

**Minutes of the Colorado Commission on Higher Education (CCHE) Meeting  
University of Northern Colorado – Greeley  
October 29, 2015**

**I. OPENING BUSINESS**

Chairman Monte Moses called the meeting to order at 1:05pm

**A. Attendance**

Chairman Moses, Vice Chair Colon, Commissioners John Anderson, Maia Babbs, Renny Fagan, Jeanette Garcia, Richard Kaufman, Vanecia Kerr, and Paula Sandoval attended the meeting. Commissioner Fagan attended via conference call. Also in attendance were CCHE Advisory Committee members Wayne Artis, Steve Kreidler, Gretchen Morgan and Dr. Barbara Morris.

**B. Minutes**

Vice Chair Colon moved to approve the minutes of the September 3, 2015 CCHE meeting. The motion was seconded by Commissioner Kaufman and passed unanimously.

**C. Welcome by Dr. Robbyn R. Wacker, Provost of the University of Northern Colorado.**

**D. Chair, Vice Chair, Commissioners and Advisor Reports**

- Chairman Moses reported on the governing board summit held earlier in October, at which Lt. Governor Garcia also attended.
- Vice Chair and Commissioner Colon reported - as a result of the August Medellin, Colombia August visit - the movement made between the State of Colorado and the Medellin commissioners. He anticipates a future report of how they will be better connected creating student, faculty, and administrator opportunities and the institutions that are interested.
- **Fiscal Affairs and Audit Subcommittee** – Chairman Moses acknowledged that Commissioners Maia Babbs and Renny Fagan have joined the subcommittee. Commissioner Colon reported on behalf of Commissioner Scott, Chairman of the Fiscal Affairs & Audit

Subcommittee, continued discussions of capital priorities and tuition policy.

- **Student & Academic Affairs Subcommittee** - Commissioner Anderson, Chairman of the Student & Academic Affairs Subcommittee reported that Fort Lewis College concluded their recertification, the GT Pathways developments, the PLA progress, and the P-TECH legislation. The subcommittee welcomed new members, Commissioners Tom McGimpsey and Dick Kaufman.
- Faculty Advisor Wayne Artis reported that the Colorado Faculty Advisory Council met on October 16<sup>th</sup> at Pikes Peak Community College with department staff regarding prior learning assessment and revising GT Pathways. The faculty met in conference on October 22<sup>nd</sup> and 23<sup>rd</sup>, and their recommendations will go to the General Education Council this month. Thanks to Ian Macgillivray and Maia Blom for the excellent work that they did in organizing the conference. And, Commissioner Artis expressed interest to connect CFAC and the Academic subcommittee of the commission.

#### **E. Executive Director Report**

Lt. Governor Joe Garcia, Executive Director, reported the following to the Commission:

- The Guided Pathways to Success Summit will be held on November 3<sup>rd</sup> on the Auraria Campus. Keynote speaker will be Jaime Merisotis, Lumina Foundation CEO. Speakers from Georgia State and Florida State will share their implementations to improve completions. Individual institution practices will be presented in a report, and sharing of best practices among our Colorado institutions.
- The third community outreach event on closing the attainment gap will be held on December 8. Governor Hickenlooper is scheduled to open the meeting. An invite was extended to the Commissioners and Advisors to attend. Thank yous were extended to Commissions Luis Color and Venecia Kerr for representing the commission at the last community meeting, as well as the HM Strategists, Kim Hunter Reid, Kristin Conklin and Ken Lyle.
- Colorado is one of the only three states nationally actively pursuing the implementation of an attainment gap practice and strategy.
- The White House has recognized the department's FAFSA completion tool, which was presented to the White House last week, and is funded by the Kresge Foundation. Colorado is trying to help other states adopt the tool via a partnership with the Department of Education. The department team consisted Jennifer Sobanet, Dr. Beth Bean, Stephanie Ricker and Maggie Yang. Misti Ruthven, from the Department of Education, attended, as well.

- At the regular lieutenant governors call-in with the White House on its initiatives, Kachina Weaver participated and shared the innovative ways in which Colorado is focusing resources on Completion, seeking to reduce time-to-degree, and increase student success. Impressed with our efforts, the White House had a call with our department last week to hear more. At the December meeting, a summary will be presented about how Colorado's efforts will set a nationwide example.
- The Lieutenant Governor has been invited to be the keynote speaker at the White House Reach Higher event in Florida as part of the First Lady's initiative. The presentation includes Colorado's completion agenda, attainment gap and identification of successful methodology of higher education for first generation, lower income, and students of color.
- The Lieutenant Governor spoke at the National Association of State Colleges and Universities meeting in Austin, Texas, to share how Colorado is addressing the changing mosaic of demographic in higher education. Part of that event was around the 50th anniversary of the Higher Education Act of 1965 where President Johnson's Civil Rights Initiative was to make sure the doors to higher ed were opened to more again lower income first generation and minority students.
- Colorado has been recognized by Complete College America. The Commission's work on developing pathways was recognized and the department received the Art of Pathways award for being the most studious of all the states around helping our students be more successful in math.
- Division Updates:
  - Faculty-to-Faculty Conference - Department staff convened about 130 faculty and directors of assessment from around the state to revise and update the gtPathways content criteria and competencies. Faculty were able to update the curriculum with 10 new 21st-century competencies that business leaders say that today's students need.
  - Colorado Opportunity Scholarship Initiative - Shelley Banker will join the December meeting for a full Scholarship Initiative update.
  - P-TECH - Two different applications for P-TECH schools have been received. A task force composed of the Colorado Workforce Development Council will review the applications and make recommendations to the Executive Director of Higher Education and the Commissioner of Education. If approved, these institutions will begin operation in fall 2016.
  - Board Summit – The department received some good feedback and some constructive criticism from attendees at the Summit on October 9.
  - Celina Duran's last day at CDHE was September 23. She left to take the position of Director of Financial Policy Analysis with the University of Colorado system office.
  - Meeting with Leadership and Legislators – Kachina and Lt. Governor Garcia have been meeting with legislative leadership and, as they travel the state talking to our various Boards/Trustees, with local legislators in their districts to inform them of the work the department has been doing

over the interim, including work on the funding allocation formula and tuition policy.

## **F. Public Comment**

Frank Watrous, Senior Policy Analyst with The Bell Policy Center, again stated opposition to the portion of the proposed tuition policy recommendation. It would give full tuition authority with no limits to governing boards if state appropriations for higher education are flat or declining. He believes that the recommendation represents a dangerous precedent for future year's tuition decisions. The Bell Policy Center instead recommends a process for those flat or declining appropriations that are similar to years in which appropriations are going up set some parameters around tuition increases and include some accountability mechanism for governing boards to assure that money from tuition increases is used to support a master plan goal.

## **II. Consent Items**

- A. **Recommend Approval of MA in Russian Studies at University of Colorado-Boulder** – Dr. Ian Macgillivray
- B. **Recommend Approval of MS in Athletic Training at University of Colorado -Colorado Springs** - Dr. Ian Macgillivray
- C. **Recommend Approval of B.S. in Exercise Science at University of Colorado-Colorado Springs** - Dr. Ian Macgillivray
- D. **Recommend Approval of M.S. in Palliative Care at University of Colorado Denver** - Dr. Ian Macgillivray
- E. **Recommend Approval of Master of Health Administration at Metropolitan State University of Denver** – Dr. Ian Macgillivray
- F. **Recommend Approval of Master of Business Administration at Metropolitan State University of Denver** – Dr. Ian Macgillivray
- G. **Recommend Approval of B.S. in Advanced Manufacturing Sciences at Metropolitan State University of Denver** – Dr. Ian Macgillivray
- H. **Degree Authorization Act – Recommend Approval for a Status Change and Name Change for Institute of Logistical Management** – Heather DeLange
- I. **Degree Authorization Act – Recommend Approval for the Renewal of Authorization** – Heather DeLange
- J. **Recommend Approval of the 2016 Commission Meeting Schedule** – Suzanne Stark

Commissioner Anderson moved to approve consent items A through J. The motion was seconded by Commissioner Kaufman and unanimously passed.

## **III. Presentation Item**

Ken Jensen and Jeff Kraft, from the Office of Economic Development and International Trade, gave a presentation on Jump Start Colorado.

## **IV. Discussion Items**

- A. **New Post-secondary Workforce Readiness (PWR) definition** – Carl Einhaus Director of Student Affairs, and Misti Ruthven, Colorado Department of

Education, Director of Postsecondary Readiness provided information on Colorado's PWR Description.

In 2009, the State Board of Education jointly approved a description of postsecondary and workforce readiness with CCHE. The statute, C.R.S. 22-7-1008(3)(a), states that the description be revisited every six years and that any updates be approved by both groups by the end of December. Mr. Einhaus explained that there was concern with the current description, as families and the work force were not engaged enough in creating it. Additionally, there was a desire expressed to make the description clearer and less "educationese". As such, CDE hired WestEd, a nonprofit public research and development agency, to gather stakeholders (K-12 and college personnel, families, work force partners, policymakers, education agencies, and more) to review the current description and make recommendations for an updated description. Two convenings were held with the stakeholders (in June and August) to discuss an update, and two surveys were sent to the Colorado community asking for feedback regarding the ideas developed from the convenings. The second survey asked respondents to vote from four descriptions, as well as voting on components or elements they felt was necessary to include in a PWR Description. Two descriptions received the highest percentage of preference. Additionally, there were some components which received very high votes which were not included in the top two descriptions, as a result, a third description was created and a final survey was sent out to help determine what description was the most desired.

Commissioner Babbs asked how the description is used and how it impacts the graduation requirements. Misti Ruthven responded that there are approximately a dozen statutes which look to the description as a means to provide direction. In short, it provides broad direction on how K-12, higher education and the workforce should collaborate.

Commissioner Moses expressed concern that one of the definitions did not include the word "Postsecondary" and felt it important that the final proposed updated version include it. Carl and Misti agreed that it would.

Additional questions were asked by Lt. Governor Garcia regarding the process, grammar and elements of the third description. Misti and Carl stated the description will be refined and clarified that only one description will be presented to CCHE and the Board of Education in December for approval.

## **V. Action Items**

- A. New and Continuing State-Funded Capital Projects and Priority List, Fiscal Year 2016-17** – Andrew Rauch, Lead Finance Analyst, presented this item and explained that there are 31 requests, totaling about \$290M, submitted to the Commission this year for review. Of these 31 requests, five are continuation projects requesting \$42.5M in state funds and \$40.6M in cash funds. The Capital Development Committee hopes to continue to fund all continuation projects. Twenty-six previously unfunded requests, six of which are information technology projects, total \$247.5M in state funds and \$72M in cash funds. The Commission is allowed to submit a single prioritized list to the Office of State

Planning and Budget, the Capital Development Committee, and the Joint Budget Committee. Mr. Rauch recommended four actions for the Commission to consider for approval: (1) requests for a waiver from program planning requirements; (2) eleven new or revised program plans; (3) the FY2016-17 capital priority list; and, (4) the complete list reflecting number and costs for all higher education capital projects to the Governor's Office and the General Assembly.

Commissioner Anderson moved to approve the item. Commissioner Kaufman seconded the motion and the item passed unanimously.

- B. Approve Improvements to the Higher Education Funding Allocation Model –** Todd Haggerty, Lead Finance Analyst, presented this item. The item follows the September 2015 CCHE meeting and outlines two changes to the higher education funding allocation model. The Funding Allocation Model Review Team approved the proposed changes, however, there is one governing board that expressed opposition to the changes based on philosophical tenets and argue that the model should be production based and one governing board that expressed its concern regarding not having enough information to make an informed decision.

Given the budget that higher education faces in the coming year, Chairman Kaufman suggested taking the elements in the memos from the two opposing governing boards into consideration next year. Advisory Committee member, Steve Kreidler commented on Metropolitan State University - Denver's philosophical opposition to the change from the weighted credit hour approach, specifically the costs to institutions to offer vastly different courses and programs that cost more to teach than others. While an Advisory Committee member, Mr. Kreidler, Vice President of Administration, Finance and Facilities, offered these comments on behalf of Metropolitan State University – Denver and not as the voice for all state-funded colleges and universities. Commissioner Colon agreed on the need for a Higher Education Funding Allocation Model version 3. Chairman Moses stated that the model is fundamentally in favor of incenting the institutions to perform at their very best and that the goal is to have a model that does precisely that.

Commissioner Garcia moved to approve the item and Commissioner Kaufman seconded, the item passed unanimously.

- C. State Tuition Policy Process Recommendation –** Todd Haggerty, Lead Finance Analyst, presented the item recommending the approval for a new annual tuition policy process. House Bill 14-1319 charged the Commission with developing a funding allocation model while also providing the reminder that the current tuition policies were expiring. The deadline for the new tuition policy is November 1, 2015.

Staff reviewed the expiring tuition policy and explained an in-depth annual process developed to evaluate annual cost increases for institutions and create a corresponding tool that demonstrates the impact of how those costs can/may be paid for. The process will identify increased costs institutions will be facing, collaboratively with the Commission and the Governing Boards on an annual basis. Tuition limit recommendations will then be made based on General Fund

investment. The Department will submit this information, and a corresponding tuition limit recommendation, in conjunction with the annual November budget request. In addition, Governing Boards would have the option for more flexibility through a tuition accountability plan process.

Several Commissioners were concerned that this item went beyond this particular recommendation. Mr. Haggerty reminded the Commission that this particular item is for the tuition policy process only not to the budget specific to FY2016-17. Lieutenant Governor Garcia reiterated that this process attempts to bring coherence to the policies. Before making a General Fund allocation, the Governor and the legislature approve a certain amount and then the Commission and Governing Boards work together to set limits and help inform policymakers about the link between General Fund investment and tuition growth.

Commissioner Anderson moved to approve and Commissioner Colon seconded the motion. The item passed unanimously.

**D. Approval of Fiscal Year 2016-17 General Fund Budget Request; General Fund Allocations and Tuition Recommendation** – Diane Duffy, Chief Financial Officer, Tonya Covarrubias, Lead Finance Analyst, Todd Haggerty, Lead Finance Analyst, and Andrew Rauch, Lead Finance Analyst presented this item to provide approval and guidance to staff for the implementation of the annual General Fund request, funding allocations to governing boards, and establish tuition recommendations for FY 2016-17.

Mr. Haggerty explained the varying governing board allocations given different funding scenarios: flat General Fund dollars, 5% increase, and 5% decrease. Because the final general fund allocation is not known at this time, staff sought approval from the Commission to implement the appropriate scenario once the budget number is known. Lieutenant Governor Garcia clarified that the first part of this item refers only to the General Fund allocation.

Commissioner Kaufman motioned to approve the General Fund budget request portion of the item and Commissioner Colon seconded. This section of the item passed unanimously.

Diane Duffy, Chief Financial Officer, presented the second portion of this item that addressed the tuition recommendation. Ms. Duffy discussed the higher education costs and the cost driver analysis. Mr. Haggerty explained the known costs to higher education and how those costs can be financed each year. Lieutenant Governor Garcia explained the previous 6% cap that was in place and the Financial Accountability Plan (FAP) process in place prior to that. Lieutenant Governor Garcia went on to explain that even though a cap existed, the IHEs exercised restraint because they were driven by competitive markets and an overarching effort to keep tuition affordable for the students. In most cases, governing boards weighed the needs of students prior to making a determination regarding tuition increases. Commissioner Kaufman expressed his concern regarding the scenario when the General Fund appropriation is flat or decreased from the previous year. Commissioner Kerr asked for clarification about a potential decrease in General Fund allocation and in that case, under the new

tuition process, the institutional governing boards would consider and recommend the appropriate tuition increase. Commissioner Garcia added that her concerns go back to the role of the CCHE in that the Commission is charged with providing a statewide perspective and ensure affordability for students while balancing the financial health of the state supported institutions of higher education. She was concerned that families will not have the ability to plan for higher education under the scenario of a flat or decreased General Fund appropriation. She would like to see a cap on tuition increases. Commissioner Anderson countered the discussion with the reiteration of governing boards considering markets prior to tuition increases under all General Fund investment scenarios. He believes that the governing boards are conservative when it comes to tuition increases. He believes that imposing an arbitrary cap on what a governing board needs is counterproductive. His primary concern is the legislative interaction with the process. Mr. Anderson suggested having an annual staff report outlining the changes for Commissioner analysis and understanding. Commissioner Sandoval expressed her concern for the macro level changes at the top affecting the students and families exponentially. Ms. Sandoval said that often students will make the decision about which institution they attend is based upon the amount of tuition. Commissioner Sandoval suggested supplying guardrails for families and students like there are for the institutions, full flexibility is concerning. Commissioner Anderson stated that the flexibility is not necessarily insensitive to students and families. He stated that the governing boards need to do its job to allow families to make decisions and the governing boards have every incentive to keep tuition as low as possible. Commissioner Sandoval suggested that full flexibility could force some students to transfer due to increases. Chairman Moses stated his belief in the institutions and would like to see how they perform under this flexible model, with the realization that in one year, the CCHE gets to go through this again. Chairman Moses added that this is a way to explain to the legislature that when the investment in higher education is low, there are real consequences for families and students in Colorado. Commissioner Colon said that he wants predictability for families and students but appreciates the need for flexibility, though not full flexibility. He would support a tuition cap. He added that he believes the higher education system is operating as a 20<sup>th</sup> Century system and not a 21<sup>st</sup> Century one and would like the CCHE to work with the institutions to initiate evolution. Lieutenant Governor Garcia provided additional comments to reiterate that every legislator needs to have a clear understanding of the consequences in failing to fund higher education. Legislators need to understand that there are increasing costs and if there is no change or a decrease in the General Fund, students and families will pay more. Lieutenant Governor Garcia stated that he met with legislators recently and demonstrated, in real terms, those consequences. The public also needs to understand the consequences regarding cuts to higher education funding. Regardless of the institution, the governing boards know that raising tuition recklessly will reduce the revenue collected due to students going elsewhere.

Commissioner Kaufman moved to approve the item, Commissioner Colon seconded the motion. Chairman Moses asked for a roll call vote.

- Chairman Moses – Aye
- Vice Chairman Colon – No



- Commissioner Anderson – Aye
- Commissioner Babbs – Aye
- Commissioner Fagan – Aye
- Commissioner Garcia – No
- Commissioner Kaufman – Aye
- Commissioner Kerr – Aye
- Commissioner Sandoval – No

Commissioner Anderson motioned to include an amendment to staff's recommendation as follows: every June staff will prepare a report for the CCHE on the tuition prices and changes for the upcoming year at each institution. Chairman Moses added that he would like to see included in the annual report the ratio of tuition revenues to Education and General expenditures. Commissioner Anderson added this concept to his motion. Lieutenant Governor Garcia asked if the Commission would like staff to collect the tuition information from every institution, regardless of percentage increase or just those institutions that increase tuition above the average increase. Chairman Moses stated his preference is to collect tuition rates and increases for all institution in order to see the whole spectrum of changes. However, the motion on the floor sets forth the basic information expected for this first report, but future conversations and work of the CCHE will determine other questions that staff will be asked to report on. Commissioner Babbs seconded the motion to amend and the motion passed unanimously.

*Commissioner Colon moved to adjourn the meeting. The motion was seconded by Commissioner Kaufman. The meeting was adjourned at 5:10pm.*