

### Proposed format for Strategic Plan:

1. Inside flap: Mission of Hi Ed
2. Front page: letter from co-chairs
3. Steering committee/subcommittee members
4. Big Goal Rationale
5. Challenges/Recommendations
6. Summary
7. Acknowledgements
8. Inside back flap: Colorado's ROI

### Proposed documents:

1. Strategic Plan: Short (max 20 pages) report available in print and PDF format
2. Executive Summary: 1 page, portable
3. Work Plan- longer, with specific strategies (would be utilized for the most part by the CCHE and DHE for implementation)
4. Subcommittee summaries

DRAFT Working title:

## 5 IN 10

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### A COMPLETION AGENDA FOR HIGHER EDUCATION IN COLORADO

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## COLORADO'S MISSION FOR HIGHER EDUCATION

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- *Provide access* to an internationally competitive post-secondary educational experience to any qualified student through a tiered system of institutions;
- *Maximize quality*, efficiencies, collaborations and affordability;
- *Offer seamless transitions* to appropriate levels of learning for all students; (A&P)
- *Meet needs* of the workforce and economy of the state;
- *Develop responsible citizens* for a successful civic enterprise. (M1)

## What is 5 in 10?

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The Higher Education Steering Committee was charged with addressing two key completion oriented agendas.

**Colorado:** To double the number of degrees and certificates by 2020

**President Obama:** Increase the percentage of degree holders aged 25-34 to 60% by 2020

Currently, Colorado completes approximately 42% of its adults in institutions of higher education. That number falls well short of either of those agendas. In order to double the number of degrees, Colorado would need to increase degree production by an average of 6.25% each year over the next 10 years. An average annual increase of 4.7% would put the state on track to meet the national challenge.

The “5 in 10” agenda requires that the state system of higher education increase completion by an average of 5% per year over the next 10 years. Doing so will result in approximately 670,000 additional degrees, placing the state well positioned to meeting both Colorado and national benchmarks.

“5 in 10” is an ambitious goal, one that will not be met solely through increases in enrollment. A strong, coordinated response to addressing adult degree completion, the educational attainment gap, geographic and demographic accessibility, and retention must be part of a **system wide** strategy. To that end, a stronger **system** of higher education is necessary.

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5 in 10

## GETTING TO “5 IN 10”

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As the Higher Education Strategic Planning Committee moved through their work, they identified four critical focus the system of higher education must address: 1) An Unsustainable System, 2) A Disjointed System, 3) Demand that Outpaces Capacity, and 4) A Broken Pipeline.

There are varied ways in which the following recommendations can be accomplished. Some may be accomplished with existing resources, and some will require that the state restore a basic level of support for higher education. However, to substantially move a “5 in 10” agenda forward, the public and legislature must affirm a commitment to higher education beyond keeping doors open.

To that end, the key recommendations that are identified have been evaluated to determine under which conditions or scenarios each recommendation is possible. Those identified conditions are:

1. **Status Quo-** assuming that there is no change to the level of state support for institutions of higher education. Allocations for financial aid, appropriations and fee for service remain unchanged, or decrease as has been the trend.
2. **Base Funding-** \$760 million. Assuming that there is a restoration of cuts to bring general fund appropriations to fiscal year 2008-09 levels of \$706 million; calculated cost savings and efficiencies of \$50 million; and stable financial aid allocation (unchanged at \$104 million). A base funding model assumes reasonable growth factors to address increased costs.
3. **Restoration of Funding-** (\*\* confirmation from OSBP pending\*\*) Restoration of dedicated funding to higher education to account for the 39% general fund gap= \$1.1 billion. This restoration assumes additional revenue generated by some combination of referred measure within the next five years.

## CRITICAL CHALLENGE ONE: AN UNSUSTAINABLE SYSTEM AN UNSUSTAINABLE SYSTEM

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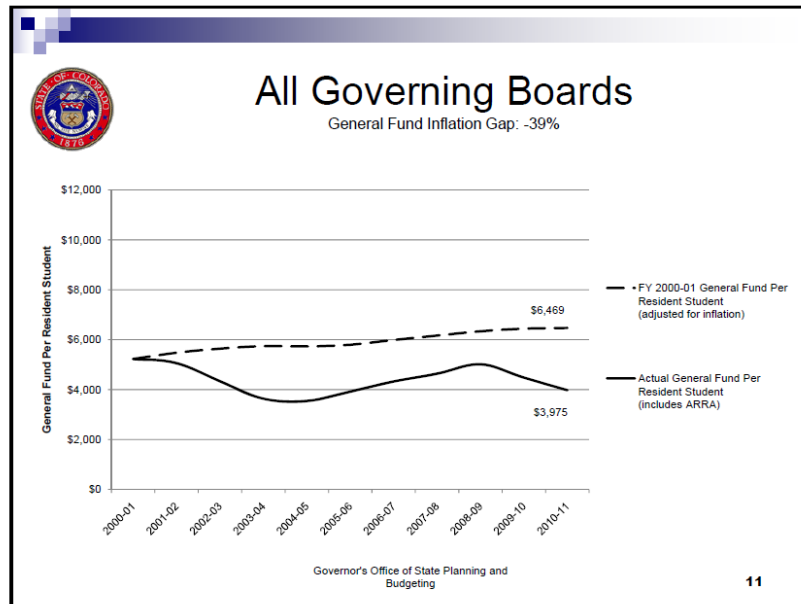
Historically, Colorado's higher education system has been subsidized by the state through annual general fund appropriations and, as a result, a fragmented finance policy.

Currently, *Colorado ranks the lowest in the nation in state funding per full time equivalent (FTE)*. Combining revenue generated through state funding and tuition per FTE still ranks Colorado the 6<sup>th</sup> lowest in the country. (\$1)

Unlike many states, *there is no dedicated funding stream for higher education* in Colorado. With very few exceptions (Aims Community College and Colorado Mountain College), there is no current mechanism for generating local financial support for higher education in Colorado. Yet, *institutions are major economic drivers* in the state.

Comment [u1]: Why? For example, blah, blah  
blah

Since fiscal year 1990-91 the state's General Fund has shifted, which has had an adverse effect on higher education. From fiscal year 1990 that shift has resulted in dramatic decrease in state support from 19% to 9% of the general fund appropriation for higher education. Since 1980, *Colorado has reduced the investment to colleges and universities compared to other state services by 70 percent – far more than any other state in the country*. When considering the natural rate of inflation relative to the general fund appropriation per student the "gap" is currently -39%. *Restoration of that "gap" would equate to an annual appropriation for higher education of \$1.1 billion (\*\*pending confirmation from OSPB\*\*).*

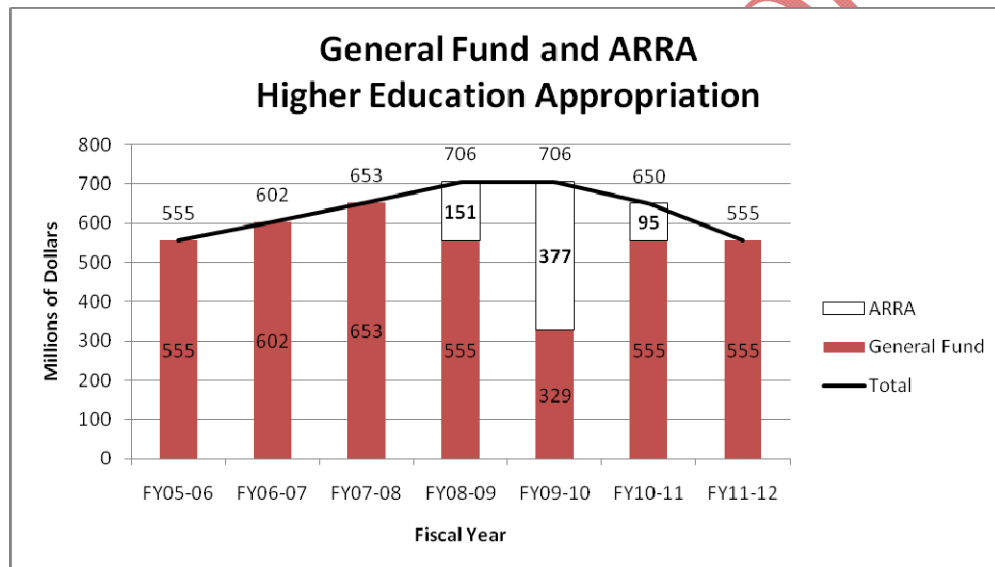


As an illustration, in fiscal year 2010-2011, 97% of the state's general fund was allocated to five areas of service:

- **45.6%, K-12 Education.** This is the largest component of the General Fund budget. This area was held harmless when balancing FY 2009-10 due to the constitutional requirement of a 5% general fund increase annually.
- **17.7%, Health Care Policy and Financing.** This area provides services funded through predominantly entitlement programs that have an inverse relationship with the economy. For example, during an economic downturn, Medicaid enrollments rise.
- **9.2%, Human Services.** This area funds services to the states most vulnerable and high risk populations such as those with developmental disabilities or mental illness, juvenile delinquents, and children who are the victims of abuse and neglect.
- **15.2%, Corrections, Public Safety and Judicial.** This category provides for the state's public safety services. Staffing levels, which were reduced during the last recession, have still not been restored. Judicial staffing was increased pursuant to HB 07-1054.
- **9.3%, Higher Education.** This category is one of the last remaining areas of the budget where there continues to be budgetary flexibility and where funding has been temporarily maintained with federal stimulus funds.

(Note- above can be a pie chart)

Like many states, Colorado has used funds from the American Recovery and Reinvestment Act of 2009 (ARRA) to support essential services in this time of great economic distress. For higher education, ARRA was used to backfill state support that was necessarily redirected to other legislatively protected areas. The table below demonstrates how ARRA funds were used to preserve higher education funding at minimum levels in fiscal years 2008-2011. In fiscal year 2011-12, **ARRA funds disappear, effectively rolling back higher education funding appropriations to the 2005-2006 levels.**



To preserve higher education funding at any level, ***the only way for the state's institutions to respond to the impending "cliff" in the current climate will be to raise tuition and cut access to higher education.***

**Colorado has a low state tax burden.** Colorado had the third lowest state tax collections in the country at \$48.25 per \$1,000 of personal income for FY 2007-08. In terms of a state-to-state comparison, the state tax burden was nearly the same ten years ago in FY1997-98 (**source: Legislative Council**). Compared to most states, it has a strong economy and enough wealth to improve its educational funding position nationally and demand greater performance from our

colleges and universities. Today, Mississippi invests three times more in their higher education system than Colorado. Arkansas invests two times more.

{Insert tax comparison graph here}

In order to meet the “5 in 10” goal, there must be an overall vision of higher education in Colorado that includes both *increasing the investment* by the state in its system of postsecondary education, and *ensuring that higher education is affordable* for its citizens.

## RECOMMENDATION ONE: ENSURE FISCAL STABILITY AND AFFORDABILITY OF COLORADO HIGHER EDUCATION INTO THE FUTURE

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1. **Colorado’s colleges and universities are doing a good job reducing costs and are already far more efficient than most states. They should continue to seek ways to operate more efficiently so that more funding is directed to classrooms and labs (S5). A minimum, subsistence level of \$760 million is necessary for sustaining basic operations and to allow low and middle income students basic access to Colorado’s colleges and universities (S2).**

Rationale: \$760 has been determined by the HESP as the minimum subsistence level needed to ensure that institutions of higher education can continue to operate at minimum levels. It is a very lean funding level calculated using the following factors:

- A General Fund appropriation based on Fiscal Year 2008-09 of \$706 million;
- Fiscal year 2010-11 financial aid appropriation of \$104 million;
- Restoration of recent cuts of \$150 million;
- \$50 million in system wide cost savings and efficiencies;
- In fiscal year 2008-09, the General Fund appropriation was \$706M plus the fiscal year 2010-2011 financial aid appropriation of \$104M = \$810M, minus ongoing cost savings and efficiencies of \$50M = \$760M; Restoring recent cuts of \$150M;
- Assumption of reasonable growth factors to address minimum increased costs;
- Representing a very lean funding level with a reasonable growth factor to address increased costs going forward.

2. However, if Colorado wants its [or a postsecondary system] colleges and universities to perform and compete globally in terms of excellence, quality, performance, and reputation, we need to invest beyond a bare minimum funding level (S3). **(\*\*\*\$1.1 billion, pending confirmation from OSPB).**

### **Revenue strategies may include:**

#### **Restore income and sales tax rates to 5.0% and 3.0%, respectively**

The income and sales tax rates were reduced during the strong economy of the late 1990s when it was believed TABOR refunds would continue along with strong economic growth. The income tax rate was reduced from 5.0% to 4.75% and then to its current rate of 4.63%, while the sales tax rate was reduced to 2.9% from 3.0%. It is estimated that the restoration of these rates would provide \$445 million in new revenue that could be earmarked for higher education. The restoration of these rates would require voter approval; however, the restoration of a prior tax rate might be more sellable to the public than an increase of another tax rate or an increase of the income or sales tax rate in excess of 5.0% or 3.0%. Restoring both of these rates concurrently would presumably create a less volatile revenue stream than increasing the rate for either income or sales individually.

#### **Expand sales tax to specific services**

A Colorado Legislative Council analysis estimates that expanding the sales tax base to include services in addition to the goods that are primarily taxed currently would raise an additional \$550 million at the existing rate of 2.9%. A proposal could be presented to voters to expand the base of services taxed coupled with a reduction in the overall rate. The main rationale for expanding the sales tax base to services is that services make up a larger percentage of what people purchase in today's economy compared to 30 – 40 years ago. Further, by not taxing services, a somewhat regressive disparity is created where a luxury service is not taxed, but the corresponding good is taxed. For example, a cleaning service is not subject to the sales tax, but the purchase of a vacuum cleaner is subject to the sales tax. Combining the expansion of the sales tax base with a reduction in the overall rate may also be more appealing to voters.

#### **Implement 1.0% surcharge on extraction**

As an alternative to increasing the severance tax rate or eliminating the property tax deduction that corresponds with severance taxes, a 1.0% surcharge on extraction could generate about \$150 million. This approach differs from Amendment 58, the 2008 failed ballot measure which proposed eliminating the property tax deduction and primarily putting the new revenue into a scholarship fund. The implementation of a 1.0% surcharge would equally impact extraction throughout the state, whereas increasing the overall rate or eliminating the property tax deduction does not.

**Implement a 4.0 Mill levy statewide**

A state wide 4.0 Mill increase would generate about \$350 million. This approach would require voter approval at the state level and is a recognition that the entire state benefits economically from higher education institutions.

3. **Local communities that benefit socially and economically from higher education institutions in the community have an obligation to help financially support those institutions (S6).**

**Implement a 4.0 Mill levy in counties where a campus or an institution of higher education is located**

Doing so would generate about \$240 million for higher education. This approach would require local approval of the mill levy increases and would indicate that local communities have “skin in the game.” This approach recognizes the economic impact that institutions have regionally and could be coupled with a tiered state funding match that acknowledges the differing abilities of counties to generate revenue from property taxes.

**Summary of funding summary options:**

| FUNDING SCENARIOS                                                                         | Potential Revenue Generated |
|-------------------------------------------------------------------------------------------|-----------------------------|
| Restore income and sales tax rates to 5.0% and 3.0%, respectively                         | \$445 million               |
| Expand sales tax to specific services                                                     | \$550 million               |
| Implement 1.0% surcharge on extraction                                                    | \$150 million               |
| Implement a 4.0 Mill levy statewide                                                       | \$350 million               |
| Implement a 4.0 Mill levy in counties where an institution of higher education is located | \$240 million               |

4. **Regardless, at any funding level, the majority of state dollars should be given directly to the students to spend where they believe their academic needs will best be met and to motivate Colorado’s colleges and universities to meet those needs (S4).**

- **[unapproved]** Provide funds through the College Opportunity Fund (COF) as well as state financial aid by:
  - Providing COF funds with incentives for enrollment that meets specific state needs to educate low income and first generation students, to meet workforce needs, and to fund graduate education
  - Including incentives through financial aid for students to complete courses and graduate in a timely fashion

**5. Leveraging new and existing dollars (this wasn't explicit, but was pulled out to be consistent)**

- **[unapproved]** Link monetary rewards to measurable progress to spur innovation at Colorado colleges and universities to further state priorities
- **[unapproved]** Focus the state's investment in higher education on state-wide priorities even at a subsistence level of support
- Leverage administrative efficiencies across the system by:
  - Coordinating purchases from system-wide price lists resulting in economies of scale and lower prices
  - Consolidating administrative operations
- Seek and implement innovations such as online course delivery to meet diverse student's needs at lowest cost while maintaining quality
- Demonstrate ongoing savings and efficiencies annually
- **[unapproved]** Allocate a portion of state funds as performance rewards to institutions for measurable outcome achievements in areas that further statewide educational and economic priorities such as meeting Colorado's current and future workforce needs; better student retention; course, certificate, and degree completion; and better opportunities for Colorado's low and middle income students
- **[unapproved]** Allocate a portion of state funds to the Colorado State University Professional Veterinary Medical Program and University of Colorado Anschutz Medical Campus as the cost nature of these programs does not lend itself to per student funding
- **[unapproved]** Recognize that a new funding system may force institutions to make significant changes in how they operate and accomplish their missions, causing some institutions to merge functions or possibly close

## CRITICAL CHALLENGE TWO

### A DISJOINTED SYSTEM

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Colorado's public system of higher education is comprised of 28 colleges and universities: 13 four-year institutions and 15 two-year institutions. Colorado's public postsecondary education institutions are under the direction of 12 governing boards, which are either elected or appointed by the Governor. The Board of Regents of the University of Colorado is responsible for the operation of the University of Colorado Boulder, the University of Colorado at Colorado Springs, and the University of Colorado Denver. The Colorado State University Board of Governors oversees Colorado State University-in Fort Collins, Colorado State University – Pueblo, and Colorado State University Global Campus. The Colorado School of Mines, the University of Northern Colorado, Mesa State College, Western State College, Adams State College, Ft. Lewis College, and Metropolitan State College of Denver each have their own Boards of Trustees. The 13 institutions comprising the state system of community colleges are under the control of the State Board for Community Colleges and Occupational Education, which is unique in the nation with responsibility for both secondary and post-secondary career and technical education and community college governance. Two local district colleges – Aims and Colorado Mountain College – also each has its own Board of Trustees.

The Auraria Higher Education Center (AHEC), which is the physical location of the University of Colorado at Denver, Metropolitan State College of Denver, and Community College of Denver, has an additional layer of governance, that of statutory oversight of the programming and physical operations of that campus. The AHEC Board of Directors is appointed by the Governor.

In addition to the state's 28 public institutions, there are over 300 private occupational schools, which are privately owned and operated post-secondary institutions charging tuition to primarily teach vocational or occupational skills. Governance of the private occupational schools is under the statutory regulation of the Division of Private and Occupational Schools (DPOS) and its appointed board of commissioners. Over 100 private accredited or religious-exempt postsecondary institutions operate with independent governing boards, offering undergraduate and graduate degree programs. Finally, three Area Vocational Schools (AVS) or technical colleges in the state provide certificate programs, job and workforce training. The AVS receive funding primarily from other sources including local taxes and K12 school districts.

The Colorado Commission on Higher Education (CCHE) is the state's higher education coordinating board and was established in 1965. The Commission consists of 11 members, each appointed by the Governor. The CCHE also has an Advisory Committee that is comprised of both legislative and non-legislative representatives. The CCHE responsibilities include: review and approval degree programs; determining the distribution formula for higher education funding; recommending statewide funding levels to the legislature; approving institutional capital construction requests including recommending capital construction priorities to the

legislature; developing policies for institutional and facility master plans; administering statewide student financial assistance programs through policy development, program evaluation, and allocation of funds; developing and administering a statewide off-campus or extended studies, community service, and continuing education programs; and establishing statewide enrollment policies and admission standards.

Although the CCHE has primary responsibility for the public institutions of the state, there is a certain amount of crossover with other types of postsecondary institutions. For example, 16 private, proprietary institutions receive state financial aid; three private nonprofit institutions receive some state appropriation and state financial aid; and the area vocational schools receive a general fund appropriation. Other than allocation of funding at these various levels, there is no statutory regulatory authority by the CCHE for the institutions that are not public in nature.

***The current governance structure does not lead to an intentional advancement of state priorities.*** As noted above, Colorado's public system of higher education has grown, organically, around the institutions that are in the state, and is unique in the United States.

The governing boards and institutions of the public system of higher education are obligated to conform to the policies set by CCHE and must operate pursuant to a performance contract with CCHE. However, the General Assembly "retains the authority to approve tuition spending authority for the governing board of the institution." In addition, higher education finance policy is fragmented among the Colorado Commission on Higher Education, the General Assembly, institutional governing boards, and the Office of State Budget and Planning.

## RECOMMENDATION TWO: HIGHER EDUCATION GOVERNANCE SHOULD BE STRUCTURED IN A WAY THAT LEADS TO AN INTENTIONAL ADVANCEMENT OF STATE PRIORITIES

1. **Colorado requires an integrated higher education system to meet its needs. An effective oversight body with a system view is required to identify state needs, direct policy to address them, enforce accountability, and implement a finance policy whereby a portion of state funding to institutions is based on each institution's performance against specific state goals (A1) (M&G 4). The Colorado Commission on Higher Education (CCHE) requires the statutory authority and responsibility to make recommendations to the Legislature to realign the system of colleges and universities to better meet the current and future demands of the student population**

and to have greater authority in higher education policy. The state should maintain the current structure of higher education governance, comprised of a state-wide regulatory board for implementing broad state-wide policy for higher education and governing boards for systems and individual institutions. (M&G #2) The CCHE should have the responsibility and authority as set forth in the strategies below (M&G #3).

### Overview of Strategies

- Preserve Colorado's current tiered system, with open-enrollment to highly selective admission requirements, but revise it to fewer tiers with clearer, focused selectivity requirements by:
  - Relying on easily understood missions and the quality of education achievable at each of Colorado's public institutions
  - Using the tiers as a vehicle to ensure higher education in Colorado meets Colorado's accessibility needs for all of its citizens
- Use a system view when determining state funding structures by:
  - Considering state appropriations, tuition policy, state financial aid, and institutional subsidies together when assessing policy changes
  - Integrating funding streams, including COF, federal, state, local and institutional student financial aid, and tuition and fees, to ensure access for targeted students
  - Targeting funding as the state deems appropriate
  - Assuring financial access for targeted populations through state and institutional financial aid funding
  - Advocating for more funding for student financial aid, including appeals to business and industry as well as foundations and the federal government
  - Informing students and families of the costs, benefits, and potential returns on their higher education investments
- Articulate and advocate a vision for higher education in the state and set forth a public agenda for higher education that is responsive to the state's demographics, labor market, and economic development needs by
  - Creating centrally overseen policies and practices to meet goals for access and completion for targeted populations and to align with the state's economic development needs
  - **[unapproved]** Consulting with institutional governing boards when developing CCHE recommendations
  - Implementing these recommendations within 18 months due to the urgency suggested by the state's demographic, financial, and other data.
- Serve as the leadership body on such policy issues to ensure access to and success in higher education; create an effective articulation and transfer system; support cost effective modes of delivery of education such as online education; support **K12 (or P12)** to develop new strategies for successful transition to and completion of postsecondary education

- Ensure access to and availability of specialized programs that fulfill statewide priorities such as Science, Technology, Engineering, and Math (STEM)
- Use finance policy, recognizing the interaction of tuition, COF, state financial aid and performance funding, to ensure state goals are being met
- Make recommendations to the legislature regarding allocations to institutions
- Collect and compile data on postsecondary education, using common indicators and metrics, for purposes of describing higher education in the state and ensuring accountability by the institutions to state goals
- Negotiate performance contracts with each institution, utilizing data, that ensure institutions are contributing to meeting state goals and the state is meeting its obligations to the institutions
- Continue to approve new degree and certificate programs to ensure their compliance with an institution's statutory role and mission
- Coordinate with governing boards toward the goal of aligning strategic plans and state goals and priorities
- Appoint the Executive Director of the Department of Higher education
- Restructure performance contracts and fee for service policies to ensure that agreements negotiated between the CCHE and individual institutions are relevant and that institutions, students, and the state are held accountable for their performance by:
  - o Negotiating individual agreements from a system approach with each institution based on the role and mission of that institution to serve both the traditional student (freshman entering college directly after graduating from high school) and the nontraditional student (students entering later in life and taking a less systematic path to graduation), and to recognize the value of successfully transferring a qualified student among two-year and four-year institutions
  - o Aligning with state goals to reflect the need for increased enrollment and certificate and degree attainment by underrepresented and nontraditional students; increased certificate, degree, and course completion by all students; high quality graduate education; and first-rate research institutions

## Recommendation Two: Can we get there?

| <i><b>Strategy</b></i>                                                                            | <i><b>Status Quo</b></i> | <i><b>Base</b></i> | <i><b>Restoration</b></i> |
|---------------------------------------------------------------------------------------------------|--------------------------|--------------------|---------------------------|
| Move toward an integrated system that is focused on state goals under the leadership of the CCHE. | Yes                      | Yes                | Yes                       |
| Create common data sets that are reflective of state goals.                                       | No                       | Yes                | Yes                       |
| Provide a public agenda and leadership on policy issues.                                          | No                       | No                 | Yes                       |
| Ensure specialized programs, such as science, mathematics, engineering, and technology            | No                       | No                 | Yes                       |

|                                                                                               |     |     |     |
|-----------------------------------------------------------------------------------------------|-----|-----|-----|
| (STEM) can meet capacity in the state.                                                        |     |     |     |
| Use comprehensive finance policy to drive state priorities.                                   | No  | Yes | Yes |
| Give statutory authority to the CCHE to study the realignment of the higher education system. | Yes | Yes | Yes |
| Clarify the role and responsibilities of the CCHE.                                            | Yes | Yes | Yes |
| Create centrally overseen policies and practices to further state priorities                  | No  | No  | Yes |
| Restructure performance contracts and fee for service systems to align with state goals.      | No  | No  | Yes |

## CRITICAL CHALLENGE THREE: FAILURE TO MEET DEMAND

### o Colorado's system of higher education is failing to meet the economic demand created by dramatic demographic shifts

- Between 2008 and 2018, it is estimated that 924,000 job vacancies will be created in Colorado from new jobs and retirements. By 2018, 67% of all jobs in Colorado will require postsecondary education, ranking Colorado 5<sup>th</sup> in postsecondary education needs.
- By 2035, in order only to keep pace with demographic growth and shifts, Colorado will need to increase annual degree production by 13,000 and will need to nearly double the rate of degrees granted to Latino students.
- The rate of educational attainment is currently lower than in previous generations. While 28.8% of "Baby Boomers" in Colorado have a bachelor's degree, only 23.3% of subsequent generations do.
- By 2022, the number of high school graduates will grow by approximately 265,000, or 8.6%. Of that growth, 62.2% will be in Latinos, 45.1% will be in Asians/Pacific Islanders and 17.3% will be in Black White, non-Hispanic students will actually decline by 8% (source: WICHE, Knocking at the door).
- Colorado's most rapidly growing ethnic minority, Latinos, is also the most underrepresented in higher education. By 2035, it is estimated that Latinos will comprise 23.4% of the state's population (in some counties that number will rise to over 50%), yet currently only 6% and 8% have an associates or bachelor's degree, respectively. Only 9% of Latino males in high school today will go on to postsecondary education.

### o More than one-third of current increases in baccalaureate degrees are the result of immigration, rather than degrees attained by Colorado residents. Colorado imports a significant population with postsecondary educations while failing to transition the

state's own citizens at an acceptable rate through the educational pipeline – ranking 20th in the country

- o Colorado institutions differ significantly in enrollment of low-income students relative to the income levels of the counties they serve
  - Although there is a strong correlation between high degree attainment and economic prosperity as evidenced today in Colorado's ranking as a prosperous state, income and degree attainment are disproportionate across the state. High population and wealthy counties such as Denver, Boulder, Arapahoe, Douglas, Pitkin, Eagle and Clear Creek have the highest level of degree attainment, while the vast majority of counties "south" of the Denver Metropolitan area, and in rural counties exist at the lowest quartile of degree attainment and per capita personal income.

## RECOMMENDATION THREE: COLORADO MUST LESSEN GEOGRAPHIC, ECONOMIC AND DEMOGRAPHIC DISPARITIES IN HIGH QUALITY EDUCATIONAL ACCESS, RETENTION AND COMPLETION

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1. The Department of Higher Education and its colleges and universities should support statewide efforts towards increasing the number and diversity of students of all ages pursuing higher education (P-1) by:
  - Partnering and collaborating with P-12 school districts in expanding early and universal access to college level coursework for underserved populations (P3);
  - Offering seamless transitions to appropriate levels of learning for all students (P7);
  - Identifying and supporting practices which engage adult learners lacking academic credentials such as GEDs, certificates, and degrees. (P6); and
  - Addressing the capacity of colleges and universities to adequately meet the demands of future enrollment in higher education (P8).

### Overview of Strategies

- Align and synchronize all policies that relate to assessment, admissions, matriculation, remediation, retention, completion, graduation by conducting a policy audit, with emphasis on clarifying and addressing the "porous" aspects of

transitions between traditional levels of delivery where students are lost (middle school, high school, technical colleges, community colleges, four-year colleges, and universities, including both public and private institutions); ensuring assignment of students to levels of postsecondary studies for which they are prepared; and increasing under-represented group participation

- Explore the benefits of blending of operations between the Colorado Department of Higher Education and Colorado Department of Education to provide seamless P-20 state educational services in areas of joint or overlapping responsibility by collaborating with the respective governing boards of colleges and universities, Boards of Cooperative Educational Services (BOCES), and school districts to explore coordination of operations; alignment of pipeline standards to ensure effective cooperation between academic and applied Career and Technical Education levels of P-20 and adult education; and coordination of postsecondary readiness expectations, measurements, and services
- Provide for earlier access to career and college preparation, with emphasis on Latino students and English Language Learners, by focusing on awareness, academic preparation, financial literacy and capacity
- Expand and replicate successful college preparation programs such as GEAR UP and TRiO programs while measuring their return on investment and success as benchmarked against traditional pathways
- Increase family educational efforts, engage parents, look beyond students to other communities of support
- Support outreach to and re-engagement of adult students to complete GED's, certificates, and degrees by partnering with other state agencies to better identify the needs of and serve adult learners.
- Expand Individual Career and Academic Plan (ICAP) to colleges and universities and work force centers
- Encourage institutions of higher education to develop memorandums of understanding with school districts, regional service areas, and BOCES to:
  - Ensure teacher preparation programs address realistic 21st Century postsecondary preparation for all students
  - Allow students to take courses that interest them and encourage students to try multiple options
  - Notify students automatically of college acceptance based on meeting postsecondary and workforce readiness standards
  - Notify colleges and universities of student readiness for higher education based on ACT, SAT, ACCUPLACER results and courses taken
  - Guarantee tuition funding for eligible students who meet admission requirements
  - Guarantee admission for students transferring from successful 2-year programs
  - Certify qualified high school teachers as adjunct professors for concurrent enrollment
  - Authorize high schools as accelerated sites
  - Use financial incentives to expand Ascent programs within school districts

- Encourage every high school student to complete college level courses prior to graduation
- Develop course offerings to promote matriculation without the need of remediation
- Utilize language College Level Examination Program (CLEP) for dual language students
- Prepare educators to recognize the value of accelerated coursework for all students and increase their understanding of concurrent enrollment
- Evaluate progress toward matriculation, persistence, and graduation for students taking concurrent enrollment, extended studies programs, advanced placement, and international baccalaureate coursework in high school
- **[unapproved]** Conduct a capacity review Colorado higher education, taking into account both current and projected demand through a statewide space utilization study, and by identifying and promoting collaborative uses of classrooms, labs, residencies, and online resources to meet the learning needs of current and future student demographics

## Recommendation Three: Can we get there?

| <i>Strategy</i>                                                              | <i>Status Quo</i> | <i>Base</i> | <i>Restoration</i> |
|------------------------------------------------------------------------------|-------------------|-------------|--------------------|
| Audit and synchronize policies                                               | Yes               | Yes         | Yes                |
| Conduct a capacity review                                                    | No                | Yes         | Yes                |
| Evaluate effectiveness of early college access for high school students      | No                | Yes         | Yes                |
| Blend operations between the CCHE and the Colorado Department of Education E | No                | No          | Yes                |
| Expand and replicate successful college prep programs state wide             | No                | No          | Yes                |
| Create centrally overseen policies and practices to further state priorities | No                | No          | Yes                |
| Develop state wide adult degree completion programs                          | No                | No          | Yes                |
| Expand ICAP to institutions and workforce centers                            | No                | No          | Yes                |

## CRITICAL CHALLENGE FOUR

### A BROKEN PIPELINE

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**Colorado's postsecondary pipeline is broken and performs well below the national average, and does not reach all Coloradans equally:**

- o Of 100 9<sup>th</sup> graders in Colorado, 70 will graduate from high school, 44 will enter college, only about half (26) will enroll in the second year, and 22 will graduate within 150% of program time or within 6 years. The most prominent "leaks" in the educational pipeline include the transition into the first year of college from high school graduation and retention past the first year of post-secondary education.
- o Of students entering postsecondary education, nearly 60% of new students require remedial education. More troubling, only 4% of students enrolled in the lowest level of math (030) will graduate from the community college within 150% or three years of the program time.
- o Enrollment in institutions based on type is disproportionate throughout the state, with the highest enrollment numbers concentrated in the research institutions having selective admission requirements and community colleges with open admission, leaving four year, state institutions, with moderate price structures and admissions standards with relatively lower enrollment.
- o More than a third of Colorado's adult population lacks any postsecondary education, with 13% of adults lacking any form of high school credential.
- o Over 524,000 adults in Colorado have accumulated some college credits, but have not completed a certificate or degree. (check this stat)
- o **Colorado's ethnic educational achievement gap is worse than any other state in the United States**
  - There is a 35.8% difference between whites and Latinos aged 25-34 with an associate's degree or higher. Comparatively, the average U.S. gap between whites and the next largest ethnic group education attainment is 19.3%.
    - Of those Latino students who complete high school in Colorado, only 17.1% attempt college (18% at 4 year institutions, 14% at 2 year), 4.9% graduate with an associate's degree, and 3.2% obtain a graduate or professional degree
    - Latinos represent the highest ethnic minority group requiring some measure of remediation as new students in community colleges
    - At the same time, as stated above, Colorado's Latino population is growing at a faster rate than any other ethnicity. Nearly one-quarter of the entire state population is projected to be Latino by 2035 with higher rates in some counties such as Denver.

## RECOMMENDATION FOUR: COLORADO MUST IDENTIFY SYSTEMATIC APPROACHES THAT ENHANCE AND IMPROVE THE EDUCATIONAL PIPELINE.

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The state's system of higher education should guarantee flexible, accessible and affordable entry points and paths to completion for students (A3) by:

- Identifying promising practices and providing support to increase the admission, retention, completion, and successful graduation of all students (P4);
- Identifying, investing in and expanding efficient ways of delivering remediation and developmental education to move students effectively and successfully into and through certificate and degree programs (P2);
- Establishing common metrics and standards for data collection and sharing to measure progress toward meeting the charge of increased admissions, retention, and completion of all students (P5).

### Overview of Strategies

- Continue collaboration and coordination between higher education and K-12 education around Higher Education Admissions Requirements (HEAR), Senate Bill 08-212, and post-secondary academic preparation by:
  - o Determining student "readiness" for college level work earlier and notifying K-12 schools of individual students' remediation needs
  - o Using assessments no later than 11<sup>th</sup> grade
  - o Providing supportive services before post-secondary education
  - o Promoting credit recovery and developmental education with an emphasis on under-represented populations
  - o Making concurrent enrollment available statewide
  - o Supporting transparent career cluster and pathway models statewide regardless of the educational institution
  - o Guaranteeing admittance into Colorado's integrated system of public higher education institutions
  - o Reviewing and refining state approaches to developmental and remedial education and investing in strategies to meet diverse students' needs from basic education to "brush up and refresher" programs

- o Providing funds to Community Colleges to lead redesigning developmental education and to clarify standards and timing for 030, 060, 090 sequences
  - o Adopting innovative approaches for developmental and remedial course work such as allowing for delivery options through four-year institutions at the 090 level, online offerings, modular offerings, and work force centers for adult learners
- Develop and implement targeted awareness campaign to break barriers that “higher education is not for me” by:
  - o Continuing to create pathways through higher education completion for students regardless of their immigration status
  - o Assisting with financial planning, including requiring the FASFA4caster in 11<sup>th</sup> grade and providing students and their families detailed statements of expected costs and financial aid potential
  - o Sharing financial aid information sooner through vehicles that reach targeted groups such as social networking and multi-lingual options
  - o Making institutions affordable to attend according to student qualifications for admission regardless of student financial need
  - o Notifying students and families proactively that, based on admittance criteria established for each tier of colleges and universities, the student has been admitted to post-secondary education
  - o Deeming students satisfying defined admission requirements for each tier of the system as admitted to any school in that tier as well as colleges below that tier
  - o Admitting students through dual admittance in “sister” higher education institutions
  - o Instituting statewide, seamless transfer among public two-year and four-year institutions for qualified students and from the student’s perspective
  - o Developing transparent and uniform transfer requirements so qualified students may move to public institutions with more selective admission criteria
- Provide students choice at all tiers of public colleges and universities based on merit and not affordability while charging competitive market tuition and fees to allow for:
  - o Offering “Opportunity Admissions” at upper tier institutions to be paid for by institutional subsidies and to be filled by a diverse pool of students
  - o Meeting 100% of qualified, low income students financial need through a combination of loans, grants, and self-help and without the use of parent or private loans
  - o Awarding need-based financial aid to students directly, as currently done with federal Pell grants, and making that aid portable to any Colorado public college or university
  - o Using one statewide application form, if necessary, and aligning the timing of financial aid and account payment

- Increase the current state financial aid allocation of approximately \$100 million and use it more effectively by:
  - Devoting more dollars to work study, certificate, part-time, and adult learners
  - Considering student shared commitments, such as transitioning loans to grants if certain student performance indicators are met including graduating early or on time
  - Creating merit-based loans and grants while assessing their impact on retention
- Set performance targets by institution for the admission and completion of low income students, students of color, and according to the economic development needs of the state by:
  - Reviewing current data to establish common metrics and standards; consolidating planning data and reports; determining matriculation, remediation, and graduation data to be collected from public and private institutions, area vocational schools, private occupational schools, and the National Student Clearinghouse; and connecting to other key databases such Division of Private Occupational Schools, Colorado Department of Labor and Employment, and ACT
  - Providing supportive services targeted to low income or first generation students statewide, with emphasis on mentoring and advising
  - Focusing efforts on retaining students in the first two years of college
  - Strengthening Adult Basic Education through funding and expertise in cooperation in with K-12
  - Adopting minimum standards for open enrollment
  - Focusing funding on student completion at the course, certificate, and degree level
  - Taking into consideration revenue generated by market rate tuition and fees at institutions when allocating general fund dollars so that general fund dollars for students may be allocated to fund supportive services in the tiers that help them stay on track and complete their educations
  - Funding institutions, in part, on the percentage of students who graduated from high school from their geographic region and who complete higher education certificates and degrees regardless of the institution attended

## RECOMMENDATION FOUR: CAN WE GET THERE?

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| <i>Strategy</i>                                                        | <i>Status Quo</i> | <i>Base</i> | <i>Restoration</i> |
|------------------------------------------------------------------------|-------------------|-------------|--------------------|
| Redesign remediation                                                   | No                | No          | Yes                |
| Make statewide concurrent enrollment available                         | No                | No          | Yes                |
| Guarantee admission                                                    | No                | No          | Yes                |
| Provide financial planning assistance to 11 <sup>th</sup> grade        | No                | Yes         | Yes                |
| Notify automatic admission                                             | No                | No          | Yes                |
| Evaluate HEAR, transfer, SB 08-212                                     | Yes               | Yes         | Yes                |
| Make financial aid portable                                            | No                | No          | Yes                |
| Meet 100% financial aid on need                                        | No                | No          | Yes                |
| Set performance targets for institutions aligned with state priorities | No                | No          | Yes                |

**Comment [u2]:** Can we really do this at a restoration level? I just don't know.

## Higher Education's Return on Your Investment

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*Higher Education's benefit of increased rates of education attainment:* increased personal income and economic strength; increased levels of workforce participation, productivity and dollars to the state; decreased rates of incarceration; improved health; reduced participation in Medicaid and other social service programs; greater participation in artistic, cultural, and civic pursuits; higher levels of volunteerism and social engagement.

*Role in economic development/ prosperity:* our public institutions are an economic driver in the state, supporting over 95,500 jobs and contributing 4.25 billion dollars in wages and salaries and nearly 387 million dollars in state and local taxes to Colorado's annual economy.

A state appropriation of \$100 million for operating budgets spent within the state of Colorado by its colleges, universities and professional schools will generate another \$147.63 million in expenditures in other sectors of the state's economy. It will create 3,063 jobs, including direct employment at the colleges and universities, which will pay \$87.81 million in wages and salaries. Assuming that the average worker pays about 9.1% of his salary in state and local taxes, the \$100 million expenditure will generate almost \$8 million in tax revenues.

Each dollar paid to a higher education employee will generate another \$0.97 in wages and salaries for employees in other industries as it circulates through the Colorado economy. Each higher education job will generate 0.69 additional jobs in other industries as goods and services are purchased for the institution and employees buy goods and service for their personal use.

*Role in innovation/ Research:* Our research institutions make an enormous contribution to the state's innovation and productivity; in 2008, CU Boulder received more than \$280 million in sponsored research awards; CSU in Ft. Collins received \$312 million; Our research institutions are collaborating with other institutions, federal laboratories and private industries including the Colorado Bioscience Park Aurora (CU Anschutz Medical Campus), the only academic affiliated bioscience park in the country... and the Colorado Renewable Energy Collaboratory -partnered with CU Boulder, CSU and the School of Mines, and National Renewable Energy Laboratory.