

**MINUTES OF THE
COLORADO COMMISSION ON HIGHER EDUCATION
January 5, 2006**

Chairperson Terry Farina called the meeting to order at 10:00 a.m.

Commissioners Terry Farina, Judy Altenberg, Ray Baker, Richard Garcia, Dean Quamme, Richard Ramirez, Edward Robinson, Greg Stevinson, James Stewart and Judy Weaver were present. Commissioner Joel Farkas was excused. Commission Staff members attending were Executive Director Rick O'Donnell, Matt Gianneschi, Jenna Langer, Jason Hopfer, Rich Schweigert, Diane Lindner, Matt McKeever and Mary Lou Lawrence. Advisory Council Member Stuart Helvig was in attendance. Representative Val Vigil attended.

Cliff Richardson, President, welcomed the Commission (CCHE) to Red Rocks Community College (RRCC), and told of the college's new Industrial Science and Operation Program, which trains plant process operators. It is responsive to industry needs. Students receive basic plant process operator training and choose a specific industry for additional classes. RRCC is working with Jefferson County Schools, Tri-County Work force and current process operators to recruit students.

Commissioners discussed the issue of in-state tuition status for undocumented aliens and are awaiting a formal opinion from the Attorney General on this issue.

Mr. Stewart moved to approve minutes of the November 7, 2005, meeting and Mr. Baker seconded the motion. The minutes were unanimously approved.

There was no public comment.

Chairperson Farina noted that Rich Schweigert, Chief Financial Officer, and Jason Hopfer, Government Relations and Public Information Officer were departing and commended and thanked them on their service to Commission, the institutions and citizens of Colorado. Mr. Baker praised the Executive Director, Mr. Schweigert and Mr. Zambrano for their work on monumental, revolutionary higher education legislation and programs, including the College Opportunity Fund, Fitzsimmons Campus and the College in Colorado. Mr. Schwigert and Mr. Hopfer thanked the Commissioners for their support, hard work and the opportunity to work for them. Chairman Farina congratulated Diane Lindner on her appointment as Chief Financial Officer.

Advisory Council member Stuart Helvig noted things were more optimistic with the passage of Referendum C.

Report by Capital Subcommittee: Mr. Farina thanked Commissioners Baker, Quamme, Farkas and Stevinson for their work on the Subcommittee. Mr. Quamme reported there have been two subcommittee meetings attended by institution representatives, at which Priority Lists 1 and 2 were reviewed and approved, resulting in slight revisions. The revised lists will be submitted to the Legislative Capital Construction Committee (CDC). The submission includes fifteen List 1 health and safety projects as well as List 2

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projects, those supporting program areas. Subcommittee members will appear at the CDC meeting later this day to discuss the projects. CDC staff is familiar with List 1 projects and have committed to review List 2 projects through out the Legislative Session.

PRESENTATIONS AND DISCUSSION

NATIONAL AND COLORADO K-12 HIGH SCHOOL GRADUATION REQUIREMENTS: Mr. O'Donnell said the Governor had established the Education Alignment Council to bridge K-12 and Higher Education. Terri Rayburn-Davis & Daniel Furman, from the Fund for Colorado's Future, staff the Council. The material presented may affect legislation and demonstrates the extent to which some Colorado school systems are not prepared to offer curriculum supporting the Commission's admissions standards.

Ms. Rayburn-Davis said the purpose of the American Diploma Project, conducted by Achieve, Inc., was to survey the requirements in each state to obtain a high school diploma and Colorado has no statewide high school graduation standards, only one of three states in the nation. On average, States with graduation requirements require 4 English and math credits, 3 social studies and science credits and no foreign language credits and do not specify which courses in each area. More states require U.S. History courses than any other courses and many states offer multiple diplomas.

Mr. Furman said the Alignment Council requested a survey of graduation requirements in Colorado School Districts. Information being presented is preliminary and includes 86% of Colorado School Districts and was garnered from district web sites and phone surveys of district personnel and is in the process of being verified. Often, graduation requirements are less than clear and/or subject to interpretation and vary from district to district. Generally, credits in each category are not specific. Seventy-seven percent of Colorado School Districts require 4 English credits without course specificity, 66% require 3 math credits and social studies credits with some course specificity, including statutorily required U.S. History and Government, less than 3 science credits, with some specificity, and 79% have no foreign language requirement. By district, other credits, including Physical Education, Fine Arts, Computer Skills, Health Education and other electives are required. The survey demonstrates the number of Colorado districts that do not have graduation requirements that meet CCHE's college credit requirements effective in 2008. ACT reports that the more courses taken in each area and the more rigorous each course is taught, improve student college readiness as indicated by the ACT scores.

Judy Weaver asked if less rigorous courses within an area adequately prepare a student for college. Mr. Furman said no and beginning and continuing rigorous required courses before high school improve college readiness. Mr. Garcia wanted to know if this material would be presented to Colorado Department of Education (CDE), Colorado Association of School Boards (CASB) and Colorado Association of Commerce and Industry (CACI). Ms. Rayburn-Davis said the offer to make this presentation to these groups has been extended but no responses have been received. Ms. Weaver said local school boards need this information as do parents so the schools can be held accountable for the low level of

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course requirements. She asked if the districts were differentiated, rural from urban, as to compliance. Mr. Furman said responses have been from all sizes and locations of school districts and, once the data is verified, it will be disseminated to school boards, teachers, counselors and parents to give them current data to assess if their local requirements are sufficient to prepare a student for higher education or work.

Mr. Helvig wanted to know how many high school graduates attend college. Mr. Gianneschi said, with the understanding that 40% of high school students don't graduate, about 1/3 of graduating students pursue additional education including proprietary schools. Mr. Helvig noted Adams State College serves students who have achieved the minimal number of requirements and observed required high school courses impact student's choices of college studies. Ms. Rayburn-Davis said this trend appears nationwide.

Mr. Rodriguez asked what level of performance was required to achieve the ACT score and how that translated into success in college. Ms. Rayburn-Davis said ACT scores were based on the level of remedial classes required of a student and each college's own ACT score requirement. She noted, nationwide, the Diploma Project indicates current standards are low and may be raised. Mr. Farina wished all Coloradoans could see these presentations to realize how important a rigorous education is the predictor of success and differing points of view must be ultimately focused and all should advocate rigorous education. Mr. Stevinson noted it was not only the rigor of the course but the responsibility of the course studies. Ms. Weaver was concerned about the public's response to the study stating the data needs to be accepted so that corrective action could begin. Educators state they know what is best but, since only 1/3 of Colorado students pursue higher education, we are importing educated workers. The international community realizes and emphasizes the importance of education, we must improve our educational system to have an educated work force and economic development which translate into quality life style and economy. We are not realistically seeing the issues and need to move forward with a sense of urgency.

REPORT ON REMEDIAL EDUCATION AND UPDATE ON PRE-COLLEGIATE ADMISSION REQUIREMENTS: Mr. Gianneschi provided a historical summary of the Remediation Report and the Commission course requirements for acceptance at Colorado Institutions of Higher Education. He addressed issues surfacing relative to the requirements, i.e. some districts offer no foreign language courses and said the Standard Admission Task Force, a multi faceted group, is addressing the concerns and challenges. Legislation maybe introduced to repeal CCHE's authority to establish admission requirements. CACI/CASB have asked requirements be postponed to 2010 or for 20 years, especially foreign language. He suggested waiting for the Governor's Alignment Council's recommendations before adjustments are considered and/or made. He reiterated about 1/3 of Colorado students qualifying for and entering college need remedial education in reading, writing and math. The report does not address those students that do not graduate nor apply for higher education. ACT scores provide a comprehensive report of student preparedness for college and demonstrate the difference in preparedness between students that successfully complete a high school core curriculum, such as the 2008

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Commission admission standards, and those that do not. In the past year, the need for overall remediation increased 6%, while the need for math remediation decreased. The need for writing remedial courses, writing being the single factor that most negatively affects student graduation from college, increased to 24%. The report shows dramatic differences within a school district. D'Evelyn Academy, a Jefferson County school, offering a core curriculum similar to the 2008 CCHE standards, has the lowest need for student remediation. Another Jefferson County District school had the highest need for remediation.

Data shows that, disaggregated by gender, ethnicity, and income, in both 2 and 4 year schools, females need more remediation than males, Latinos (60% at 2 year colleges) and African Americans (70% of males at 2 year colleges) need more remediation than Caucasians and Asians and 1/3 of students with a family annual income of \$25,000 or more need remediation but students with an annual family of \$25,000 or less need less remedial course work. Total direct costs for remedial educations equals \$11.5 million and that amount does not include increase indirect costs of tuition, room & board , earnings forgone nor the total economic impact on overall economy.

FINDINGS ON CURRENT COLORADO FINANCIAL AID PROGRAMS: Ms. Linder said, based on Commissioner's concerns pursuant to the financial aid study at September, 2005, Commission Retreat, the following areas were identified for further study:

1. Are the state's goals and individual institutions financial aid policies aligned to be explicit, measurable and to maximize successful post-secondary student participation?
2. Should state financial dollars be targeted toward high-need, highly qualified students to ensure academically qualified, low-income students desiring post-secondary education have the opportunity to pursue a college education?
3. Do current financial aid programs reinforce the College Opportunity Fund and College in Colorado initiatives by reducing financial barriers for under-represented students and making them aware financial aid will be available for students transferring to another public institution?
4. Does Colorado's financial aid system achieve the highest operational efficiency and effectiveness and maximize the amount of funding given students?
5. Is a portion of financial aid dollars used to encourage retention and graduation, specifically under-represented students?

She stated the most comprehensive review of financial aid policies in the past 10 years is underway because of the change in higher education funding due to the advent of the College Opportunity Fund and Fee-for-Service contracts, the desire to eliminate the Colorado Paradox, and the decrease in federal needs-based Pell grant funding, higher tuition rates and the reduction in state financial support. A survey of the way Colorado institutions award aid showed there is immense variety among the schools, caps are imposed to serve more students, the desire to provide aid to the largest possible amount students, awards are for only one year without automatic renewal or inter-institution

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transfer and little linkage between need and achievement. Typically, the students with most need are the last apply for aid thereby decreasing their chances for receiving aid.

In FY 2006, Colorado appropriated \$76,720,377 in state funded financial assistance, a decrease from \$91,202,000 in FY 2003. Colorado has 126,000 full-time resident, students eligible for COF, of which 36, 298 students received financial aid in 2005, averaging \$2,153 per student. There are 70,583 Colorado students eligible for CCHE's Level 1 need-based aid and 44,279 students receive no aid and 24,912 students, Pell eligible students, receive no state aid. Colorado aid programs are the Colorado Student Grant (needs based with established maximum and minimum amounts, most awards being at the minimum amount), the Colorado Graduate Grant, both with a \$5,000 maximum award. Additional aid programs are the Colorado Leverage Educational Assistance Program (CLEAP) Supplement Leveraging Education Assistance Partnership (SLEAP), Governor's Opportunity Scholarships, and the College in Colorado Scholarships, Colorado Work-Study Programs, Categorical Grants, and Colorado Centennial Scholar awards.

Sources of financial aid are state and federal grants, Pell Grants, Institutional Grants and federal student loans, with dependence on federal student loans accounting for over half of the total assistance. Institutional grants increased from 11% to 20% but all sources of financial aid decreased by 1% from 2003 to 2004. Total financial aid expenditure increased 57% from 2000 to 2005, with a 67% increase of Colorado students relying on federal student loans. Financial aid by income showed students with family income under \$25,000 paid 51% of their education by grants and 38.18% with income at 4 year institutions. The proportion of aid to income to pay for college decreases as family annual income increases. In 2005, the average student will incur \$17,208 in student loan obligation to pay for a 4 year degree, \$8,707 for a 2 year degree. There are also Parent Loans (PLUS) whereby a family incurs a loan debt to pay for a student's degree

Currently it cost \$91.5 M to administer financial aid in Colorado and it is difficult to asses the effectiveness of operations that serve 129,000 students receiving 323,000 federal and state grants. There is no state policy linking allocation of funds to retention and graduation rates. Increasingly, nationwide, schools are outsourcing administration of financial aid programs. Outsourcing firms address enrollment optimization, the intake and processing of aid applications, the packaging and certification, and aid disbursement and refunds. Colorado institutions understand and follow CCHE goals, focusing on need-based student in the lowest income quartile. However, awarding policies difference between institutions and are confusing. There is no current financial aid policy that provides incentives to retain and graduate students and there are a variety of options CCHE should review to determine if the current target group should include the most highly qualified and/ or prepared students. Lower grant awards to the last to apply for aid, non-transferability of grants and differing school policies do not reinforce the objectives of COF and CiC initiatives.

Options the Commissioners may want to consider are:

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1. Centralizing state aid;
2. Outsourcing of aid;
3. Providing specific funding amounts for each grade level, increasing the amount for each of year of retention;
4. Adding retention/graduation policies to current financial aid policies;
5. Providing guaranteed funding to need-based students in addition to the COF stipend based upon need & academic preparation and progress; and
6. Moving the Governor's Opportunity Scholarship Program to need-based aid.

The staff recommends finalization of the financial aid reform research in partnership with institutions to determine options for administrative feasibility, integration with CiC and COF goals, fiscal feasibility, usefulness to students and families and the role of private and propriety schools. If there additional options to be considered please let Ms. Lindner or Mr. O'Donnell know of them.

Mr. O'Donnell thanked Ms. Lindner, Mr. Schwiegert and the staffs of the institutions on their hard work. He reiterated that financial aid is broken and those students with the least income, those that are Pell eligible, are too often not getting the aid dollars. There are few incentives to encourage retention and graduation and little assistance for transfers among schools. These barriers need to addressed and additional financial aid money sought. In collaboration with the schools, it should be determined if any of the options can improve the situation.

Mr. Stevinson said it was also important that the K-12 schools address CCHE's college entrance requirements as remediation needs, with the additional classes, increase the costs of obtaining a degree. He also sought and received clarification that state grants do not follow a student transferring schools. Performance contracts emphasized the transferability of credits and the same should apply to student grants. Ms. Lindner said it maybe because of administrative issues and Mr. Stevinson noted that administrative costs had increased 25%, transfer of grants should administrable. She also thought institutions would be amenable to enabling the transfer of grants. Mr. Farina requested staff collaborate and consult with the institutions and and present the Commission with corrective actions including pros and cons. Mr. O'Donnell said Staff would present analysis of options at the February Commission meeting with pros and cons.

ACTION ITEMS

Fiscal Year 2005-2006 Supplemental and 2006-2007 Department Budget Request Revisions: Mr. Schweigert stated there were requested changes to the General Fund Budget the Commissioners adopted in November, 2005. Since that time, staff has received further information on the budget and has had a briefing with the Joint Budget Committee (JBC). In addition, the Commission's Capital Construction Sub-Committee made several new recommendations. The Mandated Cost model needed adjustment between stipends and fee-for-service contracts due to enrollment fluctuations projected

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by the JBC, which uses a higher enrollment figure than CCHE. The dollar amount is the same, the split is different. There will be supplemental budget requests each year as enrollment cannot be accurately estimated and adjustments will be needed. The Capital Construction Sub-committee recommended submission of the "List 2" projects to the Capital Development Committee. CCHE and the institutions have compromised on the funding of "unfunded" enrollment with technical adjustments for Colorado School of Mines and the University of Colorado. Colorado State University may have some issues with the compromise agreement. Ft. Lewis believes they should have been included in base funding and has a request pending for \$2.2M which may need to be addressed at a later date.

Staff recommends the Commission adopt the change in the Mandated Cost Model funding, the capital construction prioritization list to include the priority revision and the new projects. It also recommended the Commission endorse the supplemental and model used to calculate unfunded enrollment at \$74,182,925M as the official position of the Commission and recommend the amount of funding and distribution of funds for each institution as shown in the presented model.

Robert Moore, University of Colorado System (CU), commended Mr. O'Donnell and Mr. Schweigert on their work to reach the unfunded enrollment compromise and CU supports the compromise.

Mr. Stevinson made a motion to approve the revised budget and supplemental and Mr. Garcia seconded the motion which was unanimously approved.

REVISIONS TO COLORADO COMMISSION ON HIGHER EDUCATION POLICY SECTION IV: EXTENDED STUDIES: Mr. McKeever presented his criteria and procedure for revision of the policies which was prompted by the implementation of the COF legislation and performance contracts. Revision emphasize the regulation, administration and fiscal control of extended study units, approval of off campus and cash funded instruction, approval of funding for off campus instruction and the reporting requirements for off-campus and cash funded instruction. Staff recommends approval of recommended revisions. All revisions have been made in consultation and cooperation with institutional staffs.

Mr. O'Donnell noted this is a CCHE reduction of regulations and compliance as requested by schools in performance contract negotiations.

There was no public discussion.

Ms. Altenberg made a motion to accept the staff recommendation and Mr. Quamme seconded the Motion, which was unanimously approved.

CONSENT ITEMS

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Degree Authorization Act – Colorado International University: Mr. Gianneschi noted this was preliminary approval for a six month period pending accreditation. The school cannot enroll students during this period.

The item was unanimously approved.

WRITTEN REPORTS – NO DISCUSSION

REPORT ON OUT-OF-STATE/OUT-OF-COUNTRY INSTRUCTION

No discussion or action occurred.

The meeting was adjourned at 12:30 p.m.