



**Minutes of the Colorado Commission on Higher Education (CCHE) Meeting
University of Colorado – Colorado Springs
September 3, 2015**

I. OPENING BUSINESS

Chairman Monte Moses called the meeting to order at 1:10pm

A. Attendance

Chairman Moses, Vice Chair Colon, Commissioners John Anderson, Maia Babbs, Renny Fagan, Jeanette Garcia, Richard Kaufman, Vanecia Kerr, Tom McGimpsey, Paula Sandoval and BJ Scott attended the meeting. Also in attendance were CCHE Advisory Committee members Wayne Artis, Mark Cavanaugh, Steve Kreidler, and Melissa Wagner.

B. Minutes

Commissioner Kaufman moved to approve the minutes of the August 7, 2015 CCHE meeting. The motion was seconded by Commissioner Scott and passed unanimously.

C. Welcome by Dr. Pam Shockley-Zalabak, Chancellor of University of Colorado - Colorado Springs (UCCS)

D. Chair, Vice Chair, Commissioners and Advisor Reports

- **Student & Academic Affairs Subcommittee** - Commissioner Anderson, Chairman of the Student & Academic Affairs Subcommittee reported that they have a new member, Commissioner Dick Kaufman.
- **Fiscal Affairs and Audit Subcommittee** – Commissioner Scott, Chairman of the Fiscal Affairs & Audit Subcommittee, asked for new members to join their committee



- Faculty Advisor Wayne Artis reported that the Colorado Faculty Advisory Council will meet in October 16th at Pikes Peak Community College.
- Commissioner Colon reported that he visited Medellin, Colombia to Columbia participate in discussions around the role of higher education in promoting innovation and cooperation in the communities in which they are at. It was a very productive trip sponsored by the Department of State. What caught the attention of the institutions of higher education in Medellin was the Bachelor of Innovation program offered at UCCS. There is opportunity for conversations around that topic.

E. Executive Director Report

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

- There will be two conference calls for the Commissioners and DHE staff to further discuss the tuition policy and the v2.0 funding allocation model. The first on October 5th and the second on October 15th.
- The College Matters effort underway in Denver that has been approved by the mayor and city council and will be on the Denver ballot. This is a sales tax backed initiative and the Commission should be aware of those efforts.
- The Department has received a grant from the Lumina Foundation to host the statewide convening on Guided Pathways to Success, an event sponsored by Complete College America. This event is very consistent with the master plan goals of increasing attainment, increasing persistence and completion. It is set for November 3rd. It will be at the Tivoli Student Center in the Community College of Denver's new confluence building. Speakers are going to include Jaime Marisotas from the Lumina Foundation, Tim Rennick from Georgia State and Larry Able from Florida State University.
- Division Updates:
 - Jessica Bralish was joined the DHE staff as the new Communications Director. Jessica had previously worked with the state legislature as their communications director.
 - The annual Governing Board Summit will take place on October 8th and 9th at the History Colorado Museum in Denver.
 - Although there is little information on the Pueblo marijuana tax yet, one Pueblo county commissioner talked about using taxes on marijuana grown or consumed, sold in Pueblo to support post-secondary opportunities.



F. Public Comment

Frank Watrous, Senior Policy Analyst with The Bell Policy Center, informed the Commission that the Center is very interested in the tuition policy work staff is doing and appreciate the efforts. He was pleased to see the one page tuition policy discussion draft listing the impact on students and families. The Center urges the Commission to keep that particular value in front of mind as the discussions continue. Students' and families' perspectives, both of nontraditional and traditional students, are very important for you to consider as you move forward.

The Center is also pleased to see another bachelor of applied science degree agenda item. The Bell Policy Center in 2014 strongly supported the legislation that permitted the community college system and Aims Community College to offer bachelor of applied science degrees. These degrees are important options for students who are career and technical oriented and wish to pursue their careers. These degrees are also important for industry.

II. Consent Items

- A. Recommend Reauthorization of Educator Preparation Unit and Programs at Rocky Mountain College of Art and Design – Dr. Robert Mitchell**
- B. Recommend Reauthorization of Educator Preparation Unit and Programs at Denver Seminary – Dr. Robert Mitchell**
- C. Recommend Reauthorization of Educator Preparation Unit and Programs at Metropolitan State University of Denver - Dr. Robert Mitchell**
- D. Recommend Approval of Agricultural Education and Fermentation Statewide Transfer Articulation Agreements and Degrees with Designation– Maia Blom**
- E. Recommend Approval of Bachelor of Applied Science in Dental Hygiene at Community College of Denver and Pueblo Community College – Dr. Ian Macgillivray**
- F. Two-Year Cash Funded Capital Program List Amendment – Colorado State University – Fort Collins – Andrew Rauch**
- G. Two-Year Cash Funded Capital Program List Amendment – Pikes Peak Community College – Andrew Rauch**

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

III. Discussion Items

- A. Review Staff Drafts of Preliminary Concepts for State Tuition Policy - Diane Duffy and Todd Haggerty**



- Staff shared the working draft document and staff drafts of preliminary concepts for meeting the state tuition policy requirement as required by HB 14-1319.
- Tuition policy as it is specifically related to undergrad residents and allocation of state funding
- Tuition policy framework and philosophy and a list of values were developed at the August 6th-7th CCHE retreat
 - Value #1 - state investment in higher education is important.
 - Value #2 - tuition impact on students and families.
 - Value #3 - flexibility for institutions
 - Value #4 – adhering to Master Plan goals
- Issue Paper – DHE staff developed the paper to stimulate discussion and update both institutions and CCHE as to tuition policy progress and the path forward in order to remain dynamic and responsive to the changing general fund environment. Over the past four weeks and continuing for the next four weeks, staff will seek input and collaboration from all stakeholders as the legislative process moves forward.

Questions:

Commissioner McGimpsey asked if CCHE had ever implemented anything beyond the rate limit in the past. Mr. Haggerty replied that there have been revenue limits in the past although the rate limit has been most common. This is something that the legislature does, not CCHE.

Commissioner Scott asked if it was correct that the current statutory direction is just to do this for one year and that's the we are looking at further legislative to be annual. Ms. Duffy replied that the concept is to put an annual process in place similar to budget process and financial aid process

Commissioner Kerr asked what the effective dates of decisions and how it will impact affordability? Will there be enough notice to modify plans to attend particular institution? Ms. Duffy replied that that until the state allocation is known, it is difficult to set tuition. The more state funding, the lower the tuition and vice versa. Lt. Governor Garcia added that one of the advantages of doing this process is that to the public, it would be more readily apparent that general fund allocation has a direct connection to tuition.

Commissioner Fagan asked whether the formulaic explanation of Value #2 in slide #9, will be part of the tuition policy. Mr. Haggerty replied that this was not necessarily going to be a part of the policy but was an approach that explained Value #2 under various budgetary circumstances.

Commissioner Fagan also asked is tuition flexibility replied on the performance contracts, such that high performing institutions would receive flexibility or would low performing institutions receive flexibility and would the Commission



make those decisions. Mr. Haggerty replied that is the ultimate question of performance funding and outcome based models. This idea of a business case piece raises great questions and will be something that staff will continue to discuss and refine. Commissioner Kaufman added that smaller schools rely more on tuition and may need more flexibility and asked that the Commission keep that in mind.

Commissioner Babbs asked if it was possible for the general fund allocation to increase but an institution's appropriation to decrease because of the nature of the outcomes-based model. In this scenario, what is the interplay between the model allocation and tuition? Ms. Duffy replied that there is interplay between the two factors but it is too early in the process to know what exactly that will look like as we continue to work on version 2.0. Lt. Governor Garcia acknowledged the complexity of performance based funding, highlighting there is no simple solution to funding an underperforming institution. He also stated that he would continue to push for a simple logical approach.

Advisor Kreidler stated that just because institutions have flexibility doesn't mean that they are automatically going to exercise that right. He also noted that he and all the other CFOs are aware of price sensitivity and are constantly striving to keep prices low for students and to not price themselves out of the market.

Chairman Moses asked if assuming there was a cap and accountability plan for flexibility, how many requests could DHE staff review in one budget cycle? Both Lt. Governor Garcia and Ms. Duffy said there was no specific number given but it would be determined by the criteria required by CCHE.

Commissioner Fagan asked about the timeline for receiving feedback from stakeholders. If the general fund allocation were to decrease is tuition flexibility guaranteed? What will incentivize more general fund dollars? Ms. Duffy replied that as we look at FY16-17, governing boards would have the authority to raise tuition rates for resident undergraduate students within specified tuition increase limits and the increased limits would tie directly to the general fund allocation. It is necessary to link general fund to tuition, this incentivizing an increase in general fund allocation dollars and effectively lowering tuition.

Commissioner McGimpsey asked us staff has an idea of the type of formulas it believes are within possibility and what the timeline is for gaining approval from institutions. Ms. Duffy referred to the timeline on slide #15.

B. Review State Budget Calendar and Update on Funding Allocation Model –
Diane Duffy, CFO and Todd Haggerty, Lead Analyst.

Mr. Haggerty updated the Commission on meetings and discussions on the funding allocation model for FY16-17 to date with the goal of strengthening and



simplifying the model. Both Mr. Haggerty and Ms. Duffy explained the importance of the College Opportunity Fund (COF) as a fee-for-service contract in which we buy back services from the institutions governing boards. Ms. Duffy mentioned HB14-1319 changed the portion of the fee-for-service contract and broke it into two parts: the Role and Mission and Performance. This is the environment in which the funding allocation model is being developed. Ms. Duffy also mentioned the TABOR enterprise status of higher education institutions.

Mr. Haggerty then gave a high level overview of how funds are appropriated to institutions, including an explanation of a “block grant plus type” formula. Ms. Duffy noted that it would be vastly more complicated to try to fund special education programs and local district junior colleges within the model.

Mr. Haggerty explained that for the current fiscal year, FY15-16, total appropriations were approximately \$530 million, which is broken into three components: COF stipend, Role and Mission and Performance. FY15-16 COF appropriation was \$290 million; Role and Mission was \$139 million and the Performance portion was \$92 million. He then further explained COF stipends follow resident undergraduate students on a credit hour basis; Role and Mission recognizes cost structures unique to institutions; and Performance seeks to measure outcomes, which are based on counts, such as completion of certain degrees, credentials, retention, progress and transfers.

Once governing boards receive the COF stipend, the remaining funding is funneled through Role and Mission, then Performance. Guardrail adjustments are then made so that no institution can gain or lose more than 5% in the change of total state appropriations from year to year. These guardrails in addition to the changes being made to the model are meant to reduce volatility, which jeopardizes the sustainability of the entire model.

Moving forward, the Department is considering feedback from Joint Budget Committee (JBC) and from institutional governing boards to create a model that is more transparent, intuitive and in line with state-wide policy goals and Master Plan goals.

Lt. Governor Garcia sought to emphasize the JBC’s inputs for the FY15-16 model, asking how many requests for information (RFIs) were received from the JBC. Mr. Haggerty replied that nine RFIs were received specifically in regards to the model. The Lt. Governor followed up with his understanding of the JBC’s feedback, which was that the JBC understood the short timeframe in which the FY15-16 model was developed and expects improvements in the FY16-17 model to be made.



Some of the changes for this fiscal year have been; moving away from a weighted credit hour structure, instead creating a base-type figure for Role and Mission; and placing more emphasis on actual counts (degrees, retention, completions, transfer retentions and progress to degree), so that this becomes a truly volume driven allocation model.

Questions:

Commissioner Garcia asked about the move from underrepresented minority to increased emphasis on Pell Grant eligibility and will URM ever become a funding factor? Mr. Haggerty replied that the department is still actively looking to close the attainment gap. The Data and Research team is looking into this issue. Lt. Governor Garcia added that meetings have occurred with the Center for Urban Education, UCD, CCD and MSU-Denver to improve outcomes and equity across different racial and ethnic groups.

Vice Chair Colon asked about the calculation of the Role and Mission base amount. Mr. Haggerty replied this has been discussed at length by the model review team in an effort to simplify the process while still addressing all the various factors. Vice Chair Colon cautioned that base amounts can lack transparency and stability. Mr. Haggerty agreed but noted that it is difficult to go from an old way of funding to a new way of funding so quickly, and that funding decisions made over the last 15-20 years have impacted institutions, such that a model without a base jeopardizes the sustainability. Chairman Moses said that version 1.0 of the funding model had the benefit of roughly \$65 million in new revenue. He noted that version 2.0 has the distinct possibility of zero or even a cut in general fund appropriation.

Chairman Moses questioned the viability of the model in a budgetary reduction cycle. Mr. Haggerty responded that conversations over the past four months and continuing into the fall are grappling with this possibility. Lt. Governor Garcia noted that HB14-1319 is a performance model and not simply an allocation model; it would be simpler if all institutions were similar. The guardrails insulate general fund dependent schools in a flat or declining funding environment

Chairman Moses then asked how CCHE and the department will transfer recommendations regarding tuition policy and the funding allocation model, separately or as one. Mr. Haggerty responded that it would ideally be as one, and by tying all of the different pieces together by the November 1st budget request deadline.

IV. Action Item

- A. Degree Authorization Act – Request for Provisional Authorization for the Relay Graduate School of Education – Heather DeLange, Academic policy Officer for the Degree Authorization Act.**



Under the Degree Authorization Act and the procedures found in CCHE policy Section 1, Part J, the department staff processed Relay Graduate School of Education's application for authorization to operate in Colorado and recommend provisional authorization based on Colorado law. Relay GSE is a non-profit institution of higher education offering graduate degrees in education that holds regional accreditation through the Middle States Commission on Higher Education, as well as specialized accreditation at its other sites from the National Council for Accreditation of Teacher Education through 2020. Relay GSE meets the criteria outlined in statute and policy to establish a campus in Colorado in order to offer its Master of Arts and teaching degree, including the bonding requirement.

Institutions may request full authorization from the commission once an accreditation site visit at the Colorado campus has occurred and after completing the process staff determine that Relay meets the statutory requirements and standards to establish its Colorado campus.

Relay GSE operates in seven states. Their mission is to teach teachers and school leaders to develop in their K-12 students the academic skills and knowledge to succeed in college. They work with graduate students who are teachers. This is a two-year master's degree program. The first year they will be full time teachers under the tutelage of a mentor teacher in a K-12 school while attending Relay GSE part time. In the second year teachers will be at the helm of their own K-12 classroom, take part time course work and receive their Master of Arts in Teaching degree at the end of the program. The graduation rate is 82%.

Relay GSE began in partnership of Hunter College in New York and now are independent.

Questions:

Commissioners McGimpsey asked how the school values compliance and is there a compliance officer. Dr. Billie Gastic, Chief Research Officer, replied that they have a compliance officer who oversees state regulatory reporting requirements, regional accreditation and state reporting. The commissioner also asked if issues get to management quickly. Dr. Gastic replied yes and stated there is transparency.

Advisor Artis asked Therese Zosel-Harper, future Dean of Teaching and Learning, to discuss how successful the school has been in preparing teachers for charter schools. Ms. Zosel-Harper replied that the Relay GSE curriculum can meet the needs of many teachers in urban environments and said that an added benefit is graduate students working with charter partners have a point person



responsible for the teaching residents and teacher development. Mr. Artis also asked how much of the program can be done online. Ms. Zosel-Harper replied that 40% of the program is online.

Chairman Moses asked if teachers in the first year are guaranteed a job for their second year irrespective of the behavior or performance in the first year. Ms. Zosel-Harper answered they are not guaranteed a job but their students pass through four gateways during the first year with the fourth one being a culminating observation where they have demonstrated they are prepared to lead a classroom as a full time teacher. She said the vast majority are hired, the placement rate being very high.

Commissioner Kerr asked what happens to a student who doesn't meet the requirements in the first year. Ms. Zosel-Harper replied that the first three gateways are meant to facilitate conversations with the students about their intent to continue in the profession. If the student does not feel ready by the fourth gateway, the school is prepared to offer a three year program for graduate students who do not meet expectations after the first year.

Advisor Artis asked what the retention rate in the profession of the teachers who go through the program. Dr. Gastic replied that over 90% of the teachers who graduate the program continue in the profession.

Commissioner Anderson moved to approve provisional authorization for the Relay Graduate School of Education. The motion was seconded by Commissioner Garcia and unanimously passed.

The meeting was adjourned at 1:00pm.

