any employee who works 30 hrs to 40 hrs per week is eligible for health insurance only. Any employee who works less than 30 hrs per week is not eligible for benefits. Most non-tenure track faculty are full-time employees thus eligible for full-time benefits. Adjunct faculty can either be full-time or part-time depending on credit hours taught which are converted into contact hours to determine benefit eligibility. Most teacher assistants are part-time and not eligible for benefits.

3. What percentage of your credit hours and students are taught by adjunct faculty, teaching assistants, and/or non-tenure track faculty.

   Approximately 49%

4. How many of your adjuncts or non-tenure track faculty and teaching assistants teach 30 or more credit hours in a year?

   Aims Community College employs one adjunct employee on a limited basis who currently teaches 30 credit hours annually. This is due to an unexpected high demand. Aims Community College does not employee teaching assistants.

5. Are you limiting the number of credit hours taught by adjunct instructors, teaching assistants, and/or non-tenure track faculty?

   As a general rule, 12 credit hour loads or less per semester is considered part-time.

6. Has your institution completed an oil and gas mineral right agreement? If so, what did your institution receive for a royalty rate and bonus payment? How does this compare to what the State Land Board received for the oil and gas mineral lease royalty rates and bonus payments at the Lowry Bombing Range property? With whom did you complete the agreement? What happens to any revenue you receive? [The total Lowry Range bonus payments were $137 million paid over 5 years + 20% royalty rate when production starts (within the last month). We think the bonus payment breaks down to about $6,500 per acre.]

   Aims Community College has an oil and gas agreement with Synergy Resources Corporation. The agreement was entered into on June 8, 2011, includes 182.6 acres and the College receives 16.67% royalty on the production. There are four wells operating on the Aims Greeley campus. The College received $35,238 in FY 2012, $212,062 in FY 2013, $266,074 in FY 2014 and 88,908 in FY 2015 to November 15, 2014. The revenues are deposited in the College's Quasi Endowment Fund.

COLORADO MOUNTAIN COLLEGE

1. Does governing board have any outstanding high priority recommendations as identified in the "Annual Report of Audit Recommendations Not Fully Implemented" that was published by the State Auditor's Office on June 30, 2014? What is the governing board doing to resolve the outstanding high priority recommendations?

   http://www.leg.state.co.us/OSA/coauditor1.nsf/All/1FE335CE3162803F87257D7E00550568/$FILE/1422S%20-%20ANNUAL%20REPORT%20OF%20AUDIT%20RECOMMENDATIONS%20NOT%20FULLY%20IMPLEMENTED%20AS%20OF%20JUNE%2030,%202014.pdf

   This does not apply to Colorado Mountain College therefore there are no outstanding items in the annual report.

2. What benefits do you offer to adjunct, Teacher Assistants and/or non-tenure track faculty?

   In general, Adjuncts that teach 11 or fewer credit hours receive the following benefits: Professional Development, Tuition Grant (Credit classes at CMC), and PERA Retirement

   Adjuncts that are permitted to teach more than 11 credit hours become eligible for college-provided health benefits.

   Teacher Assistants receive the following benefits: Tuition Grant (Credit classes at CMC) and PERA Retirement

All of our full-time faculty are Non-Tenure Track – Health; Dental (voluntary); Vision (voluntary); Life Ins. (1.5X annual salary); Voluntary Life; Flexible Spending Plans; 401(k)/403(b) (voluntary); PERA, TIAA-Cref or VALIC Retirement (8% employee contribution/17.45% College contribution), Tuition Grant (Credit classes at CMC), 2 Personal days/year, 8 hours of sick leave per month worked; Educational salary adjustment for every 15 credits of additional education in discipline.

3. What percentage of your credit hours and students are taught by adjunct faculty, teaching assistants, and/or non-tenure track faculty.

   Colorado Mountain College does not use teaching assistants or have tenured faculty. The college has 114 full-time faculty and approximately 600 adjuncts per semester. Currently 66% of sections are taught by adjunct faculty. Students experience a mix of classroom experience with having both full time and part time faculty as instructors. In the 2013/14 academic year, 8,717 of our students, or 87.8% of students, were taught by an adjunct professor in at least one of their courses. In that same academic year, 5,198 students, or 52.3% of students, were taught by a full time professor in at least one of their courses.

4. How many of your adjuncts or non-tenure track faculty and teaching assistants teach 30 or more credit hours in a year?

   The college does not provide tenure. All full-time faculty teach 30 credits (or equivalent) each academic year pursuant to their contract with the college.

   Teaching Assistants do not teach more than 30 credit hours in a year. Part-time staff have been limited in the number of hours they can teach in response to the Affordable Care Act.

   Adjunct faculty do not teach more than 30 credit hours in a year. In general, adjuncts are been limited to 11 credit hours per term, though exceptions to this rule can be made on a case-by-case basis.

5. Are you limiting the number of credit hours taught by adjunct instructors, teaching assistants, and/or non-tenure track faculty?

   Adjunct faculty are limited to 11 credits per term (Fall, Spring, Summer).

   Teaching Assistants are part-time hourly and are limited to 28 hours per week.

   All full-time faculty are non-tenure track and teach 30 credit hours (or equivalent) per year by contract.

AREA VOCATIONAL SCHOOLS

1. Does governing board have any outstanding high priority recommendations as identified in the "Annual Report of Audit Recommendations Not Fully Implemented" that was published by the State Auditor's Office on June 30, 2014? What is the governing board doing to resolve the outstanding high priority recommendations?
   http://www.leg.state.co.us/OSA/coauditor1.nsf/All/1FE335CE3162803F87257D7E00550568/$FILE/1422S%20-%20ANNUAL%20REPORT%20OF%20AUDIT%20RECOMMENDATIONS%20NOT%20FULLY%20IMPLEMENTED%20AS%20OF%20JUNE%2030,%202014.pdf

   We do not have any outstanding high priority recommendations as identified in the Annual Report of Audit Recommendations.

2. What benefits do you offer to adjunct, Teacher Assistants and/or non-tenure track faculty?

   As members of our local school districts, employees of the Area Vocational Schools have access to most of the benefits that are afforded to employees of the local school districts. For Delta Montrose and Emily Griffith, these include sick leave, personal leave, eligibility to enroll in the public schools health insurance plans and premium reduction subsidies to help offset the cost of health benefits.

   Pickens hires adjunct on agreements for services for an hourly wage on an as needed basis. We hire adjunct as program faculty as well as clinical instructors. Pickens percentage of adjunct staff is around 50% of total faculty.

3. What percentage of your credit hours and students are taught by adjunct faculty, teaching assistants, and/or non-tenure track faculty.

   At Emily Griffith and Delta Montrose, only 1-3% of our credit hours are taught by non-regular or adjunct faculty. The remaining credits are taught by program faculty who are responsible for program improvement, curriculum development, and industry involvement. Pickens employs 50% adjunct faculty.

4. How many of your adjuncts or non-tenure track faculty and teaching assistants teach 30 or more credit hours in a year?

   For Emily Griffith and Delta Montrose, no non-regular or adjunct faculty teach 30 or more credit hours in a year.

50% of Pickens adjunct teach 30 or more credit hours in a year. The remaining 50% of adjunct teach less than 30 credit hours.

5. Are you limiting the number of credit hours taught by adjunct instructors, teaching assistants, and/or non-tenure track faculty?

   Emily Griffith and Delta Montrose make every attempt to have program faculty teach all credits within a program for consistency of instruction and curriculum. Non-regular or adjunct faculty are only used when specialized coursework calls for it or when we are unable to fill program faculty positions.

   Pickens hires adjunct for all off site clinical needs. We hire adjunct in Cosmetology due to a shortage of full time equivalency (FTE) options at our school. We supplement hire adjunct in Health due to a shortage of FTE as well. Aurora Public Schools dictates the number of FTE allotted to our school each year. FTE has not been increased in many years. Adjuncts allow us to continue or grow programs when FTE is not available.

6. Has your institution completed an oil and gas mineral right agreement? If so, what did your institution receive for a royalty rate and bonus payment? How does this compare to what the State Land Board received for the oil and gas mineral lease royalty rates and bonus payments at the Lowry Bombing Range property? With whom did you complete the agreement? What happens to any revenue you receive? [The total Lowry Range bonus payments were $137 million paid over 5 years + 20% royalty rate when production starts (within the last month). We think the bonus payment breaks down to about $6,500 per acre.]

   The Area Vocational Schools have not completed an oil and gas mineral rights agreement.

APPENDIX A: COLORADO COMMUNITY COLLEGE SYSTEM ADJUNCT INSTRUCTOR TASK FORCE

November 2014

History of the Task Force

The Colorado Community College System (CCCS or System) highly values its workforce and recognizes the important role that adjunct instructors play in the success of students and in the ability of the CCCS colleges to meet the changing needs of students and the business community. The community college model of instructional delivery, across the U.S., is predicated on flexibility and responsiveness. Community colleges pride themselves on being able to engage in rapid program development, to allow students open access and late enrollment decisions, and to meet changing enrollment patterns. This flexibility and responsiveness require a differentiated staffing model.

In order to gauge the satisfaction of and better respond to the needs of the System's many constituents--students, employees, graduates, business and community partners--CCCS conducts surveys. Over the years, adjunct instructors have been surveyed periodically. The 2014 survey of adjunct instructors, planned for the 2013/2014 academic year, was delayed for several months due to relevant activity in the 2014 Colorado General Assembly. However, the survey was then conducted in late spring, 2014. The results of the survey were shared in public session with the State Board for Community Colleges and Occupational Education at their regular meeting on August 13, 2014. Dr. Nancy J. McCallin, System President, then sent the results, via email, to all adjunct instructors on August 18, 2014.

As further background, the Adjunct Instructor Survey was sent via email to all adjunct instructors employed during Spring 2014 by CCCS Colleges and by CCCOnline, the System's online consortium. The approximately 4,400 instructors were invited to respond. Data collection was open from April 28 to May 9, 2014. The online survey was completed by 1,164 instructors, for a response rate of approximately 26%.

In addition to administration of the survey and compilation of the results, Dr. Nancy McCallin, System President, took steps to understand the issues important to CCCS adjunct instructors and to seek advice on continuous improvement to support the System's ability to establish and achieve its goals. These steps included visits to all CCCS colleges, to engage in formal and informal conversations with college constituencies. Based upon the survey data and the qualitative analysis, Dr. McCallin, in consultation with System and System College executives, determined that significant differences existed across the state in some of the key issue areas. She then commissioned the CCCS Adjunct Instructor Task Force, representing the five metropolitan Denver area community colleges (Arapahoe Community College (ACC), Community College of Aurora (CCA), Community College of Denver (CCD), Front Range Community College (FRCC), Red Rocks Community College (RRCC)), Pikes Peak Community College (PPCC), and Colorado Community Colleges Online (CCCO), and directed individual focus group data-gathering from the other seven System colleges.

Adjunct Instructor Task Force Membership

Nominations for membership on the Adjunct Instructor Task Force were solicited of faculty by the System President, Dr. Nancy J. McCallin. Members were selected to ensure that one adjunct instructor (instructor) would serve to represent each of the six urban community colleges, as well as an additional adjunct instructor to represent Colorado Community Colleges Online. Additionally, only one representative was selected from each of the following employee groups: college vice president of instruction (VPI), college vice president of administration/chief business officer (VPAS), instructional dean (dean), instructional department chair (chair), and two full-time faculty members (faculty). The resulting committee had two representatives from each college. In addition, one college president (president) was asked to serve on the committee.

The committee membership was composed as follows:

JoAnnBeine	ACC	Full-time Faculty
Linda Comeaux	RRCC	VPI
Daniel Donalson	RRCC	Instructor
Andy Dorsey	FRCC	President
Lisa Gallegos	PPCC	Instructor
Stephanie Harrison	CCD	Dean
Jan Hoegh*	FRCC	Instructor
Martha Jackson-Carter	CCA	Chair
Lynda Kemp	CCD	Instructor
Brenda Lauer	PPCC	VPAS
David Lee	ACC	Instructor
Joseph Schicke*	FRCC	Instructor
Chelsea Spotts	CCA	Instructor
Matthew Stilwell	FRCC	Faculty
Lisa Wulf	CCCO	Instructor

- Jan Hoegh joined the Task Force to replace Joseph Schicke (who resigned due to a move out-of-state)

The Task Force was chaired by Dr. Linda S. Bowman, CCCS Vice President for Executive Leadership Training and Development and President Emerita of the Community College of Aurora.

Support, research, and resources, as requested by Task Force members, were provided by various departments and individuals at the Community College System, including Mark Superka, CCCS Vice President for Finance and Administration, Cynthia Hier, CCCS Executive Director (ret.), Jamie Fouty, CCCS Director of Institutional Research; Deborah Heckart, CCCS IT Office Manager; Rhonda Bentz, CCCS Director of Media and Legislative Communications; Dr. Jerry Migler, CCCS Provost and Vice President for Academic Affairs; Christina Cecil, CCCS Executive Director of Human Resources.

Work of the Task Force

On Friday, June 13, 2014, Dr. Linda S. Bowman convened the CCCS Adjunct Instructor Task Force on the Lowry Campus.

Dr. Bowman emphasized the imperative to balance the needs of students and communities, to examine best practices locally, regionally, and nationally, to understand the demands placed on the colleges, to examine similarities and differences, and to represent both communities of interest and the state at-large. She explained that while the representation on the Task Force included members from six of the colleges and CCCOnline, that the other seven System colleges would be included through other qualitative processes. She further explained the importance of the data provided by the Adjunct Survey, as an important starting place for the Task Force's work.

At this day-long meeting, members started by getting to know one another, establishing their group norms, reviewing the calendar of meetings and deadlines, and reviewing data and information contained in the member binders.

Dr. Nancy J. McCallin joined the meeting for a portion of the morning session, in which she gave the charge to the Task Force. Thanking the members for taking time from their summers to share their expertise and vision and to tackle this work, Dr. McCallin emphasized the importance of their efforts, the need to think broadly and creatively, to consider best practices and trends, and to participate openly. The Task Force members then shared best practices from their own experiences.

Utilizing the results from the Adjunct Instructor Survey, Task Force members identified key areas for their work and created sub-committees as follows:

- Appreciation/Respect/Inclusion

- Pay

- Access to Materials and Support

The group determined that work on the Affordable Care Act implementation would be left to those already working on that complex issue. Each subcommittee was charged to consider the following steps in their deliberations towards recommendations to be brought to the full Task Force:

- Define the issue
- Define the goal (short- and long-term)
- Information/data needs
- Impacts on: people, finances, practices, policies
- Possible unintended consequences
- Timeline

Over the course of the summer, subcommittees conducted in-person and virtual meetings, requested information from experts and shared their own findings and ideas, then came together to present, vet, revise, and present their recommendations to the entire Task Force.

The Task Force also had presentations or shared information on a number of related topics, including work being done by another committee on the implementation of the Affordable Care Act and key data from Mark Superka, CCCS Vice President for Finance and Administration on national funding comparisons, CCCS funding history, legislative funding processes, and financial assumptions and modeling. The Task Force delved into a number of key issues and discussed some notable differences among the System colleges.

Focus groups were conducted by Dr. Linda S. Bowman from August 21, 2014, through September 4, 2014, onsite at the following colleges: Colorado Northwestern Community College, Northeastern Junior College, Morgan Community College, Otero Junior College, Trinidad State Junior College, Lamar Community College, and Pueblo Community College. Adjunct instructors were invited to view the survey results, which had been previously provided by Dr. McCallin, and to share their thoughts regarding the issues most critical to their success and the success of their students.

Following are some of the findings from the discussions of the Task Force, as well as from the focus groups held at the rural colleges:

- Need for greater demonstration of appreciation, respect, and inclusion

- Need for greater communication regarding some of the supports already available
- Need for greater access to supports and opportunities
- Need for greater oversight and feedback in some colleges or departments
- Need for more inclusion in curricular decision-making
- Acknowledgment of need of colleges for flexibility to meet student needs
- Recognition that adjunct instructors' backgrounds, needs, circumstances as diverse as the students’
- Recognition that work satisfaction of adjunct instructors essential to student success
- Recognition that declining enrollment is resulting in declining dependence on adjunct instructor workforce
- Recognition that adjunct instructors vary significantly regarding their other employment status and reasons that they are teaching part-time
- Concern that other support units, e.g. IT and Library, not available at all of the times that/in the places where classes held
- Need for more convenient professional development opportunities for adjunct instructors working elsewhere
- Attention to uneven practices regarding compensation for professional development and curricular work
- Concern that initial paycheck timing sometimes too slow, causing hardships
- Recognition that departments uneven in inclusionary practices
- Recognition that some recommendations require new resources

CCCS Task Force on Adjunct Instructors
Recommandations

Preamble and Guiding Principles

We believe that adjunct instructors must be valued by demonstrating respect and by providing appreciation and recognition, appropriate compensation, consistent communication, on-going interaction, and access to teaching support and resources. Adjunct instructors have a vital role as part of the Colorado Community College System and each college's educational mission.

We acknowledge that our students, our colleges, and our workforce are diverse. Our students come to our colleges from diverse educational, cultural, and demographic backgrounds to achieve varying and diverse goals. As institutions committed to access in diverse parts of the state, our colleges have different programs, different resources, and different expectations from their communities. Our adjunct instructors are diverse in their backgrounds, needs, and desires. We are committed to ensuring that our recommendations be inclusive and support the needs of all adjunct instructors, as well as those of our students, our colleges, and our other workforce groups.

We encourage the Colorado Community College System to adopt an instructional belief and best practice statement, along with guiding principles, as the overarching and holistic view of inclusiveness and support of adjunct instructors.

This statement should include our beliefs:

- that we all share collective responsibility for student success;
- that we collaborate as partners in the learning process to ensure quality, rigor, and opportunity for all students to achieve their goals;
- and that we work together to design and deliver curriculum, teaching methods, and student support, creating an inclusive learning environment.

The recommendations that follow include short- and long-term strategies to achieve the goals of improving the experience of adjunct instructors and effecting a change to a culture of greater inclusion and support across all CCCS colleges.

Recommendation #1
Provide opportunities for adjunct instructors to participate in curriculum development, department meetings, all-college meetings, and other areas of instruction as needed, such as advising. Develop compensation criteria for participation that is appropriate for each type of activity.

Implementation Strategies and Practices:

- Determine participatory opportunities and establish standards for participation. Balance mandatory and optional participation requirements throughout the academic year.

- Consider communication methods that invite participation and ensure adjunct instructors feel included.

- Provide training as necessary, such as, curriculum development.

- Delineate mandatory participation requirements up front with consideration of adjunct instructors' schedule availability.

- Establish clear criteria for selection of adjunct instructor participation in areas that require content expertise and/or additional training. Department chairs and others involved in hiring and supervising adjunct instructors have a significant role in developing the criteria.

Recommendation #2
Increase access to, participation in, and compensation for professional development, including campus or System-based workshops and training, and off-campus seminars, workshops, or conferences.

- Research available resources for professional development, both internal and external to the college. Determine types of professional development needed and/or wanted by adjunct instructors.

- Offer professional development that is desired and effective both for the college and adjunct instructors. Account for continuing education related to professional licenses or certifications and CTE credentialing.

- Create reasonable compensation mechanisms to support attendance, with acknowledgement of differences across the colleges, such as paying expenses for certain off-campus activities and time-based compensation for on-campus activities.

- Develop ways to communicate professional development opportunities at other CCCS institutions that are appropriate for shared/open attendance.

- Establish criteria and communication methods for professional development in terms of required versus optional participation and allocation of professional development funds.

Recommendation #3
Develop mentor programs to assist adjunct instructors in navigating the colleges' systems and procedures, share knowledge of best practices for teaching and learning, and support adjunct instructors in undertaking new goals or challenges.

Implementation Strategies and Practices:

- Determine which adjunct instructors would benefit from this program, adjunct instructors and faculty who can serve as mentors, and training needs.

- Compensate mentors and mentees at a rate appropriate within the college’s funding structure.

- Define qualifications, responsibilities, training requirements, and tracking methods.

- Encourage faculty and adjunct instructors to serve in order to build a pool of talented and trained mentors.

- Decide whether the mentor program is required or optional by considering the impact on workload.

Recommendation #4

Establish recognition and appreciation activities that reward excellence in teaching and service. Extend employee discounts, free programs, services, and other perquisites to adjunct instructors.

Implementation Strategies and Practices:

- Inventory the activities, programs, and services already in place at each college. Survey adjunct instructors on meaningful and rewarding activities.

- Outline transparent selection criteria and process for honoring adjunct instructors via awards and recognition.

- Create mechanisms to communicate awards, appreciation, and recognition to the rest of the college and the community.

- Communicate discounted or free programs and services to adjunct instructors.

- Implement during the next academic year.

Recommendation #5

Balance enrollment management and student needs by developing strategic scheduling, class assignments, and class cancellation processes that consider the impacts on adjunct instructors in terms of course preparation and work schedules. To encourage reasonable class cancellation deadlines and scheduling practices, we recommend a policy that adjunct instructors assigned to classes that are canceled within 14 calendar days of start date be paid 10% of the total course compensation.

Implementation Strategies and Practices:

- Mitigate the extent and number of late cancellations affecting adjunct instructors, by developing a method of forecasting, to lessen the effect on students and adjunct instructors.

- Collaborate between Instruction/Academic Affairs and Student Services/Student Affairs to minimize impact on students and adjunct instructors by considering enrollment guidelines, payment dates, drop dates for non-payment, and student communication/education about the importance of early registration.

Recommendation #6
Improve support and access to resources for adjunct instructors.

Implementation Strategies and Practices:

- Review the types of support and resources that currently exist. Survey employees to ascertain how they understand their roles in supporting adjunct instructors. Survey adjunct instructors, at the college-level, to determine support and resource needs. Use the review and survey data to identify gaps and make improvements and additions.

- Increase employee awareness of the sometimes unique adjunct instructor needs in order to enhance support and resource services.

- Reassess staffing patterns in areas such as IT to increase support for classes scheduled in early morning and evening timeframes.

- Ensure adjunct instructors' access to and communicate availability of all necessary class-related resources, including course materials, well-stocked classrooms, office space with options to meet privately with students, copiers, printers, computers, and telephones.

Recommendation #7
Design adjunct instructor advancement programs with teaching, student learning, and performance evaluation components.

Implementation Strategies and Practices:

- Research what other colleges are doing in this area with the purpose of constructing an effective program or updating an existing one.

- Develop advancement program criteria that are reasonable and attainable; focused on teaching, learning, and student success; and incorporate the needs of the college and adjunct instructors.

- Create transparent and consistent performance evaluation components and processes, including training for evaluators.
- Establish guidelines for maintaining an achieved tier level and commensurate compensation.
- Implement or update during the next two academic years.

Recommendation #8
Ensure the ability of CCCS colleges and CCCOnline to attract and retain the best adjunct instructors and deliver the best education to students. Raise the adjunct instructor pay level at each college by 28% by the academic year 2016-2017, in order to create a competitive scale for adjunct instructor compensation that considers the compensation levels of other Colorado institutions of higher education that offer parallel educational opportunities.

Implementation Strategies and Practices:
- Pursue the identification of sufficient funds to raise adjunct instructor pay rates to be more competitive with other colleges in the state.
- Acknowledge that external resources are required to achieve and maintain the pay level increase by seeking assistance from the Colorado General Assembly.
- Acknowledge role of declining enrollments on college budgets.
- Identify appropriate colleges in the state for pay rate comparative data.

Recommendation #9
Each CCCS college should annually increase its average instructor compensation by at least the same percentage as it increases the average salary for all other employee groups.

Implementation Strategies and Practices:
- Establish a pool annually for increases to adjunct instructor pay scales that is equal to at least as much, on a percentage basis, as the average pay increases for all other employee groups.
- Annually survey adjunct salary increases at key competitor institutions in the Denver and Colorado Springs, as well as in rural areas.
- Adjust adjunct instructor pay increases to ensure that CCCS colleges remain competitive.

Recommendation #10

Provide the first paycheck to an adjunct instructor by the first possible pay date after the adjunct instructor's class has started.

Implementation Strategies and Practices:

- Improve planning and processes in order to typically provide first paycheck within four weeks of class start date.
- Investigate factors--college, System, State--that impact payroll processing deadlines and responsiveness.
- Review processes at each college and at the System in order to ensure that paycheck is provided by the first possible date.

NEXT STEPS

The members of the Colorado Community College System Adjunct Instructor Task Force look forward to submitting these recommendations to the State Board for Community Colleges and Occupational Education and the System President, Dr. Nancy J. McCallin.

ADDENDA

- Summary of the Colorado Community College System 2014 Adjunct Instructor Survey
- CCCS Adjunct Instructor Survey 2014 Results