



COLORADO

Department of Higher Education

1560 Broadway, Suite 1600  
Denver, CO 80202

John Hickenlooper  
Governor

Lieutenant Governor Joseph A. Garcia  
Executive Director

<b>Meeting (REVISED 08.25.14)</b>	<b>14-1319 Project: Cost Driver &amp; Analysis Expert Team Wednesday, August 27 9:00 a.m. to 11:45 a.m.</b>
<b>Location</b>	Department of Higher Education 1560 Broadway Suite 1600 Denver, CO 80202
<b>Conference Room</b>	Emily Griffith Conference Room
<b>Call-In Information</b>	Conference Call: 1-877-820-7831 Code: 215368#
<b>Meeting Participants</b>	<p>Patty Pacey – Commissioner, CCHE  Alexis Senger – Office of State Planning and Budget  Jeanne Adkins – Colorado Mesa University  Julie Feier – Associate Vice President of Finance and Administration, Western State Colorado University  Peter Hahn – Chief of Staff and Vice-President of External Relations, Colorado Schools of Mines  Heather Heersink – Budget Director, Adams State University  Chad Marturano – Senior Director of Budget and Strategic Planning, University of Colorado System  George Middlemist – Associate Vice President of Administration and Finance and Controller, Metro State University –(unable to attend this meeting, Jinous Lari, budget director, attending)  Bridget Mullen – Director of Budget and Finance, Colorado State University System  Steve Schwartz – Vice President of Finance and Administration, Fort Lewis College  Mark Superka – Chief Financial Officer, Colorado Community College System  Cindy Thill – Special Assistant to the Senior Vice President for Administration, University of Northern Colorado</p> <p>+++++</p> <p>CDHE Staff: Diane Duffy, CFO; Mark Cavanaugh ,Chief Legislative and Strategic Policy Officer, Kachina Weaver – Project Manager, Celina Duran, Tonya Covarrubias, Andrew Rauch, Todd Haggerty  NCHEMS: Dennis Jones, Patrick Kelly, and Matt Crellin</p>





<b>Meeting Objectives</b>	<b>First Meeting of the Cost Driver and Analysis Team: (1) Shared understanding of the charge; (2) First draft of a high level Workplan</b>
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**AGENDA**

Approximate Time	Topic	Presenter
1:00-	Welcome and Introductions	Diane Duffy
	Project Overview	Kachina Weaver
	Housekeeping/Team Operating Rules	Diane Duffy and Group
	Charge to the Cost Driver & Analysis Team	Mark Cavanaugh
	Overview of the Cost Driver and Analysis Work from Our Consultant's Perspective	Dennis Jones
	General Discussion of Data Elements and High Level Work Plan	Group
	Next Steps	
<b>Next tentative meeting dates: HOLD: September 17 9:00am-Noon; October 20 or 21, 1:00pm-5:00pm</b>		

**Meeting Notes**

- Next Meeting will be Tuesday, September 23, 1:00pm-3:00pm.
- Mark Cavanaugh discussed, in general terms, the charge to the expert team. Overarching questions of policy makers and the public to be answered: (1) Explanation of costs and cost drivers; and the factors that determine the costs of educating a student and why costs may differ in different types of institutions, etc. Putting the costs of educating a student in the context of overall institutional expenditures. We will fail if we don't answer the question: what does it cost?(2) Financing of costs, including tuition pricing and strategies. Putting state appropriations in the context of overall institutional revenues. Explanations must be based on sound analyses, and build trust by increasing transparency of cost and pricing considerations. Henry Sobanet, Director, Office of State Planning and Budget, will attend the next meeting for further discussion of the charge, expectations, and goals to be accomplished by June 30, 2015.





- NCHEMS General Approach to the Work (see attached NCHEMS power point)
  - Separate analysis for different types of institutions
  - Compare CO institutions to other, similar institutions on a set of variables. Will need to determine the comparison institutions.
  - Conduct majority of analyses using national data
  - Goal to develop a “predicted” costs for each of the institutions and compare the “predicted” to the “actual” costs
  - Add granularity by using CO-specific expenditure data. National data sets do not provide sufficient granularity about the allocation of human resources to allow assessment of underlying cost structures nor do they allow analysis of “uncontrollable” versus strategic expenditures.
  - Address cost and cost driver first, and pricing second
- Specifics Related to Cost Driver Analyses - Data Requirements and Analytic Approaches
  - Dependent variables
    1. Expenditures on instruction
    2. Expenditures on student-related functions
      - a. Instruction
      - b. Student Services
      - c. Academic Support ( a portion thereof)
  - Independent Variables
    - A. Basic Institutional Characteristics
    - B. Student Characteristics
    - C. Program Characteristics
    - D. Staffing Related Factors
    - E. Delivery Method Factors
    - F. Success Factors
    - G. Facilities Related Factors
    - H. Unrestricted Revenues
      - a. Tuition and Fees
      - b. State Appropriations
      - c. Local Government Appropriations
  - Colorado Specific Data
    - I. Uncontrollable or “mandated” operating. Line item expenditures, by function
    - J. Expenditures on facilities and relationship to student fees
    - K. The use of institutional financial assistance and scholarships

