Recommendation #1

Integrated System: Colorado requires an integrated higher education system to meet its needs. An effective oversight body with a system view is needed to identify state needs, direct policy to address them, and enforce accountability.

Maintain clarity of and focus on mission

• Colorado residents and students should be able to easily understand -- and rely on – the mission and quality of education (certificates to degrees) to be achieved at each of Colorado's public institutions.

Adhere to tiered selectivity

- Colorado's current tiered system, with open to highly selective admission requirements, should be preserved but revised to fewer tiers with clearer, focused selectivity requirements.
- Rather than presenting barriers, the tiered selectivity should be used as a vehicle to ensure higher education in Colorado meets Colorado's accessibility needs for all of its citizens.

Consider state funding with view to the system

- State appropriations, tuition policy, state financial aid and institutional subsidies should be considered together when assessing policy changes.
- Funding streams should be integrated, including COF, federal, state, local and institutional student financial aid, and tuition and fees, to ensure access for targeted students.
- Colorado's tiered system should be used as a mechanism for the state to target funding as it deems appropriate.

Assure financial access for targeted populations

- State and institutional financial aid funding, policies and practices should be overseen centrally to ensure goals for access and completion for targeted populations are met and aligned with economic development needs.
- Advocacy for more funding for student financial aid should be paramount, including appeals to business and industry as well as foundations and the federal government.
- Students and families should be informed of the costs, benefits, and potential return on their higher education investments.

Recommendation #2

Student Educational Access: Colorado students need flexible entry points and paths to completion.

Entry points – Before admission:

- •Student "readiness" for college level work should be determined sooner, including using assessments in 11th grade or earlier.
- •Career cluster/pathway models should be in practice, transparent, and supported statewide regardless of the educational institution.
- •Supportive services should be in place before post secondary education.
- •Targeted "awareness" campaign should be developed and implemented designed to "break" barriers suggesting that "higher education is not for us".
- •Efforts must continue to create pathways through higher education completion for students regardless of their immigration status.

Entry points - "Deemed" admission:

- •All qualified students should be guaranteed admission into Colorado's integrated system of public higher education institutions.
- •Students who satisfy defined admission requirements for each tier of the system should be deemed to be admitted to a school in that tier as well as colleges below that tier.
- •Notice should be sent, proactively, to students and families stating that, based on admission criteria established for such tier, the student has been admitted to college.

Paths to completion -- Movement between institutions and tiers:

- •All qualified students should be able to move to public institutions with more selective admission criteria (up the pyramid) if they meet transparent and uniform transfer requirements.
- •Transfer to public institutions from two year to four year institutions of qualified students should be developed from the student's perspective, should be seamless and should be instituted statewide.
- •Dual admittance in "partner" higher education institutions should be in practice statewide and supported
- •Concurrent enrollment with high schools should be statewide practice and supported.

Recommendation #3

Student Financial Access: Students need affordable opportunities to complete higher education.

Choice at all tiers based on merit, not affordability:

- Students who qualify for admission on merit should find that institution affordable to attend according to their financial needs.
- Students attending public institutions at the top of the pyramid should be charged competitive market tuition and fees. "Opportunity slots" should be accessible at upper tier institutions, to be paid for by institutional subsidies and to be filled by a diverse pool of students.
- For qualified, low income students, 100% of their financial need should be met, through a combination of loans, grants and self help and without use of parent or private loans.
- Just as with federal Pell grants, need-based financial aid should be awarded to students directly and should be portable to any Colorado public, regionally accredited, non-profit higher education institution.

Better, easier process:

- Students should be assisted with financial planning, including requiring them to use FASFA 4caster in 11th grade and providing them statements detailing expected costs and financial aid potential.
- Financial aid information should be shared sooner through vehicles that reach targeted groups (e.g. social networking, multi-lingual).
- One statewide application form, if necessary, should be used, and timing of Pell and state aid calendar should be aligned.

More financial aid, better use of it:

- State financial aid funding for undergraduate education should be increased to better meet needs.
- Current ~\$100 M in state financial aid for undergraduate education needs to be used for higher impact:
- More dollars should be devoted to work study, certificate, part time and adult learners.
- Student "shared commitments", such as turning loans to grants if certain performance met or if students graduate early or "on time", should be in place.
- Some "merit-based" loans/grants should be reinstituted, and their impact on retention should be assessed.

Recommendation #4

Student Educational Completion: Success is earning the credential sought by the student.

Strategies for student completion:

- Collaboration and coordination between higher education and K-12 education around Higher Education Admissions Requirements, Senate Bill 08-212, and post-secondary academic preparation should be continued.
- "Supportive services" targeted to low income or first generation students should be the practice statewide, with emphasis on mentoring and advising.
- "Individual Career and Academic Plans" should be developed and implemented to put and keep students on track to complete their educations.
- Efforts should be focused on retaining students in the first two years of college.
- Adult Basic Education must be strengthened through funding and expertise in cooperation in with Pre-K-12.
- Performance targets must be set by institution for low income students, students of color, and according to the economic development needs of the state.

Funding focused on student completion:

- Revenue generated by market rate tuition and fees at those institutions at the top of the pyramid should be taken into consideration when allocating general fund dollars; general fund dollars for students in other tiers should be allocated to fund "supportive services" that help them stay on track and complete their education.
- Institutions should be funded, in part, on the percentage of students who graduated from high school from their geographic region who complete higher education certificates and degrees regardless of the institution attended.

Recommendation #1

Colorado's economic future depends on maintaining a robust system of colleges and universities. Creating and sustaining a funding source for higher education must become a top state priority.

- •Colorado is next to last in per student spending on our colleges and universities behind states like Mississippi and Arkansas.
- •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.
- •Colorado colleges and universities are persistently at risk of extinction because they have no reliable source of revenue.
- •Colorado's relative total tax burden is low, but compared to most states we have a strong economy and enough wealth to improve our position nationally and demand greater performance from our colleges and universities. Today, Mississippi invests three times more in their colleges and universities than Colorado. Arkansas invests over two times more.
- •Our colleges and universities must work as a system with leaders across the state on strategies to set aside a sustainable and dedicated funding source for basic operations and improved performance.

Recommendation #2

If Colorado wants colleges and universities that can perform and compete globally in terms of excellence, quality, performance and reputation, we need to invest beyond a bare minimum funding level.

- •Doing more costs more. If high quality colleges and universities are a top priority for Colorado's citizens, it will take an investment beyond subsistence funding for basic operations.
- •The margin of additional investment beyond basic operations need not be large, but if leveraged properly the return on a relatively small investment can be significant.
- •Linking monetary rewards to measurable progress will spur innovation at Colorado colleges and universities to use state investments to further state priorities.
- •The state's investment in higher education should be focused on state-wide priorities even at a subsistence level of support.
- •Colorado is 49th out of 50 states in state support per \$1,000 of personal income. A state contribution of \$1.5B annually would raise Colorado to 27th nationally.

Recommendation #3

\$760 million is recommended as a minimum, subsistence level of support necessary for sustaining basic operations and to allow low and middle income students basic access to Colorado's colleges and universities.

- FY 2008-09 General Fund (\$706M) plus FY 2010-11 Financial Aid (\$104M) = \$810M, minus ongoing cost savings and efficiencies (\$50M) = \$760M,
- The minimum level identified includes restoring recent cuts of \$150 million and represents a very lean funding level relative to other states. At \$760 million of state funding, Colorado would still place 49 of 50 states relative to personal income.
- The \$760 million estimate assumes a reasonable growth factor to address increased costs going forward,
- Potential revenue sources that should be examined include those described in the table below.

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

The states' 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.

Recommendation #4

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 in order to motivate Colorado's colleges and universities to meet those needs.

- •Funds through the College Opportunity Fund {COF} and Financial Aid should be maximized by:
 - Providing COF funds to all resident students with additional incentives for enrollment that meets specific state needs to educate low
 and middle income students, first generation students, to meet workforce needs, and to fund graduate students. The incentive
 portion of COF will accrue directly to institutions whose students meet the incentive criteria. COF incentives will be calculated as a
 proportion of the basic COF and be the same regardless of the institution the student attends.
 - Including incentives through financial aid for students to complete courses and graduate in a timely fashion.
- •Link monetary rewards to measurable progress to spur innovation at Colorado colleges and universities to further state priorities.
 - 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 degrees and certificates that meet Colorado's current and future workforce needs; better student retention; course, certificate, and degree completion; and better outcomes for Colorado's low and middle income students.
- •Allocate a portion of state funds thru fee for service contracts to the Colorado University Professional Veterinary Medical Program and University of Colorado Anschutz Medical Campus, given that these types of programs do not lend to themselves to per student funding. Other graduate programs can be handled thru COF incentives. Significantly reduce any other fee for service allocations.
- •Focus on institutional and statewide efficiencies such as:
 - · coordinating purchases from system-wide price lists resulting in economies of scale and lower prices
 - consolidating administrative operations
 - implement innovations such as online course delivery of core courses to meet student needs at lower cost while maintaining quality
 - demonstrating ongoing savings and efficiencies annually
- •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.

Recommendation #5

Colorado's colleges and universities are doing a good job reducing costs and are already far more efficient than most states. Colorado institutions should continue to seek ways to operate more efficiently so that more funding is directed to our classrooms and labs.

- Colorado colleges and universities are already very efficient our state investment per certificate and degree is second lowest in the nation.
- Colorado colleges and universities are actively seeking ways to do more with less and create long-term savings.
- Colorado's higher education system must leverage administrative efficiencies across the system, such as:
 - Coordinating purchases from system-wide price lists result in economies of scale and lower prices,
 - Consolidating administrative operations.
- Beyond administrative savings and efficiencies, Colorado institutions should actively seek and implement innovations such as online
 course delivery to meet diverse student's needs at lowest cost while maintaining quality.
- As a goal, the system should be able to demonstrate ongoing savings and efficiencies annually.

Recommendation #6

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

• The state should create a matching fund where local voters' financial commitment to a local college or university can be matched with state assistance. Such a local commitment would be "equalized" to account for local revenue capacity variances.

Implementation – Mission & Governance Subcommittee

Recommendation #1

The Subcommittee recommends the Steering Group adopt the following mission for Higher Education in Colorado.

The mission of higher education in Colorado is to:

- Provide access to an internationally competitive post-secondary experience to any qualified Colorado student through a tiered system (i.e., community colleges, four-year colleges and research institutions);
- Maximize quality, efficiencies and affordability;
- Meet needs of the workforce, economy, and demographics of the state;
- Develop responsible citizens for a successful civic enterprise.

Recommendation #2

The Subcommittee recommends the state maintain the current governance structure of higher education, pending the outcome of a review of the system of colleges and universities called for in Recommendation 5, comprising a state-wide regulatory board with authority to implement broad state-wide policy for higher education. Governing boards, including elected local district junior college boards, and a state-level board for the state community college system should be retained.

Recommendation #3

The Subcommittee recommends that the Colorado Commission on Higher Education (CCHE) have greater authority in higher education policy. The CCHE should have the responsibility and authority as set forth below to:

- 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.
- Serve as the leadership body on such policy issues as ensuring access to and successful completion of higher education course work; creating an effective articulation and transfer system; supporting cost effective modes of delivery of education (e.g., online education); supporting the state's K-12 system 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 STEM (science, technology, engineering and math).
- Recognize and utilize the interaction of tuition, COF, state financial aid and performance funding to ensure state goals are being met.
- Make recommendations to the legislature regarding financial allocations to institutions, including those state-funded institutions that do not receive COF, performance funding or capital construction.

Implementation – Mission & Governance Subcommittee

Recommendation #3 Continued

- Compile data on postsecondary education, using common indicators and metrics, for the purposes of describing higher education in the state and ensuring accountability by the institutions to state goals.
 - The CCHE should conduct a thorough review of all data submitted by institutions to ensure that it is being submitted, compiled and utilized in the most efficient and informative manner.
- Negotiate performance contracts with each institution, utilizing data referenced above, that ensure institutions are contributing to meeting state goals and the state is meeting its obligations to the institutions.
- Continue to approve new degree 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.

Recommendation #4

The Subcommittee recommends implementing a finance policy whereby a portion of state funding to institutions is based on each institution's performance against specific state goals set forth by the CCHE.

Performance contracts and fee for service policies should be structured 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. While taking a system approach, individual agreements should be negotiated by the CCHE with each institution based on the role and mission of that institution. Agreements should 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 recognize the value of successfully transferring a qualified student from a two-year to four-year institution. State goals should reflect the need for:

- Increased enrollment and certificate and degree attainment by underrepresented and nontraditional students;
- increased certificate, degree and course completion;
- maintaining high quality graduate education and a first-rate research system.

Performance or outcome based funding for institutions can only be effective, and should only be implemented, when total state funding exceeds the base level of \$760 million.

Implementation – Mission & Governance Subcommittee

Recommendation #5

The subcommittee believes that the current alignment of institutional missions may not be the best way to serve the demographic of students expected to matriculate in our state institutions of higher education. The subcommittee believes there is insufficient resources and capacity to serve the greatest areas of demand for certificates, two-year degrees and baccalaureate degrees. **The CCHE should** recommend to the Legislature a realignment of the system of colleges and universities to more efficiently and productively meet the current and future needs of the student population. More specifically and among other considerations:

- The CCHE should examine the role and mission and the research designation of all research institutions and graduate programs.
- The CCHE should study the Auraria Higher Education Center and whether it remains the most effective structure to meet higher education needs in the Denver regional area.
- The CCHE should strongly encourage the state's university systems, the baccalaureate colleges and the community colleges to consider stronger cooperation, consolidation, and even merger as a means of better meeting the state's higher education needs with limited resources.
- The CCHE should develop its recommendations in consultation with institutional governing boards.
- Based on the state's demographic, financial and other data, the Subcommittee believes that these recommendations must be implemented within 18 months.

Recommendation #6

The CCHE should be given statutory authority to appoint the Executive Director of the Department of Higher education. The Executive Director would serve at the pleasure of the CCHE and, under the CCHE's supervision, administer the Department.

NOTE: The vote was five to four in favor of this recommendation, but the subcommittee offers an alternative suggestion for consideration by the Steering Group:

Upon a vacancy of the executive directorship, the CCHE shall have the statutory authority to recommend to the Governor three nominees, from which the Governor shall appoint the Executive Director.

Recommendation #1

The Colorado HE System should support statewide efforts towards increasing the Number and Diversity of Students of all ages pursuing Higher Education.

- Align/synchronize all policies that relate to matriculation, remediation, retention, completion, graduation
 - Conduct policy audit, with emphasis on clarifying and addressing the "porous" aspects of transitions between traditional levels of delivery (middle School, high School, technical & area vocational schools, community colleges, four year colleges and universities, including both public and private institutions)
- Provide for earlier access to career and college prep, with emphasis on Latino students and English language learners: focus on awareness, academic preparation, financial literacy/capacity
 - Expand/replicate successful college prepatory programs such as GEAR UP, TRiO, and student support services. Measure success, cost, return on investment, and reduction of redundancy.
 - · Increase family educational efforts.
 - Extend ICAP requirement to Colleges and Workforce Centers
- Encourage postsecondary institutions to develop strong collaborations with school districts, regional services areas (RSA) and boards of cooperative educational services (BOCES)
 - Ensure teacher preparation programs address realistic 21st Century postsecondary preparation for all students.
 - Automatic notification from postsecondary institutions college acceptance based on meeting postsecondary and workforce readiness (currently Index score).
 - Notification to postsecondary of student readiness per ACT, SAT, and concurrent enrollment courses taken.
 - Guaranteed tuition funding for eligible students who meet admission requirements.
 - Guaranteed admission for students transferring from successful 2-year programs.
- Coordinate and align college admissions policies with jointly adopted standards to ensure assignment of students to levels of postsecondary studies for which they are prepared.
 - · Recalibrate admissions index to accurately reflect selectivity and revisit definition and use of "window".
 - Adopt assessments which accurately reflect preparation.
 - · Provide for admission of under-represented groups.

Recommendation #2

The State of Colorado/ Colorado HE System must identify, invest in and expand efficient ways of delivering remediation/developmental education in order to move students effectively and successfully into degree/credit-bearing programs.

- Review and refine state approaches to developmental (remedial) education and invest in strategies to meet diverse students' needs from basic education to "brush up/refresher".
 - Provide funds to Community Colleges to take the lead in redesigning developmental/remedial education. Clarify standards and timing for 030, 060, 090.
 - Allow for delivery options via four year colleges at the 090 level, and workforce centers for adult learners. Utilize targeted funding and collaborations.
 - Develop and adopt innovative approaches to delivery (e.g. modular, accelerated, online, and/or contextualized offerings).
 - · Adopt minimum standards for open enrollment.
 - Notify P-12 schools of individual students' remediation needs.
- Promote early assessment of need for credit recovery and/or developmental education needs, with emphasis on under-represented populations.
 - Support early intervention.
 - Develop partnerships between secondary & postsecondary to align expectations, definitions, and assessments.
 - Expand online capacity.
- Provide incentives for completion of remedial courses.
- Review and define and address "porous" zones between traditional delivery levels.

Recommendation #3

The Colorado HE System should partner with/collaborate with P-12 school districts in expanding early/universal access to College Level Coursework, for underserved populations.

- Promote multiple options for acceleration.
 - Track student progress toward matriculation, persistence, and graduation rates for students taking concurrent
 enrollment, advanced placement, international baccalaureate, and other accelerated coursework in high school.
 Currently no way to determine if accelerated coursework leads to postsecondary success.
 - Encourage students to try multiple options while in high school.
 - · Allow students to take courses that interest them, selectively rather than sequenced to common core
- Require MOUs on accelerated learning between postsecondary institutions LEAs
 - Certify qualified high school teachers as adjunct professors.
 - · Authorize high schools as accelerated sites.
 - Use financial incentives to expand Ascent within school districts.
 - Every student should take, at minimum, a certificate level course.
 - HE should develop course offering to promote matriculation without need of remediation.
 - Utilize college level placement exams (CLEP) for dual language students.
- Educator preparation and professional development should include recognition of the value of accelerated coursework for all students.
 - Ensure inclusion of training on concurrent enrollment in educator preparation

Recommendation #4

The Department of Higher Education should take the lead in identifying promising practices and provide support to Higher Education Institutions (at all levels) to increase retention, completion and successful graduation.

- Focus on improving persistence % between year 13 and 14. Look at 1st year experience programs.
 - Invest existing dollars in initiatives with better outcomes for underrepresented students. (Performance Based Funding)
 - 1st to 2nd year completion.
 - Certification/completion.
 - Reward "pre-remediation"
 - · Organize college and course offerings (including remedial courses) to fit students' readiness & interests.
 - Provide effective, coordinated college level services to address college dropout rates.
 - Engage Private Colleges and Occupational Schools.
- Review P-12/HE structure to provide for seamless & successful sequence.
 - Promote seamless transfer from 2-year to 4-year colleges and expedite completion.
 - Create Online Transfer Center.
 - Rework Admission Requirements, address Index, Window.
 - Ensure that Educator Prep Programs and PD prepare educators to understand interface of levels of achievement.
- Create capacity along Front Range for expanded Technical, 2-year and Moderately Selective 4-year options, with capacity to address needs of greatest number of students.
- Configure COF to reward persistence and completion; and to promote success in under-represented populations.

Recommendation #5

The Colorado HE system should establish common metrics and standards for data collection and sharing, which measure progress towards meeting the charge of increased admissions, retention and completion.

- Determine Matriculation, Remediation, Graduation data to be collected from Privates, DPOS and National Student Clearinghouse
- Review current data, establish common metrics & standards; Consolidate "planning" data and reports;
- Connect to other key databases, DPOS, CDLE, CareerReadiness

Recommendation #6

The Department of Higher Education should take the lead in identifying and supporting colleges and universities which are engaging adult learners who lack academic credentials, such as GEDs, certificates and degrees.

- Support outreach to and re-engagement of adult students to a) complete GED; b) complete Certificates and degrees
- Improve educational services to incarcerated individuals and ex-offenders.
- Partner with other state agencies in order to better identify the needs of, and serve, adult learners.

Recommendation #7

The Colorado P-20 System should offer seamless transitions to appropriate levels of learning for all students.

- The State of Colorado should explore the benefits of blending of operations between CDHE and CDE to provide seamless P-20 state educational services in areas of joint or overlapping responsibility.
- CDHE and CDE, in collaboration with the respective governing boards of the colleges and universities, BOCES, school districts etc., will explore coordination of operations
- Align "Pipeline" standards to ensure effective cooperation between academic and applied (CTE) levels of P-20 and Adult Education.
- Coordinate Postsecondary Readiness expectations, measurements and services between CDHE and CDE.

Recommendation #8

The State of Colorado must address the capacity of postsecondary institutions to adequately meet the demands of future enrollment in Higher Education.

- Conduct a capacity review of Colorado's HE system, taking into account both current and projected demand, including statewide space utilization study
- Convene task force to define "capacity", collect data, make recommendations (2010, 2018, 2035)
- Take the lead in identifying and promoting collaborative uses of classrooms, labs, residences, online resources to meet learning needs of current and future student demographics.
- Pursue legislation similar to P-12 BEST process, but not limited to bricks and mortar