

Minutes of the Colorado Commission on Higher Education (CCHE) Meeting
Colorado Community College System
September 4, 2014

Chairman Dick Kaufman called the meeting to order at 1:15pm.

Chairman Dick Kaufman, Commissioners John Anderson, Luis Colon, Monte Moses, Hereford Percy and Regina Rodriguez attended. Commissioners Jeanette Garcia and BJ Scott attended via conference call. Also in attendance were CCHE Advisory Committee members Senator Nancy Todd, Wayne Artis, Dr. Toni Larson, Dr. Keith Owen, Mark Superka and Melissa Wagner.

Commissioner Percy moved to approve the minutes of the July 25, 2014 CCHE meeting. The motion was seconded by Commissioner Colon and passed unanimously.

Dr. Nancy McCallin, President of the Colorado Community College System, welcomed the Commissioners to the campus.

PUBLIC COMMENT

Mr. George Walker of Denver lamented the lack of funding for higher education in Colorado.

EXECUTIVE DIRECTOR REPORT

Lt. Governor Joe Garcia introduced Todd Haggarty and Andrew Rauch to the Commissioners. They will be working with the finance and budget team as lead financial analysts. He also introduced Carl Einhaus, who replaces Tamara White as Director of Student Affairs and Shelley Woodson, who is working with the Lt Governor's chief of Staff, Scott Wasserman on the Colorado Opportunity Scholarship Initiative.

He also informed the Commission that per their request, a sub-committee for the Master Plan Goal #4, higher education funding, will be formed in January. He noted that the Commissioners had all been given the *CCHE Accelerated Erosion of State Support* document, as well as copies of the Chronicle of Higher Education article, *The Default Trap*.

Lt. Governor Garcia told the Commission inaugural Colorado Completes! campaign is scheduled for the month of October and is planning five events at institutions that have shown promising results from the excellent programs.

The Lt. Governor also reported the Division of Private Occupational Schools Board (DPOS) instructed the Division to issue a Notice of Non-Compliance to CollegeAmerica, at its monthly board meeting. He also noted that Anthem Education, a for-profit chain of colleges and career institutes, filed for bankruptcy Monday, August 25. DPOS had been expecting this and was on site to obtain the student records of the Colorado students.

CONSENT ITEMS

Recommendation to Approve Geography and Philosophy Statewide Transfer Articulation Agreements

COF Eligibility for Extended Studies Programs for FY2015

Recommend Approval of Bachelor of Science in Computer Science at Colorado State University – Global Campus

Degree Authorization Act: Fort Hays State University – Request for Authorization as a Place of Business

Commissioner Moses moved to approve the consent items. The motion was seconded by Commissioner Percy and unanimously passed.

DISCUSSION ITEM

Revisions to Admissions Policy - Dr. Rhonda Epper, Dr. Ian Macgillivray, Jill Hawley, Associate Commissioner, Colorado Department of Education. Dr. Epper presented the recommendations for the admissions policy changes for discussion in preparation for next month's agenda where the item will be presented for action. Initial changes to the admissions policy were approved by the Commission in December 2013. Following the changes from last December there was a policy implementation committee that was established. Their role was to support implementation issues associated with the new policy, and was made up of admissions officers as well as data and research personnel from each of the institutions. Most of the changes that you see today are relatively minor or areas where the committee felt that we needed to provide some clarification. There was a lot of discussion about whether using the PARCC score as an indicator for admissions is appropriate given its early stage with field testing and implementation. But after consulting with CDE and with several institutions across the state the recommendation is to keep it as an optional indicator for institutions to use once the validation studies have been completed.

Jill Hawley, Associate Commissioner at the Colorado Department of Education, informed the Commissioners that in 2012, pursuant to state statute, Colorado joined PARCC as a Governing Board member. PARCC is a multi-state assessment consortium that includes 11 states and the District of Columbia. The PARCC assessment replaces the TCAP reading, writing, and math assessments. The PARCC assessments have two components: a performance based assessment that occurs about 75 percent of the way through the year and an end of year assessment at 90 percent of the way through the year. The tests align with the state's new standards and reflect the depth of knowledge and skills that students need to demonstrate readiness for college and careers. The CAP4K legislation that passed in 2008 called for new standards and an aligned assessment system. PARCC is part of that aligned assessment system that K-12 has adopted.

Senator Nancy Todd asked where the ACT and SAT tests fit into admissions.

Ms. Hawley responded that a student may do better on an SAT or ACT and prefer to use that. They may want to bring their PARCC scores or Smarter Balance scores to show their competency. Dr. Epper responded that the intent of this policy is not to prohibit institutions from using any indicator that they choose from this list.

Lt. Governor Garcia responded that PARCC, while it is not intended as an admissions tool, is something that would provide some indication, once validated, of whether a student is likely to be successful in those first year gateway courses.

There was discussion about whether or not institutions would accept PARCC and were reassured that it was optional for all the institutions.

Another proposed change to the policy is the institutions on the implementation committee requested to add the HEAR course requirements from the old policy. Dr. Epper explained that this is in recognition that competency-based outcomes included in the new high school graduation guidelines will not be in effect for several years. Students will continue to be in traditional seat-time based programs of study for the foreseeable future, and need guidance about the best courses to take to prepare for college. The proposed language provides a way for institutions to consider both competency-based and seat-time based high school experiences.

Guaranteed Transfer Admissions: Dr. Macgillivray noted that in reviewing this policy with the Commission Statewide Transfer and GT Pathways policy it was discovered that there might be some potential conflict in the language. The plan is to poll the institutions and find out which institutions do indeed guarantee admission upon completion of an associate of arts or associate of science degree and if there are any limitations on that and then make that information available to students, families, advisors, and CCHE policy to have it in black and white, just to clear up any misconceptions

The final item is not a proposed change. One of the charges to the policy implementation committee was to investigate how institutions could operationalize selectivity in the absence of having the admissions index. Dr. Bean and her research and data team presented several models to the implementation committee that seemed to reveal relatively small differences between the selectivity categories, particularly between the moderately selective and the selective categories. A common benchmark of selectivity nationally is the percent of students admitted compared to the number of applicants that an institution receives.

Commissioner Percy stated the selectivity levels were created here in Colorado in part to be able to direct potential students the institutions that might be the best fit for them and specifically for lower income minority students. He asked that the councils consider the ramifications of selectivity, that there may be unintended consequence of eliminating the categories, such as an institution may lose the opportunity of marketing to the lower income minority students. Commissioner Moses encouraged the staff to take the time needed to examine this issue carefully. Dr. Epper said she would take these suggestions to the Academic, Student Affairs, and Admissions councils.

ACTION ITEM

Approval of Project Principles & HB 14-1319 Update – Kachina Weaver, Project Manager introduced the two vendors for the project: The Keystone Center, partnering with Engaged Public, for the public education and outreach; and the National Center for Higher Education Management Systems (NCHEMS) for the cost driver analysis and funding allocation model. She also introduced the Subject Matter Experts Teams, who will be working with the vendors and will report to the Executive Advisory Group (EAG). She explained the roles of the teams and EAG, as well as discussed the timelines and deadlines for the project. The CCHE will only meet three more times before the final deadline.

Lorez Meinhold with The Keystone Center explained that they have been working with community leaders, parent leaders, and student leaders across the state who can help inform the team about how to best reach their community in preparation for holding regional meetings. She listed the cities the meetings will be held in and explained what their purpose was.

CFO, Diane Duffy explained the purpose of the Cost Driver Analysis Team, to examine why higher education costs what it does in Colorado. The information gathered through this process will help to inform future decisions and discussions around funding, tuition policy, and answering questions from the Legislature, the Administration and the public.

Dennis Jones, of NCHEMS, explained that they will be looking at the total costs at institutions - personnel costs, adjunct or full time faculty costs, student services costs, etc. and compare them to other institutions throughout the country. They will also be looking at different delivery methods. They already know that Colorado is one of the most efficient systems of higher education relating to cost.

Commissioner Percy asked if the CSU Veterinary School and the CU Medical School would be looked at differently. Mr. Jones replied they would be looking at all institutions individually, and also how these specialty education programs contribute to the overall costs that are different from other kinds of institutions.

Dr. Beth Bean, of the Department's Research and Data Division, gave an update of the Funding Allocation Model Team. The first meeting of the Team will be September 5th. The Team will begin their work by defining the metrics and factors outlined in the bill and identifying accompanying data sources. Once that is completed, the team will then grapple with the weighting of these in the actual funding model. The draft allocation model will go to the JBC on November 1 (as part of the annual budget request) and will include the metrics and the weights (as determined by that time.)

Mr. Jones said that the statute itself is pretty explicit about much of what has to be in the funding model. We have prepared, for discussion, a list of those items that are in the statute along with metrics for discussion. Once the Team achieves some agreement on metrics themselves then we start the conversation about weights where the end results really are affected.

Commissioner Percy asked what flexibility the statute allows to change the weights and the metrics over time.

Mr. Jones replied that the statute is silent on the changes that can be made year to year. There are certain things that are fixed but the Commission has within its authority the ability to change weights year to year, he believes.

Lt. Governor stated that ultimately it is the legislature who will make a determination on the allocation model and that's very clear in the statute, although the Joint Budget Committee could reject the model.

Mark Cavanaugh, the Department's Chief Legislative and Strategic Policy Officer, told the Commissioners that in their handouts is a Quick-Reference Guide to HB 1319 and the chart illustrating the role and mission piece, the performance measures and the specialty education programs. He suggested the Commissioners keep both the documents handy. The CCHE can also add two additional factors for role and mission. There are up to four additional factors under performance that are electives. What can be changed from year to year are items such as weights and factors and what the amount can applied for the completion of a certificate or a degree awarded. At least fifty two and one half percent in total state appropriations shall go to the stipend and at least 10 percent more shall be applied to those who are PELL-eligible students. The fungible part is related to what the role and mission are of these institutions because the performance piece is not angled like a lot of performances funding models are in other states to percentages or a comparison against peers.

Another hand out is the macro deadline sheet about some of the other things that are attendant to 1319 that aren't necessarily related to the model or the cost driver analysis. The last handout is the guiding directives listed in the bill.

Ms. Weaver told the Commissioners they would be receiving bi-weekly updates from her.

Lt. Governor Garcia spoke about the roles for the EAG and CCHE. He said that the statute is very clear that it is up to the Commission to deliver this allocation formula to the legislature. In striving to obtain the benefit of other people's expertise and because this would be delivered to the legislature and the joint budget committee, it was important to have the legislature and representatives of the joint budget committee involved so that they could help to defend and explain the formula once we advance it. If we move it forward to the legislature and they feel that they've not been involved in the process and they don't trust that we've involved stakeholders from around the state in the process, it seems to me they would be less likely to accept our work product, which is why we've engaged the EAG. He also stressed the importance of the total state appropriation. One of the key of the elements required in the legislation is that the COF stipend must be at least fifty two and a half percent of "total state appropriations". With the specialty programs pulled, as specified by statute, the total amount that the COF is factored against is lower. We also wanted to demonstrate that the stipend amount has certainly not been flat over time. It is a function of both enrollment and the amount of money available. Currently our stipend amount is about \$75 per credit hour, which is based off of a function of the amount of money available and number of students or credit hours being provided by the institutions.

Commissioner Percy asked if the statute now bases COF stipends for in state students only and how do out of state enrolled students come into play.

Jennifer Sobanet, the Department's Chief Operating, replied that this was discussed significantly by the modeling team, but had not yet been resolved. They will have Dennis Jones and others at the table to help figure out how do we manage those types of conversations and what was intended in the legislation.

Lt. Governor Garcia reiterated that state funding for public institutions of higher education has largely been to help offset the cost for resident students.

Iris Palmer and Kelle Parsons, of the National Governor's Association talked the Commissioners though a PowerPoint presentation about performance funding project from other states.

Ms. Weaver discussed the foundational working document, which is essentially structured the way the bill is laid out. The document is the result of the work of institutional CFO's and data people to work through the directives of the bill. The document lays out recommendations for the modeling team to start their conversation from with regard to defining the factors and metrics and identifying reliable data sources

- Identifies statutory citation, if applicable;
- Provides definitions for key terms; and,
- Identifies the data sources, if applicable.

Ms. Weaver then presented the draft project principles for the Commissioners to vote on. They are:

- Align project outcomes with Master Plan goals, specifically:
 - Prioritize funding toward student completion and supporting student success, while growing the state's economy.
 - Reduce completion gaps among students from underserved communities.
 - Ensure Colorado higher education is of value, affordable, accessible, and high quality; and, seen as a public good.
- Promote clarity, simplicity and predictability in the allocation of state funds to public institutions of higher education.
- Evaluate Colorado public institutions of higher education on accurate and comparable data.
- Respect the individual role and mission purposes of each Colorado public institution of higher education with regard to operational authority and flexibility.

A friendly amendment to the principles was added to specifically state all four Master Goals.

Commissioner Moses moved to approve the draft project principles with the amendment. The motion was seconded by Commissioner Percy and passed unanimously.

Commissioner Moses moved to adjourn. The motion was seconded by Commissioner Rodriguez. The meeting was adjourned at 5:10pm.