
COLORADO DEPARTMENT OF



HIGHER EDUCATION

ACCESS TO HIGH-QUALITY, AFFORDABLE EDUCATION FOR ALL COLORADANS

HIGHER EDUCATION STRATEGIC PLAN

FY 2013-14

January 2013

EXECUTIVE SUMMARY:

Since its founding, the Colorado Commission on Higher Education (CCHE, Commission) has had the responsibility for statewide strategic planning. Starting in 2004, the Colorado General Assembly passed several bills that modified the CCHE's activities in system wide planning, ultimately culminating in Senate Bill 11-052, which formally linked statewide strategic planning with institutional performance contracts and future performance funding. As such, the strategic planning requirements of House Bill 10-1119 are fulfilled and enhanced by the implementation of Senate Bill 11-052.

Past performance contracts, those executed in response to Senate Bill 04-189, were not expressly designed to direct resource allocation decisions. The new performance contracts required by Senate Bill 11-052 formally address this by linking the recently completed statewide master plan with future resource allocation decisions.

The CCHE's FY 2013-14 budget request includes new operational funding for institutions for the first time in a number of years. This new funding will not only help institutions sustain core programs and operations but also support the goals of the statewide master plan such as increasing degree completion, reducing disparities for underserved students, improving credit hour accumulation, and improving outcomes for students in remedial coursework. With the completion of the plan and performance contracts, the CCHE and the institutions will have agreement on the top priorities of the state for our public higher education institutions.

New funding for need-based financial aid requested in FY 2013-14 also supports performance-based planning. The Commission on Higher Education spent much of the past year working with national experts and campus representatives to modify the state's financial aid allocation method. The purpose of the changes under consideration by the Commission is to more closely align financial aid funding with the priorities found in the master plan and support student success. Specifically, the CCHE's plan would create financial "rewards" or incentives for student retention, progress, and timely completion. The changes under consideration by the CCHE would be noticeably enhanced by the FY 2013-14 financial aid budget request (Decision Item 2).

The recently completed statewide master plan (see Addendum A) is the foundation for the new performance contracts, which are expected to be finalized in February 2013. The Department and CCHE are completing performance contract negotiations with institutional governing boards and campus leaders. At this time, all public institutions¹ have completed an initial draft of performance metrics, and most have completed the process to the satisfaction of their governing boards (see Addendum B). Some questions and topics regarding performance metrics and contracts remain, but these are under active consideration and are expected to be resolved over the next few weeks. A copy of the performance indicator template developed by the CCHE and used by the campuses is available in Addendum C. An example of a draft performance contract, as prepared by the Colorado Office of the Attorney General, is available in Addendum D.

¹ Note: Contracts with Area Vocational Schools will not be completed until after February, as these institutions are currently in the process of preparing and submitting data into the Department's Student Unit Record Data System (SURDS).

In addition, all of the private colleges and universities that participate in the College Opportunity Fund program are in receipt of revised performance contracts and the “performance metric worksheet” used by the state’s public colleges and universities; meetings with representatives from these campuses have taken place or have been scheduled. Once all the contracts have been formally signed by both the institution/system and the Commission, the Department will revise and resubmit this strategic plan.

STATUTORY AUTHORIZATION (DEPARTMENT & COMMISSION):

“There is hereby established a central policy and coordinating board for higher education in the state of Colorado, to be known as the Colorado commission on higher education” – *Section 23-1-102 (2), C.R.S. (2012)*

“the department of higher education is responsible for implementing the duly adopted polices of the Colorado commission on higher education...it is the duty of the Colorado commission on higher education and the department of higher education to implement the policies of the general assembly” – *Section 23-1-101, C.R.S. (2012)*

MISSION STATEMENTS:

Colorado Department of Higher Education: The mission of the Department of Higher Education is to improve the quality of, ensure the affordability of, and promote access to, postsecondary education for the people of Colorado. In pursuing its mission, the Department of Higher Education will act as an advocate for the students and institutions of postsecondary education and will coordinate and, as needed, regulate the activities of the state’s postsecondary education institutions.

The Colorado Commission on Higher Education: CCHE’s mission is to provide access to high-quality, affordable education for all Colorado residents that is student-centered, quality driven and performance-based. CCHE’s primary "customers" are Colorado students and citizens. CCHE is committed to providing the best quality education at the best price with the best possible service for its customers.

VISION STATEMENT:

Higher education must fulfill its essential role in creating the conditions for a healthy state economy, a productive society and a high quality of life for the people of the state. While serving these greater societal needs, the department and the state’s institutions understand that their main purpose is the rigorous instruction of students. The department, working together with the state’s institutions of postsecondary education, seeks a future for Colorado in which its institutions are accountable for continued improvement in the quality, efficiency and results of postsecondary education and are adequately funded to do so.

STATUTORY AUTHORIZATION FOR PLANNING:

“On or before September 1, 2012, the commission shall develop and submit to the governor and the general assembly a new master plan for Colorado postsecondary education. The commission shall collaborate with the governing boards and chief executive officers of the state institutions of higher education in developing the master plan. In addition, the commission shall take into account the final report of the higher education strategic planning steering committee appointed by the governor. In drafting the master plan, addressing the issues specified in paragraph (b) of this subsection (1.5), and establishing the goals as described in paragraph (c) of this subsection (1.5) for the state system of higher education” — *Section 23-1-108 (1.5), C.R.S. (2012)*

BRIEF HISTORY OF THE CCHE AND STATUTORY BACKGROUND OF PERFORMANCE CONTRACTS:

Since its founding in 1965, the Colorado Commission on Higher Education (CCHE) has had the responsibility for statewide strategic planning for the system of higher education. According to statute (C.R.S. 23-1-108), the CCHE is responsible for the following statewide planning activities:

- Establishing a policy-based and continuing systemwide planning, programming, and coordination process to effect the best use of available resources;
- Establishing such academic and vocational education planning as may be necessary to accomplish and sustain systemwide goals of high quality, access, diversity, efficiency, and accountability;
- Determining the role and mission of each state-supported institution of higher education within statutory guidelines;
- Establishing enrollment policies, consistent with roles and missions, at state-supported institutions of higher education as described in statute;
- Establishing state policies that differentiate admission and program standards and that are consistent with institutional roles and missions as described in statute;
- Adopting statewide affirmative action policies for the commission, governing boards, and state-supported institutions of higher education; and
- Establishing systemwide policies concerning administrative costs.

Historically, the CCHE provided a strategic planning report to the Colorado General Assembly once every four years; however, in 2004, this process was modified significantly.

With the passage of Senate Bill 04-189, which created the College Opportunity Fund (COF) program, some aspects of the relationship between the CCHE and the postsecondary governing boards changed. As a result of Senate Bill 04-189, the traditional planning process outlined in

§23-1-108 C.R.S. was replaced with the development and execution of institution- or system-specific performance contracts. At the time, these contracts were unique in the nation and articulated specific performance targets for institutions that participated in the COF program. Following guidance found in statute, these performance contracts addressed common goals such as improvements in student retention, completion rates, and access for underserved students. The original term of the performance contracts was from 2005-2009, during which time the CCHE did not create an additional strategic plan

In 2010, the CCHE performance contracts were extended by the CCHE. In that same year, the Colorado General Assembly passed Senate Bill 10-003, which granted institutions of higher education increased financial flexibility in return for increased accountability to ensure the ongoing access and success for students from lower and middle income families. Senate Bill 10-003 also required the CCHE to renew its historic role in master planning and prepare a formal statewide strategic plan for delivery to the Governor and General Assembly no later than December 2010.

In December, 2010, the CCHE formally adopted the Higher Education Strategic Plan's (HESP) report, *The Degree Dividend*. The HESP process assessed the condition of Colorado's higher education system and identified challenges. It served as the foundation of the master planning process that culminated in the development of a new statewide master plan and new performance contracts.

Finally, in 2011, the Colorado General Assembly adopted Senate Bill 11-052, a bill that directed the CCHE to (1) extend the terms of the existing performance contracts to December 2012, to (2) prepare and deliver a formal master plan for higher education no later than September 2012, and (3) to prepare new performance contracts for higher education systems, using the newly adopted master plan as the basis for the contracts, by December 2012. And, unlike previous statewide performance plans or contracts, those created by way of Senate Bill 11-052 must eventually be used for the introduction of performance funding. In December 2012, the CCHE completed the process of developing a new statewide master plan according to the directives found in Senate Bill 11-052.

At this moment, the CCHE and Department are completing the process of working with institutional governing boards and campus leaders to finalize specific performance indicators to be used in new performance contracts (see Addenda B and D).

The legislative requirements of Senate Bill 11-052 and the performance contract process align with and support the intent of House Bill 10-1119 (SMART Act) in that performance can be annually measured and assessed by program area—in the case of higher education, the individual campuses and governing boards—and at a statewide level. Senate Bill 11-052 directed the Commission to develop agreed upon statewide goals that are to be implemented through performance contracts individually tailored to each governing board. Each contract includes performance indicators that assess an institution's annual progress. Institutional progress can also be aggregated to assess progress on the statewide goals. This approach respects the distinctive responsibilities of the governing boards and the unique roles and missions of the campuses they oversee while supporting shared statewide goals articulated in the newly adopted statewide master plan.

When this process is completed, the CCHE and Department will provide copies of the performance contracts to the General Assembly as well as post them on the Department website.

STATEWIDE MASTER PLAN PROCESS AND TIMELINE:

For over a year, the CCHE committed itself to fulfilling the requirements of Senate Bill 11-052 by designing and creating a master plan for Colorado postsecondary education. The process of creating a new statewide master plan supported by performance contracts for Colorado's public higher education system is inherently time consuming given the need for full participation and agreement among and across different institutions. Without meaningful "buy-in" from the institutions, the master plan would be little more than an aspirational document. For this reason, the CCHE made it a priority to solicit input from officers of various units on campuses throughout the state at every stage of the planning process, in spite of the fact that this required additional time and effort. Taking the time for a collaborative process also helped ensure that the performance measures eventually agreed upon would be meaningful, understandable and achievable.

The Commission began this process during its annual retreat in August 2011 and has discussed the goals, metrics, and other aspects of the master plan at every official CCHE meeting since. Table 1 presents a tabulated summary of the meetings that took place for the development of the statewide master plan and performance contracts.

Table One: Commission Meetings on Master Plan

Date	Event (location)	Activity	Participant Groups
May 2011	SB11-052 signed by Governor Hickenlooper	N/A	N/A
August 4 & 5, 2011	CCHE Annual Retreat (@ Fort Lewis College)	Discussion of Master Plan timeline Discussion of Statewide Goals	CCHE Members and DHE staff
September 8, 2011	CCHE Monthly Meeting (@ Colorado Mesa University)	Master Plan Update*	CCHE Members and DHE staff
October 6, 2011	CCHE Monthly Meeting (@ University of Northern Colorado)	Master Plan Update*	CCHE Members and DHE staff
November 3, 2011	CCHE Monthly Meeting (@ Arapahoe Community College)	Master Plan Update*	CCHE Members and DHE staff
December 2, 2011	Board of Trustee Chair Meeting (@ Auraria Higher Education Center)	Discussion of Master Plan Process Solicitation of Concepts Discussion of Statewide Goals	College CEO/Presidents Governing Board Chairs CCHE Members DHE and College Staff
January 6, 2012	CCHE Monthly Meeting (@ Colorado School of Mines)	Master Plan Update*	CCHE Members and DHE staff
February 3, 2012	CCHE Monthly Meeting (@ Department of Higher Ed)	Master Plan Update*	CCHE Members and DHE staff
March 2, 2012	CCHE Monthly Meeting (@ State Capitol)	Master Plan Update*	CCHE Members and DHE staff
March 13, 2012	Setting Statewide Goals Meeting (@ Community College of Aurora)	Discuss Setting Statewide Goals Development of Metrics	Senior Level College Reps CCHE Members DHE Staff
April 5, 2012	CCHE Monthly Meeting (@ State Capitol)	Master Plan Update*	CCHE Members and DHE staff
April 17, 2012	Setting Statewide Goals Meeting (@ Auraria Higher Education Center)	Continued Development of Metrics Review of other states' Master Plans and Performance Metrics	Senior Level College Reps CCHE Members DHE Staff
May 4, 2012	CCHE Monthly Meeting (@ State Capitol)	Master Plan Update*	CCHE Members and DHE staff
May 23, 2012	Setting Statewide Goals Meeting (@ Colorado School of Mines)	Discussion of Master Plan Solicitation of Concepts Discussion of Statewide Goals	Senior Level College Reps CCHE Members DHE Staff
June 7, 2012	CCHE Monthly Meeting (@ Otero Junior College)	Master Plan Update*	CCHE Members and DHE staff
June 28, 2012	Board of Trustee Summit (@ Fed Reserve Building)	Present and solicit feedback on proposed Statewide Goals and metrics in the Master Plan	General Assembly Members College CEO/Presidents Governing Board Members CCHE Members DHE and College Staff
August 2 & 3, 2012	CCHE Annual Retreat (@ Colorado Mountain College)	CCHE reviewed, considered and integrated institution feedback on Master Plan, Statewide Goals, and Performance metrics	CCHE Members and DHE staff (Institution staff attended and were asked to participate)
September 13, 2012	CCHE Monthly Meeting (@ Adams State University)	Master Plan Update*	CCHE Members and DHE staff
September 26, 2012	Feedback from Revised Master Plan Draft Solicited from Governing Boards	Input from Institution leadership provided by meetings and letters on/or around this time frame	Institution leadership CCHE Members DHE staff
October 1, 2012	Preliminary Meetings with CCHE, Staff Liaisons, and Campus Representatives regarding performance contracts	CCHE members and staff liaisons assigned to governing boards for performance contract negotiations and performance indicator determination	Institution leadership CCHE Members DHE staff
October 4, 2012	CCHE Monthly Meeting (@ Metropolitan State University of Denver)	Master Plan Update*	CCHE Members and DHE staff
November 1, 2012	CCHE Monthly Meeting (@ Regis University)	Master Plan Update*	CCHE Members and DHE staff
December 6, 2012	CCHE Monthly Meeting (@ Colorado Community College System)	Master Plan Update*	CCHE Members and DHE staff
* More information on CCHE "Master Plan Updates" can be found on the Department of Higher Education website under each respective CCHE meeting.			

The shaded items in Table One identify the instances where the Department of Higher Education sponsored meetings to solicit input on statewide goals and related performance metrics from boards of trustees, college presidents, and senior level college representatives.

- August 1-2, 2011 at Fort Lewis College – Commission annual planning meeting. Over two days, the CCHE received input from the National Center for Higher Education Management Systems (NCHEMS) on critical needs in Colorado, discussed the conclusions of the Degree Dividend report, and then identified four preliminary statewide goals for the state’s master plan.
- December 2, 2011 at the Auraria Higher Education Center – meeting with chairpersons of the governing boards and college presidents. The purpose of this meeting was to discuss the master planning process and initial statewide goals;
- March 13, 2012 at the Community College of Aurora - meeting with senior-level institution representatives. The purpose of this meeting was to discuss the of setting statewide goals and the development of metrics;
- April 17, 2012 at the Auraria Higher Education Center – meeting with senior-level institution representatives. The purpose of this meeting was to review other states’ master plans and performance metrics;
- May 23, 2012 at the Colorado School of Mines – meeting with senior-level institution representatives. The purpose of this meeting was to discuss specific metrics for possible inclusion in the CCHE Master Plan; and,
- June 28, 2012 at the Federal Reserve Bank (Denver, CO) - Higher Education Summit with governing board members, college presidents, Governor Hickenlooper, and members of the General Assembly. The purpose of this summit was to present and solicit feedback on proposed goals and metrics in the master plan.

In June 2012, the CCHE formally requested feedback from the governing boards on the proposed metrics and goals. The Commission asked that responses be submitted by early August. All institutions responded to this request, and the feedback they provided was discussed by the CCHE at a two-day working meeting on August 2-3, 2012 at Colorado Mountain College in Glenwood Springs, Colorado. After incorporating feedback from the campuses, the Commission again asked for final comment on the master plan, which was collected in late September 2012.

As the master plan neared completion, work on the performance contracts began. Commissioners and senior Department staff were assigned to work with institutional leadership in the selection and weighting of performance measures. This work was not only conducted at the board level, in many instances it also required extensive discussion and input from faculty and staff at the

institution level. Today, all public governing boards have selected and weighted metrics in support of performance contracts. And, with the exception of the Area Vocational Colleges², all performance contracts for public institutions are on track to be finalized in February 2013. When all the performance contracts are finalized and adopted by the Commission they will immediately be made available on the Department website along with the new statewide master plan already available at the top of the main page of the Department website:
<http://higher.ed.colorado.gov>

It is important to note that the statewide master plan and institution-specific performance contracts will provide additional data to inform decision makers as to appropriate funding levels in future years. If future year revenues and appropriations allow for performance funding as set forth in Senate Bill 11-052, those funds will be allocated based entirely on the performance measures being negotiated with institutional governing boards today. Senate Bill 11-052 also requires that the Department submit a report to the General Assembly by December 2013 detailing how performance funding will work either through or in conjunction with the existing College Opportunity Fund (COF) Program

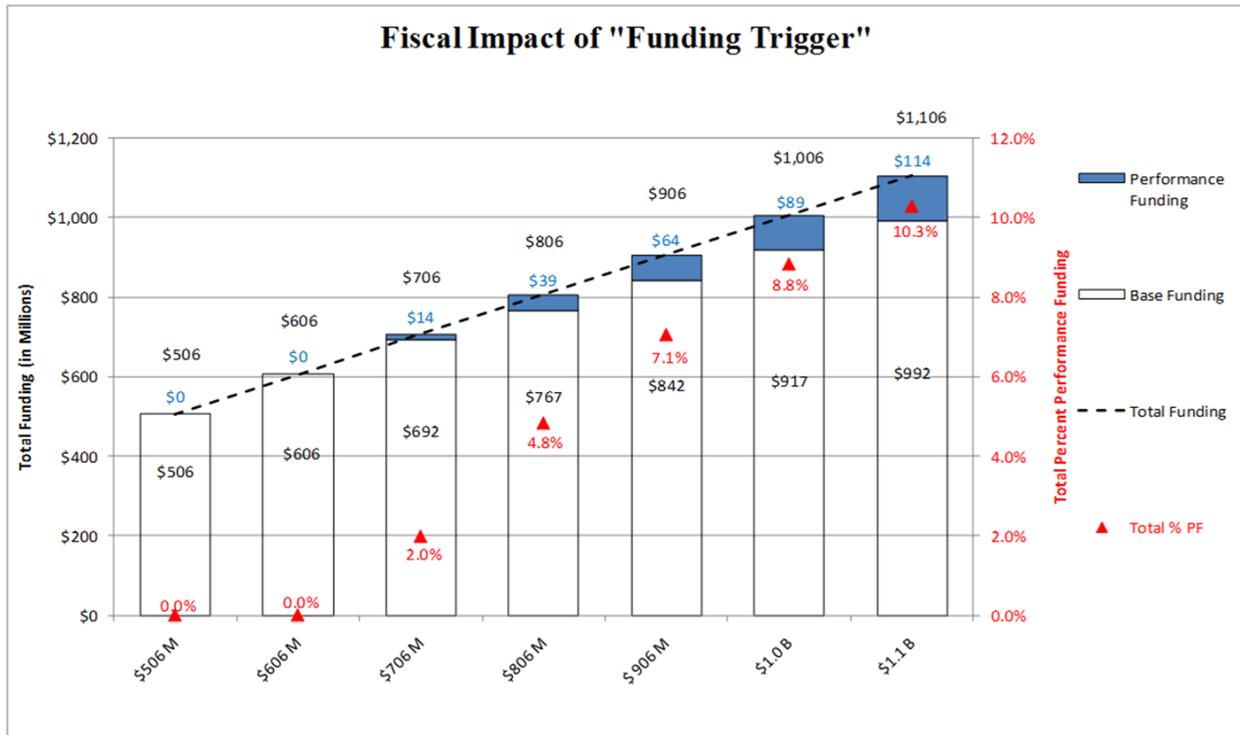
ADVANTAGES OF PERFORMANCE CONTRACTS UNDER S.B. 11-052

The previous system performance contracts signed in 2004 were one of a kind at the time but had limitations. First, many of the performance measures found in the 2004-05 contracts focused on cohorts of first-time, full-time students only. The new statewide master plan and performance contracts are more focused on overall annual improvements in student progress and completion, such as those in remediation, in progression and transitions (i.e., transfer), and in completion. This, we believe, more comprehensively captures the progress of all Colorado students.

Moreover, the 2004 contracts did not have authentic incentives or consequences for meeting or failing to meet performance criteria. In large part, this was the result of structural shortcomings in Senate Bill 04-189. In contrast, the performance contracts under consideration today must be used for future performance funding decisions. The level of performance funding is statutorily defined as 25 percent of all new revenue above \$650 million after “restored level of general fund support” (i.e., \$706 million) has been reached (23-1-108(1.9)(c)(I) C.R.S.). See Figure One below for a conceptual illustration of performance funding levels at various state revenue increments.

² The CCHE will execute contracts with the Area Vocational Colleges in spring 2013, as these institutions are in the process of submitting student data into the Department’s Student Unit Record Data System (SURDS). When these data are received, and baseline information can be established, performance contracts between the CCHE and governing boards of each of the Area Vocational Colleges will be completed.

Figure One: Performance Funding Levels Under S.B. 11-052



The new master plan and performance contracts also align better with institutional planning. As a coordinating body, CCHE does not direct institutional planning and operations. Each governing board, local district junior college and area vocational school has a unique statutory role and mission and develops individual strategic and operating plans approved by its respective governing board. For this reason it was important that the statewide priorities articulated in the new master plan anticipate the institutional planning process. Performance measures in the contracts were selected and weighted at the governing board and institutional level. They have been negotiated with institution leadership and the CCHE, and ultimately adopted by the institution governing board to be in alignment with institutional plans.

Finally, the former performance contracts were not tied to a statewide master plan. Therefore, individual contract results did not necessarily culminate into consistent performance on common statewide targets. By formally tying performance contracts to the state's master plan, Senate Bill 11-052 harmonized these documents, thereby creating a more uniform system of monitoring performance. Table Two (below) summarizes improvements in the type of data collected and the way it will be measured and used as outlined under Senate Bill 11-052.

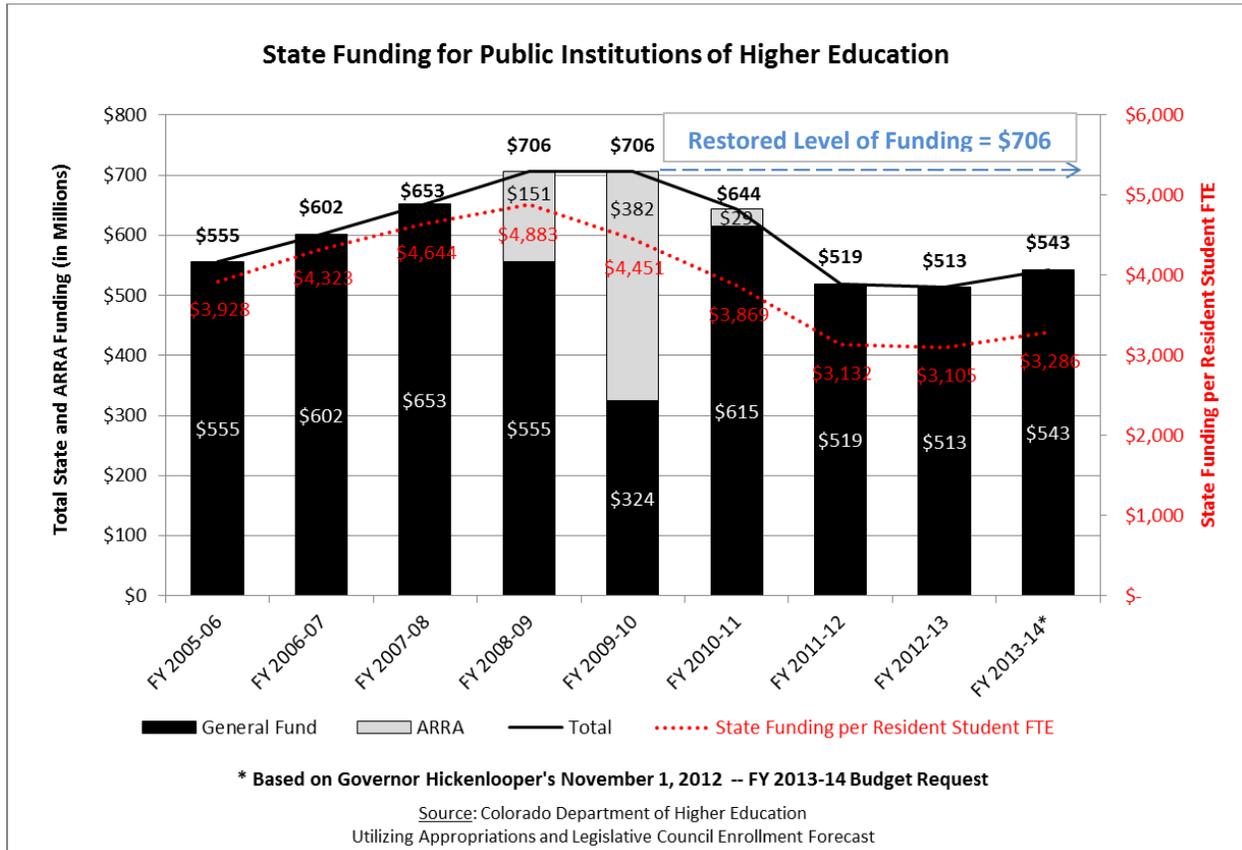
Table Two: Comparing Performance Measures

Old Performance Measures	New Performance Measures
Data limited to first-time, full-time students	Includes data for non-traditional and transfer students
Focus on student retention and graduation of a particular cohort	Focus on degree and certificate completion across the student population
Emphasis on number of students enrolled	Emphasis on improvements in persistence and degree completion
No measure of progress toward goals	Annual measures progress included
Limited focus on underserved student performance	Measures include annual improvements in reducing disparities in performance between underserved and non-underserved students
Limited measures for important student subpopulations	Includes improvement measures for remedial and STEM students

MASTER PLAN AND PERFORMANCE CONTRACTS – RELATIONSHIP TO THE SYSTEM BUDGET

The FY 2013-14 budget request is linked to and reinforces planning efforts at a statewide and institutional level. The Governor’s November 1, 2012 budget request for FY 2013-14 represents the first time in a number of years (since FY 2008-09) where the overall system of higher education has a General Fund increase to both operating for public colleges and state based financial aid (see Figure Two below). The proposed increase occurs at the same time that Colorado’s public colleges and universities and the CCHE are completing agreement on output-oriented performance measures detailed in institution-specific performance contracts.

Figure Two: State Operating Fund Levels Since FY 2006



The proposed \$30 million in operating funds for FY 2013-14 will provide a foundation for measuring performance under the contracts in the years ahead and the \$5.3 million in additional need-based financial aid funds are expected to be applied in a way that creates an immediate institutional incentive for improving academic progression and timely completion.

The FY 2013-14 request does not anticipate a level of funding that would trigger performance funding as defined in statute. Nevertheless, as it is a significant increase over the prior year the request sets the stage for allowing institutions to plan internally to meet the statewide goals articulated in the master plan (Addendum A). Additional funding requested in the FY 2013-14 budget will allow some institutions to restore operational reserves depleted in recent years, make or restore investments in student services and implement strategies to reduce performance disparities. The FY 2013-14 request may allow institutions to hold tuition increases to a lower level than in recent years. Last year an additional \$5.8 million reduction in state funding resulted in the FY 2012-13 tuition levels summarized on Table Three (below).

Table Three: Base Tuition Increases by Institution, FY 2011-12 to 2012-13

Institution	FY 2011-12 Tuition only (30 credit hrs)	FY 2012-13 Tuition only (30 credit hrs)	Dollar Increase	% Increase
Adams State University	\$3,312	\$3,816	\$504	15.2%
Colorado Community College System	\$3,176	\$3,383	\$207	6.5%
Colorado Mesa University	\$5,780	\$6,103	\$324	5.6%
Colorado School of Mines	\$12,585	\$13,590	\$1,005	8.0%
Colorado State University System	CSU: \$6,307	CSU: \$6,875	\$568	9.0%
	CSU-P: \$4,486	CSU-P: \$5,194	\$708	15.8%
Fort Lewis College	\$4,048	\$4,800	\$752	18.6%
Metropolitan State University of Denver	\$3,809	\$4,304	\$495	13.0%
University of Colorado System	UCCS: \$6,720	UCCS: \$7,050	\$330	4.9%
	UCD: \$6,776	UCD: \$7,980	\$1,204	17.8%
	UCB: \$7,672	UCB: \$8,056	\$384	5.0%
University of Northern Colorado	\$5,300	\$5,464	\$164	3.1%
Western State Colorado University	\$3,922	\$4,627	\$705	18.0%

NOTE: The tuition figures identified above are considered "Base Tuition Rates" (30 credit hours) and do not include tuition differentials, etc. No fees are identified in these figures.

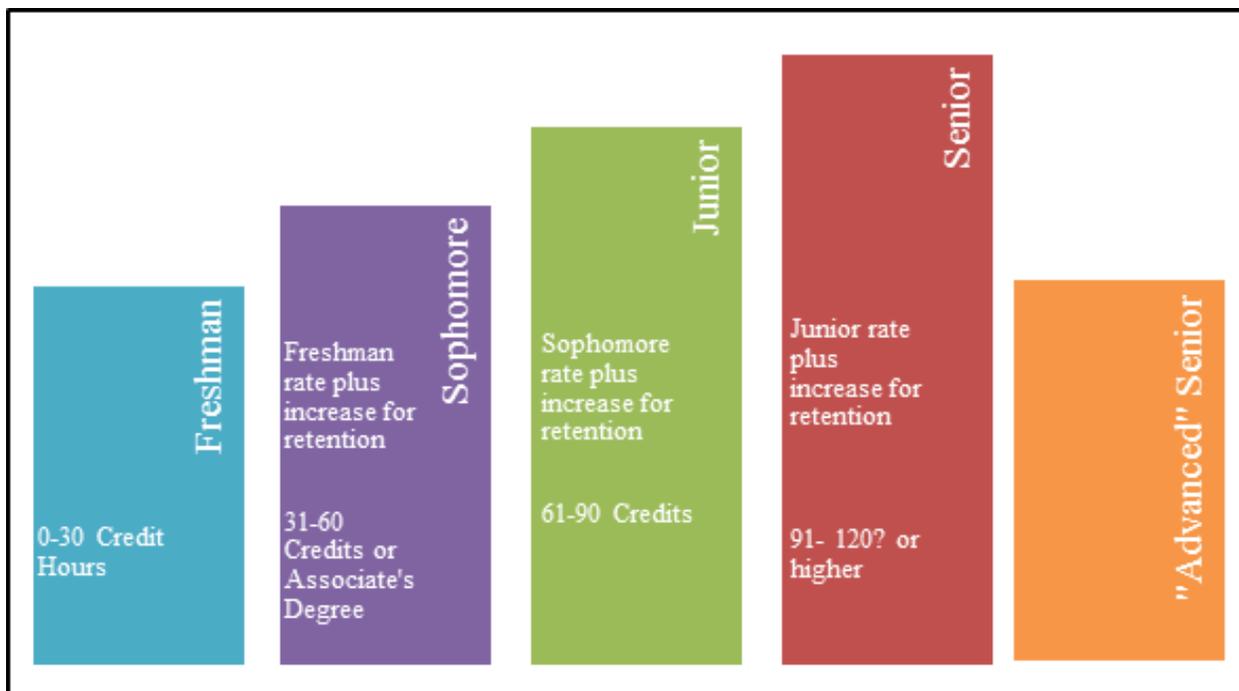
While recent year budget cuts have resulted in tuition increases, such revenues have allowed institutions to maintain operations and increase institution-based financial aid (identified in Table Four). The proposed operational increase for FY 2013-14 will have a direct impact on institutions but also on Colorado's underserved students by freeing up financial aid resources at the institutional level to improve access and completion in support of the statewide master plan.

Table Four: Change in Institutional Financial Aid at Public Institutions of Higher Education in Colorado, FY 2003-04 to FY 2010-11

Fiscal Year	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Total Public Institutional Financial Aid	89,062,661	102,620,315	138,113,409	139,209,125	165,478,388	195,859,445	222,121,166	241,582,016
Dollar Change from Prior Fiscal year	-	13,557,654	35,493,094	1,095,716	26,269,263	30,381,057	26,261,721	19,460,850
Percent Change from Prior Fiscal Year	-	15.2%	34.6%	0.8%	18.9%	18.4%	13.4%	8.8%
Cummulative Dollar Change from FY 2003-04	-	13,557,654	49,050,748	50,146,464	76,415,727	106,796,784	133,058,505	152,519,355
Cummulative Percent Change from FY 2003-04	-	15.2%	55.1%	56.3%	85.8%	119.9%	149.4%	171.2%

Finally, the FY 2013-14 budget request also includes a \$5.3 million increase in need based financial aid. Need based aid is an important factor in providing access and persistence for Colorado’s low income students. The Commission has the authority to allocate statewide need based aid and is currently considering a method whereby institutions would receive more aid as students accumulate more credit hours. This method directly supports the master plan goals of increased credit hour accumulation, timely degree completion, and improving outcomes for historically underserved students.

Figure Three: Financial Aid Completion Incentives



CONCLUSION

The CCHE's FY 2013-14 budget request includes new operational funding for institutions for the first time in a number of years. This new funding will not only help institutions sustain core programs and operations but also support the goals of the statewide master plan such as increasing degree completion, reducing disparities for underserved students, improving credit hour accumulation, and improving outcomes for students in remedial coursework. With the completion of the statewide master plan and performance contracts, the CCHE and the institutions will have agreement on the top priorities of the state for our public higher education institutions.

The FY 2013-14 request works in concert with the requirements of House Bill 10-1119 and both are aligned with the goals of the CCHE's statewide master plan. The result is an agenda that harmonizes the objectives of House Bill 10-1119 and Senate Bill 11-052 and encourages improvements in areas critical to the achievement of the state's overarching goals, such as increasing degree and credential attainment, closing degree attainment gaps, and improving basic skills/remedial education outcomes.

ADDENDUM A:

COLORADO COMPETES – A COMPLETION AGENDA FOR HIGHER EDUCATION

COLORADO COMMISSION ON HIGHER EDUCATION MATER PLAN

DECEMBER 2012

Colorado Competes

A Completion Agenda
for Higher Education

Colorado Commission
on Higher Education
MASTER PLAN

Published October 2012

The master plan must ...include accountability measures that will demonstrate that students receive high-value and high-quality educational services that are provided with the efficiency necessary to reduce attrition and increase retention and enable students to attain their degrees in a reasonable period of time, and to help ensure students achieve post-graduation success.

**Legislative Declaration
to Senate Bill 10-003**

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Letter from the Commission

In 1947, the President’s Commission on Higher Education reported to President Harry S. Truman that “American colleges and universities...can no longer consider themselves merely the instrument for producing the intellectual elite; they must become the means by which every citizen, youth and adult is enabled and encouraged to carry his education, formal and informal, as far as his native capacities permit.”¹ In part to facilitate this newfound purpose and address the needs of ever-increasing numbers of students and institutions, many states established coordinating boards for their systems of higher education. These agencies are charged with studying the needs of all citizens, all regions, and all institutions. Unlike campus-level governing boards, these coordinating boards were not necessarily given responsibilities to manage academic programs or provide direct administrative oversight, but rather to coordinate policies intended to serve all students across institutions and carry out many of the laws developed by state legislatures to support the needs of rapidly expanding postsecondary systems.

Since its founding in 1965, the Colorado Commission on Higher Education has been the only official body charged with the responsibility to examine the postsecondary needs of the entire state and coordinate policies that benefit students enrolled at all institutions. As Commissioners, we accept our duty with the highest sense of responsibility to the citizens of Colorado and with great respect for the colleges and universities in the state.

In fulfilling the charge given to us by the General Assembly, we, the Commission, must periodically prepare a statewide master plan, a document that presents both a meaningful vision of, and outline for, practicable, measurable activities. According to Colorado statute, the Commission must identify in the master plan the “needs of the state with regard to higher education” and the priorities for meeting those needs [C.R.S. 23-1-108(1.5)(b)(1)]. The master plan must also serve as a framework upon which the state’s accountability system rests.

Additionally, one of the charges given to the Commission was to “take into account the final report of the higher education strategic planning steering committee appointed by the governor.” This 2010 report, titled *The Degree Dividend*, effectively identified many of the broad needs of the state with regard to higher education.

We began our work where *The Degree Dividend* left off. We developed the short- and longer-term steps necessary to address the challenges identified in *The Degree Dividend*. Specifically, we focused our efforts on the development of system-wide goals upon which performance could be measured.

We believe the goals presented in this report address a narrow list of objectives that are broadly accepted, meaningful, and have the potential to improve postsecondary outcomes for the residents of Colorado. In developing these performance goals, we seek to give deference to the unique features of the campuses in the state’s system of higher education and, in most instances, avoid specific numeric targets. With the exception of the state’s completion goal—the first and foremost goal in this plan—our goals focus on annual progress, recognizing that improvements take time, focused efforts, and resources.

Colorado Commission on Higher Education

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Regina M. Rodriguez
7th Congressional District

B J Scott
5th Congressional District

As part of this process, we asked the following questions:

- ▶ Should the higher education system be accessible to all, or only to those with adequate financial means?
- ▶ Is higher education merely a private good benefitting each individual who attends a college or university or is it a public good that benefits Colorado's communities and the state?
- ▶ How can higher education effectively demonstrate its stewardship of public resources?

We consider the goals described in this master plan to be more than an aspirational list of appealing ideas. This plan presents a new and shared promise for the General Assembly, the institutions of higher education, the Commission on Higher Education, and the residents of the state of Colorado. Consequently, this Commission considers the achievement of these goals as a priority list of ambitious, yet achievable, commitments that will improve opportunities for all Coloradans.

This Master Plan is not unilateral. This Commission considers itself jointly responsible with the institutions of higher education for the achievement of the goals in this plan and holds itself accountable for their realization.

While this plan lays out goals that, if met, achieve the legislature's intention to help ensure that the system is effective in accomplishing post-graduation success for all students, it does not attempt to provide an answer to every pressing policy question or predict the ways in which future policies will be formed. To address many of these matters, we have included a workplan that outlines the activities we will take on in response to the charges conveyed by the Colorado General Assembly.

Ultimately, this Master Plan is not a plan for a particular institution or system of institutions. It does not offer recommendations for campus practices or instructional activities. It does not focus on the needs of any one institution or system of institutions. Instead, it presents the priorities that we believe are the most pressing for the educational performance and economic vitality of Colorado. In short, it is a plan for the future of the state of Colorado.

For the Commission,


Richard Kaufman, Chair


Patricia Pacey, Vice Chair

Executive Summary

The primary performance goal established by this Master Plan is to increase the number of Coloradans aged 25-34 who hold high-quality postsecondary credentials—certificates and degrees—to 66 percent by 2025. This goal is consistent with the opinion of the Lumina Foundation for Education, which argues that:

The United States risks an unprecedented shortage of college-educated workers in coming years. With the global economy demanding more and more highly skilled workers, economists and labor experts say increasing college attainment is a national imperative.²

Colorado ranks third in the nation in the percentage of citizens between the ages of 25 and 64 who hold a college degree: 46 percent, a figure that is projected to grow to 51 percent by 2025.³ Leading economists estimate that to meet the workforce demands of the state's employers, 67 percent of the state's workforce will need a high-quality postsecondary credential or degree by 2018.⁴

In addition to this principal performance goal, the Commission identified three complementary goals that address areas of critical concern to the postsecondary system: Improving student progress and momentum; diminishing historical disparities among students from certain populations; and demonstrating the need and justification for improved investments in the postsecondary sector.

The Commission's four performance goals are as follows:

- Goal 1** Increase the attainment of high-quality postsecondary credentials across the academic disciplines and throughout Colorado by at least 1,000 new certificates and degrees each year to meet anticipated workforce demands by 2025.
- Goal 2** Improve student success through better outcomes in basic skills education, enhanced student support services and reduced average time to credential for all students.
- Goal 3** Enhance access to, and through, postsecondary education to ensure that the system reflects the changing demographics of the state while reducing attainment gaps among students from underserved communities.
- Goal 4** Develop resources, through increases in state funding, that will allow public institutions of higher education to meet projected enrollment demands while promoting affordability, accessibility and efficiency.

This plan is organized into three primary sections. The first section provides a general introduction to the needs of the postsecondary system and some context for the changes currently taking place in it. The second section presents the Commission's primary performance goals and indicators that will demonstrate progress toward their attainment. The last section outlines the ways in which the Commission will participate in the accomplishment of the goals presented in the second section of this plan as well as the activities intended to address the various additional requirements of state law.

Master Plan

The benefits of a high-quality higher education system that is accessible to all Coloradans are well established.

Adults with postsecondary degrees and certificates earn higher incomes than those without such credentials. They have lower unemployment rates and better health outcomes. They rely on fewer social services and public safety nets. They create jobs that yield tax revenue and contribute toward building a stronger economy and a better society. That is, the contributions they make to their communities and their state far exceed their consumption of public goods.

Higher education also plays a pivotal role in improving the quality of life of communities across the state. Universities and colleges are integral to the economic and cultural successes of their home communities. The successful university and college system ensures that businesses have the educated and diverse workforce they need to grow, compete and thrive in a global marketplace. Colleges and universities attract business and investment capital and foster economic growth through industry collaborations.

...the state's colleges and universities are the engines that drive economic competitiveness in the national and global market and hold the key to the state's economic future.

The strength of local educational systems and the quality of a region's workforce are top considerations for businesses studying the development of new, or closures of existing, operations.

In short, the state's colleges and universities are the engines that drive economic competitiveness in the national and global market and hold the key to the state's economic future.

Accordingly, it is our strong opinion that higher education is and should be treated as an investment, not a simple cost.

Today, Colorado's higher education system is at a critical crossroads. The state's public investment in colleges and universities has shrunk dramatically. The result has been higher tuition and fees and increased costs to students and families. The increased costs limit access for lower- and middle-income families, reducing higher education opportunities at a time when we should be educating more of our citizens, not fewer.

Funding is not the only challenge. Too many students are not academically prepared for the rigors of college-level work. Too many enroll in college, but fail to persist to graduation. And, too often, access, persistence, and success in postsecondary education remains elusive for students from traditionally underserved populations.

Collectively, these shortcomings have the potential to jeopardize Colorado's economic future.

Lengthy discussion of these issues among stakeholders in 2010 produced The Degree Dividend, a detailed report that documents the mismatch between Colorado's aspirations and its current delivery of higher education.

The Degree Dividend identified three chronic challenges:

Low Public Investment: Colorado ranks among the lowest states in the nation in its funding of public institutions of higher education.

Large Attainment Gap: Colorado has the second largest degree attainment gap in the country—that is, the gap between the educational attainment of white students and the attainment of the next largest ethnic group, which in Colorado is Hispanic/Latino. In other words, Colorado’s system performs far better for white students than it does for Hispanics or those from low-income families.

**It is a fact:
performance
matters . . .**

A Leaking Education Pipeline: Many of our students are not retained through to completion of a certificate or degree. According to the most recent census, there are nearly 3.3 million adults aged 25 and older in Colorado. Ninety percent of that population has a high school diploma or higher, yet only 37% hold a bachelors degree or higher. Of the 3.3 million adults, almost 780,000 have some college credit, but have not attained a post-secondary degree or certified credential of any kind.⁵

This Master Plan recommends a path forward for the Colorado Commission on Higher Education (CCHE) and Colorado’s public institutions of higher education that will yield a more performance-oriented system and that will earn increased levels of public awareness and support.

It is a fact: performance matters, and the Commission and the institutions must demonstrate that public investments in higher education return more positive benefits for individuals, businesses, and the community at large than most other public investments. Through this demonstration of value and performance, the public will be assured that its investment in higher education is paying long-term dividends to the economic and civic vitality of the state of Colorado.



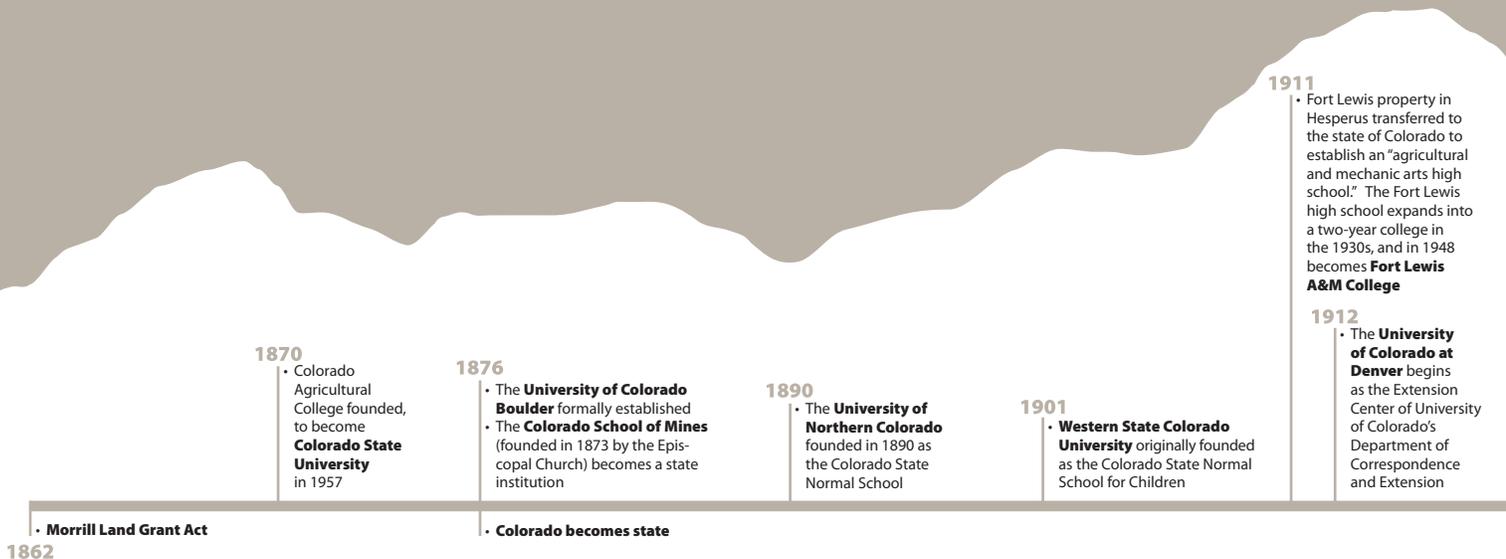
What Has History Taught Us?

Though the obstacles facing the state as it emerges from the recent recession are considerable, challenges are not new to higher education. In fact, many of the most significant leaps forward in the nation's higher education system have been in direct response to significant challenges.

During the Civil War, President Abraham Lincoln signed the Morrill Land-Grant Act. In direct response to historic needs for industrial growth, the Act provided the stimulus for incredible advancements in human capital and technological innovations in new states and territories and triggered unprecedented proliferation in the number of institutions of higher learning, including our own Colorado State University, the state's first public university.

Following World War II, the establishment of the GI Bill offered financial assistance as a benefit to returning veterans, opening up access to higher education to hundreds of thousands of Americans. The demand led directly to the dramatic expansion of public colleges and universities, in particular, the community college system and a broad growth of the nation's middle class. Within a generation of the end of World War II, the most rapid expansion of Colorado's public postsecondary sector took place, including the founding of Aims Community College, Colorado Mountain College, Community College of Denver, Arapahoe Community College, Colorado Northwestern Community College, Front Range Community College, Pikes Peak Community College, Morgan Community College, and Metropolitan State University of Denver, and the University of Colorado - Colorado Springs. Prior to World War II, only six percent of adults in the United States held a college degree. After the war, in large part because of the G.I. Bill, this number more than doubled, a fact that contributed to one of the most rapid national economic expansions of any country at any time.

In addition, the 1965 Higher Education Act, a bill forged from the struggles for equality and justice that took place during the Civil Rights Era, opened the door to higher education to millions of citizens previously unable to gain access to many public and private institutions of higher education. This act created many of the nation's foremost financial aid programs, including what is now the Pell Grant program, and challenged all

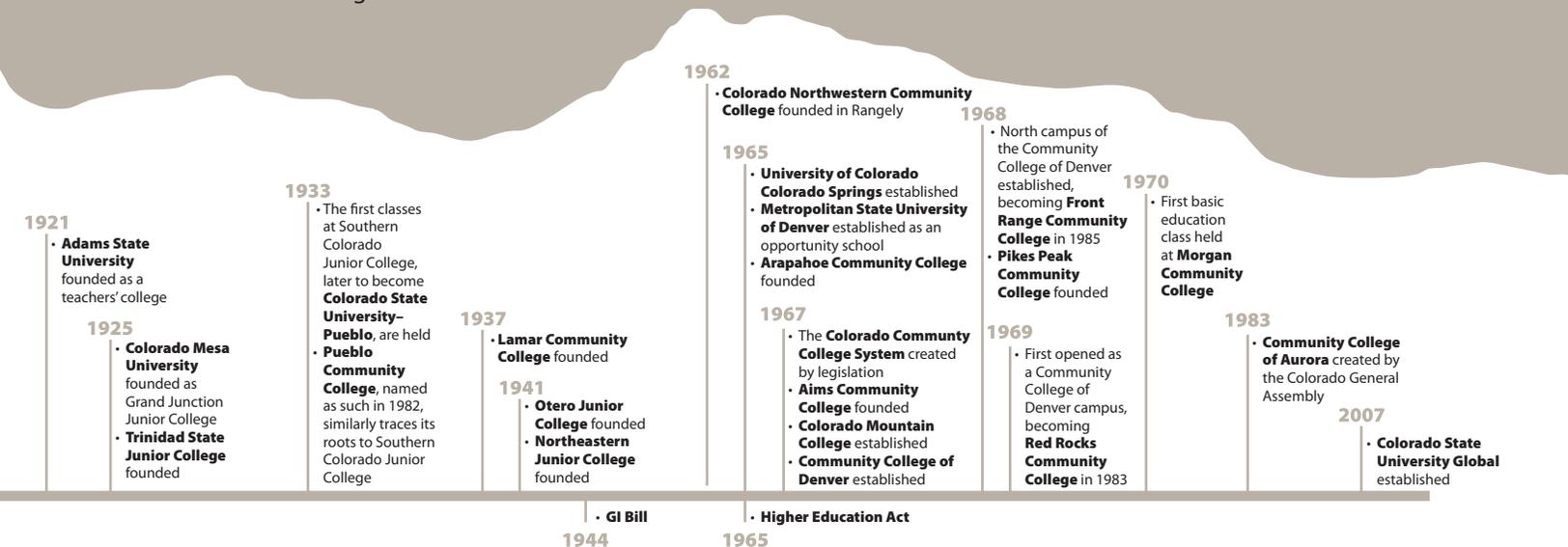


states to view education not as a private good for the privileged few, but a public good for the needs of all. By 1970, in part because of the opportunities provided by the 1965 Higher Education Act, the average educational attainment of African-American youth age 20-24 had increased by more than 25% compared to that of older (25 and above) African-Americans. In fact, the average educational attainment of African-American youth (age 20-24) exceeded the average educational attainment of older white citizens (25 and above) and trailed that of younger white citizens by less than one-half of a year (12.3 years of education for African Americans compared to 12.7 for whites).⁶

These surges in expansion of the higher education system were the result of intentional, visionary public policies and direct public investments. In each case, there was clear recognition that public investments would yield powerful dividends—and the results show they did.

Drawing upon the lessons from history, Colorado has an opportunity today to respond to the current economic uncertainty and ongoing contractions in spending on public higher education. The state's investment in higher education per resident student has declined relative to student tuition. In 2000, the state funded 68 percent of a student's cost of college while the student was responsible for 32 percent: by 2010, the state funded only 32 percent, increasing the student burden to 68 percent. In the last five years, the state has reduced funding for higher education from \$706 million to \$513 million, a reduction of 27 percent in total dollars. Due to recent strong enrollment growth, the reduction in funding per resident student (full time equivalent) is even greater, at 36 percent.

In the face of these very significant economic challenges, what many experts call the "new normal" in higher education, public institutions throughout Colorado have proven their resiliency and resourcefulness. They have maintained quality, preserved access and reduced costs. For this, the institutions deserve recognition. Nevertheless, important challenges lie ahead, and failing to meet them may result in disintegration of a system built upon the bold, uniquely American foundational belief that all citizens, from military veterans to low-income inner-city youth, deserve the opportunity to improve their station in life through education.



Going Forward

Colorado's public institutions have done such a good job absorbing budget cuts that Colorado's higher education system appears healthier than it is. That is, the system's successes obscure a more somber reality. Our institutions outperform their national peers in numerous rankings. Enrollments are strong, even reaching historically high levels at some institutions. Colleges and universities operate more efficiently than their peers in nearly every sector. Resident tuition is about average compared to public colleges and universities in other states, graduates are fully prepared to compete with the best and the brightest, and our institutions attract research dollars that result in groundbreaking discoveries in areas of national importance.



Beneath these statistics, the reality is worrisome. Success in higher education remains elusive for too many. Rising tuition and related costs create an unprecedented financial burden on Colorado families, a situation made all the more challenging in light of the state's current economic climate. Student debt load and student loan default rates are rising rapidly. Default rates vary significantly across institutions, from 1.5 to 26.2 percent at private institutions and 2.7 to 26.6 percent at public institutions. Overall, Colorado has the tenth highest student loan default rate in the nation.⁷

“Overall, Colorado has the tenth highest student loan default rate in the nation.”

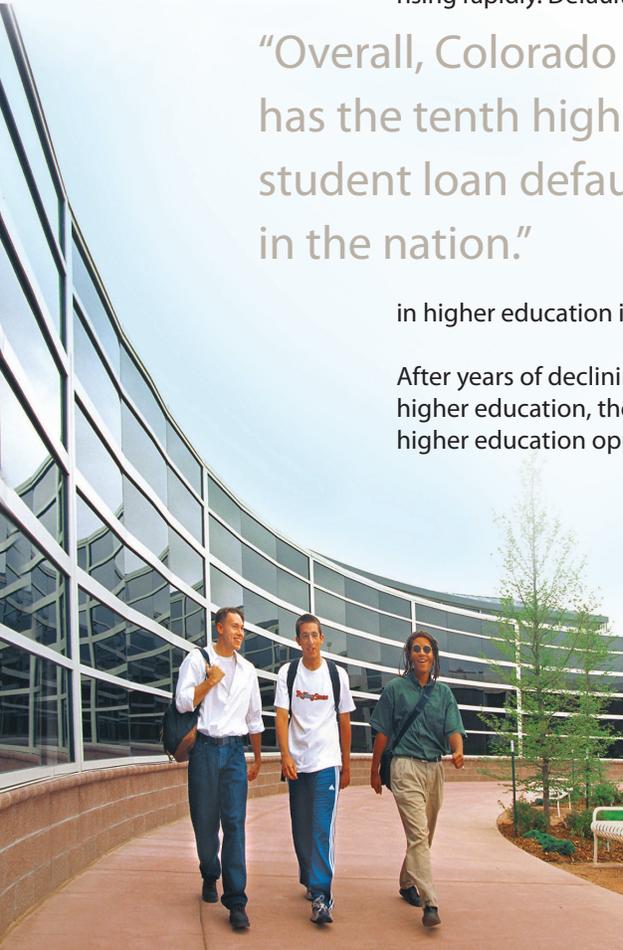
The population of college graduates today does not reflect the widely-held notion that a pathway should exist for every student to pursue learning to his or her highest potential. Nor does our state's investment in higher education reflect the belief that an investment

in higher education is pivotal to strengthening our economy.

After years of declining public investment in the infrastructure and operations of higher education, the goal of maintaining high-quality, accessible and affordable higher education opportunities for Coloradans is at risk.

These trends aren't new. **The Degree Dividend** put the issue in simple terms: taxpayers have every right to expect that public institutions of higher education serve all students.

“taxpayers have every right to expect that public institutions of higher education serve all students.”



The Four Goals

In August 2011, the CCHE began a yearlong process to fulfill the immediate charge from the Colorado General Assembly to identify the needs of the state with regard to the system of higher education and the top priorities for the state system of higher education in meeting those needs. The CCHE began this process by consulting The Degree Dividend, the report from the Higher Education Strategic Planning committee, which was adopted by the CCHE in late 2010.

In addition, the CCHE collected data, including research conducted by national policy organizations and agencies or institutions of higher education in other states. Using this information, the CCHE identified the issues of greatest concern to the state of Colorado which underpin and directly inform the four performance goals of this plan. These goals form the framework upon which performance contracts will be created and a future performance funding system will be based, in accordance with the specific requirements of state law [C.R.S. 23-1-108(1.5)(b)(1)].



1

Increasing Attainment

Goal 1 Increase the attainment of high quality postsecondary credentials across the academic disciplines and throughout Colorado by at least 1,000 new certificates and degrees each year to meet anticipated workforce demands by 2025.

As the economy continues its rapid shift to information services and technology, colleges and universities are more critical than ever in preparing individuals for the workforce. As already noted, by 2018, nearly 70 percent of jobs in Colorado will require some level of postsecondary education. In fact, economists estimate that the demand for college-educated adults in Colorado is the fifth highest among all states in the nation. In contrast, the demand for high school trained adults in Colorado is the second weakest in the nation.⁸

In spite of these trends, today only 51 percent of the adult population in the state has a degree or certificate and only 46 percent has an associates or higher degree. More than a third of Colorado's adult population lacks any education after high school;

10 percent of adults lack a high school diploma or the equivalent.⁹

Through the master planning process, the CCHE has identified increasing credential attainment as the state's top higher education priority. After consulting with the postsecondary community in Colorado, the CCHE set a goal of 66 percent postsecondary attainment by 2025 for citizens aged 25-34. This would mean about two thirds of the population likeliest to participate in higher education would complete their certificate or degree.

According to the National Center for Higher Education Management Systems, consultants to the CCHE's master planning process, Colorado would need to add approximately 1,000 additional postsecondary credentials

TARGET

- ▶ Reach 66 percent postsecondary credential attainment for Colorado citizens aged 25-34 by 2025 (1,000 additional undergraduate credentials per year).

INDICATORS OF PROGRESS

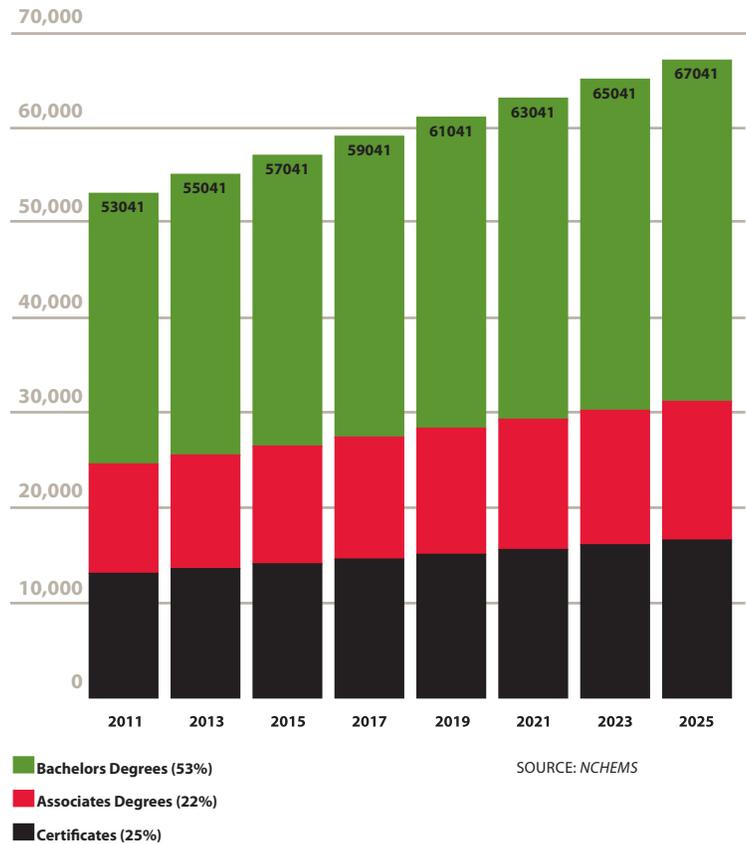
- ▶ Graduation rates (cohort rate)
- ▶ Increased number of credentials (annual number)
- ▶ Increase STEM credentials, including in health fields (either the proportion of total credentials awarded or the annual number of new degrees)

Annual Degree and Certificate Production

An annual increase of approximately 1,000 degrees and certificates, maintaining the current proportion of certificates, associates degrees and bachelors degrees produced by our public and private institutions, will get us to the state's 66% goal by 2025.

each year to meet the 66 percent goal by 2025. Some expansion in postsecondary credential attainment will occur as a result of the state's expected population growth, which is predicted to increase by 20%, or about one million additional people, over the next decade. However natural growth alone will not result in the achievement of our 66 percent attainment goal.¹⁰

This goal is most critical for the state's economic development, as the data show that a well-educated populace is increasingly necessary to fill workforce needs. This goal should not be interpreted to diminish the critical importance of graduate-level training or training in STEM related disciplines, both of which are essential to the economic vitality of the state.



Predicted Change in College Enrollment (2010-2021), by Region

Nearly all regions of the state will experience enrollment growth among all types of students—traditional and non-traditional alike.

	EASTERN MOUNTAINS	EASTERN PLAINS	FRONT RANGE	SAN LUIS VALLEY	WESTERN SLOPE
New Traditional-age Freshmen	17.00%	-8.16%	20.88%	-0.57%	34.78%
Traditional-age Transfers	41.95	19.06	27.79	11.58	22.97
New Adult Freshmen	35.45	20.62	21.29	15.44	24.65
Adult Transfers	27.55	28.43	3.03	28.38	24.67
Graduate	28.19	22.46	8.01	18.44	21.25

SOURCE: Noel Levitz, research conducted for the Colorado Department of Higher Education, 2012

2

Improving Student Success

Goal 2 Improve student success through better outcomes in basic skills education, enhanced student support services and reduced average time to credential for all students.

Colorado should rightfully be proud of the many accomplishments of its postsecondary system. Nonetheless, in spite of its recognition as one of the most highly educated states, Colorado ranks at or below average in student persistence and completion. That is, the system's collective "throughput" is not yet exceptional.

Many students are not prepared for college-level work when they arrive; thus

they require remedial courses before they can begin their college-level classes. The effectiveness of remedial coursework—as evidenced by improvements in students' success in credit-bearing English and mathematics courses and completion of a credential or degree—can, and must, be improved. For example, according to the Community College Research Center at Columbia University, only one in ten students requiring three terms of remedial mathematics will ever pass an entry level, credit-bearing course in mathematics.¹¹

Additionally, the evidence is very strong that students who complete at least

"...the system's collective 'throughput' is not yet exceptional."

TARGETS

- ▶ Eliminate disparities in the completion rates of college-level English and mathematics courses between students originally assigned to remediation and those not assigned to remediation.
- ▶ Improve student persistence and credit hour accumulation.
- ▶ Reduce average credit hours to degree for undergraduate students.

INDICATORS OF PROGRESS

- ▶ Successfully completing (grade of C or better) introductory gateway courses in English and mathematics
- ▶ Successfully completing the remedial sequence
- ▶ Persistence and retention rates
- ▶ Credit hour accumulation
- ▶ Successful transfer out

Colorado Educational Pipeline

24 credit hours in a given year (or 12 or more credit hours each semester)—what researchers describe as high academic intensity—are far more likely to persist, successfully transfer, and complete a college degree. Time is truly the enemy to successful college completion. Therefore, while many students cannot enroll in college full time due to other family, work, or financial conditions, it is clear that a primary driver for improving degree completion will be the ability to increase the numbers of students who can—and do—complete at least 24 credit hours each year.

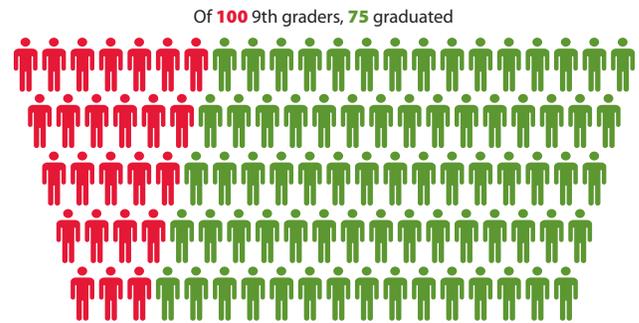
Finally, transferring among and between public institutions is no longer the exception, but rather the rule for the majority of students. Historically, however, transfer students were counted as a successful completion neither at the institutions from which they transferred nor at the institutions from which they graduated. The CCHE recognizes the importance of assessing the various contributions institutions make in supporting transfer students and ensuring their successful and timely completion. Thus, the CCHE shaped this second goal to meet the legislative intent to “reduce attrition and increase retention and enable students to attain their degrees in a reasonable period of time” by addressing several critical interim events, those that occur after a student arrives on campus—including successfully completing remediation and successfully completing credit-bearing courses—and all of which complement the state’s principal goal of improving completions.

Productivity: Number of Certificates and Degrees Completed per 100 Students Enrolled

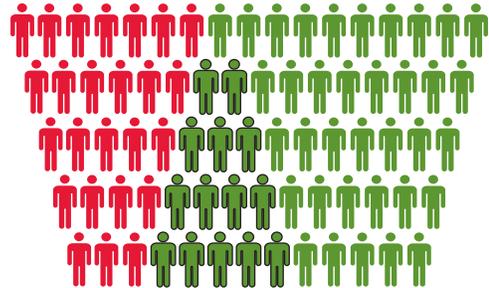
As of 2008, Colorado was 29th in the nation at 19.5% degrees and certificates per 100 students enrolled.



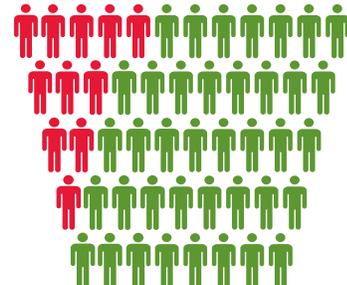
SOURCE: NCES, IPEDS Completions and Enrollment Surveys



Of 75 graduates, 50 went to college, 14 needed remediation



Of 50 going to college, 39 came back in year two



Of the 39 who came back, 22 got a degree within 150% time (i.e., three years for a two-year degree, six years for a four-year degree). Of the 14 who needed remediation, only 4 were among these 22.



SOURCE: Colorado Department of Higher Education: does not follow a single cohort of students, numbers are approximate based on available data.

3

Reducing Gaps

Goal 3 Enhance access to, and through, postsecondary education to ensure that the system reflects the changing demographics of the state while reducing attainment gaps among students from underserved communities.

Colorado's demographic profile is changing rapidly. These changes are visible on campuses throughout the state and are even more pronounced in the state's K-12 system. Our colleges and universities are enrolling increasing numbers of students who come from low-income families and who will be the first in their family to attend college, and increasing proportions of enrolled students represent communities historically underserved by colleges

and universities, particularly the Hispanic/Latino community.

In spite of this progress, many students are not being served well or at all. Our largest growing ethnic group, Hispanic/Latino, has the lowest average educational attainment and the lowest college enrollment rate of any ethnic group in the state. Low-income students throughout the state are enrolled at a lower level than other groups in higher

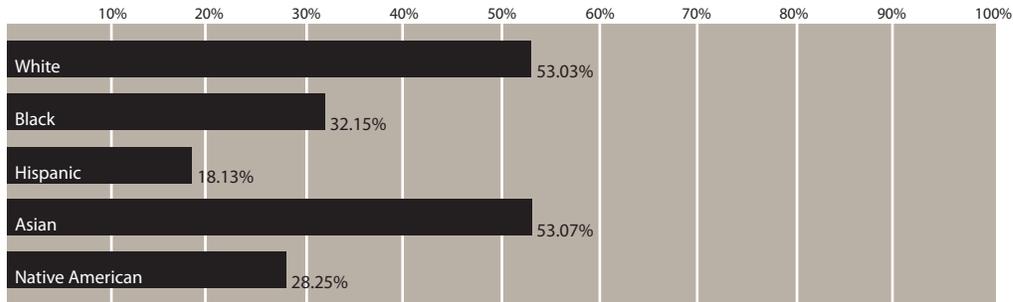
TARGET

- ▶ Eliminate disparities in postsecondary access, progress, and completion between resident underserved students and resident non-underserved students.

INDICATORS OF PROGRESS

- ▶ Increasing the number and proportion of newly enrolled students from traditionally underserved populations
- ▶ Reducing disparities in initial gtPathway course completion in English and math between underserved and non-underserved students
- ▶ Reducing disparities in persistence rates and credit hour attainment between underserved students and non-underserved students
- ▶ Reducing disparities in successful transfer and degree completion between underserved and non-underserved students
- ▶ Increasing retention and graduation rates for underserved students
- ▶ Increasing the share of degrees in STEM fields among students from underserved populations

Credential attainment rates among Colorado adults (ages 25-64), by population group



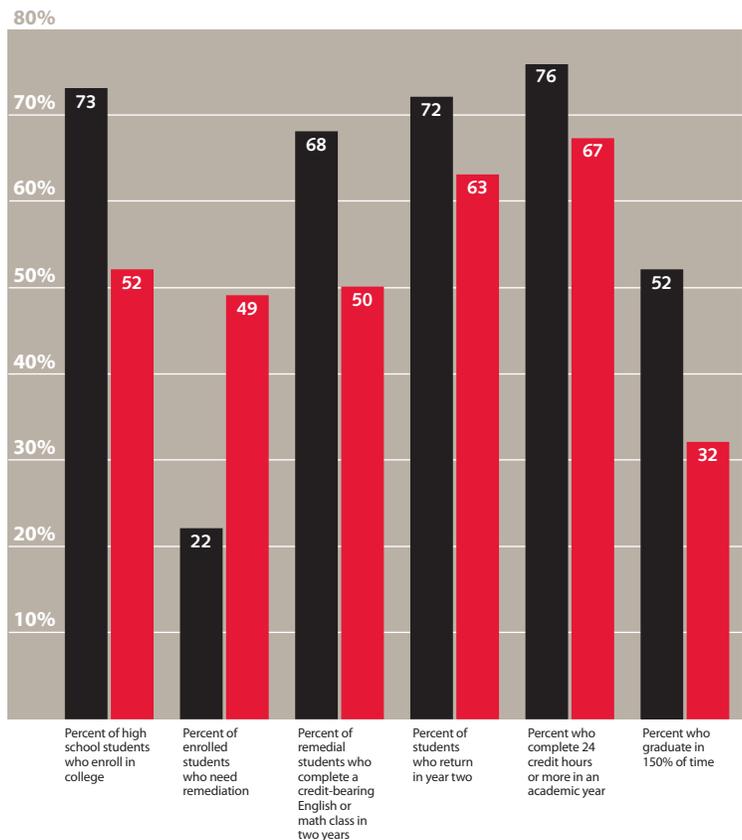
SOURCE: U.S. Census Bureau, 2008-10. American Community Survey PUMS File

education, and their participation is overly representative at low cost “access” institutions. Other groups of students are also often underrepresented in the postsecondary system, including students from certain rural communities, adult students, and males.

Consequently, the CCHC determined that appropriate system-wide goals are to increase the diversity of students on our campuses to better reflect Colorado’s current populations and to measure institutional performance in the closing of known gaps in achievement, in particular those related to college participation; performance in remedial and “gateway” courses in English and mathematics; improving credit hour accumulation; and degree/certificate completion. Success in meeting the state’s primary goal of increasing the college attainment rate to 66 percent of all citizens ages 25-34 hinges on improving underserved students’ access to, progress in, and graduation from colleges and universities in the state.

Colorado Student Gaps in Achievement

Evidence is strong that students who reach each “momentum point” are more likely to succeed.



■ White
 ■ Minority/Traditionally Underserved*

*Defined as African American, Hispanic and Native American students; excludes Asian students

SOURCE: DHE SURDS data, does not follow a single cohort of students, numbers are approximate based on available data.

4

Restoring Fiscal Balance

Goal 4 Develop resources, through increases in state funding, that will allow public institutions of higher education to meet projected enrollment demands while promoting affordability, accessibility and efficiency.

In 2010, the Colorado General Assembly provided governing boards with unprecedented flexibility to set tuition rates in order to help the state's postsecondary system deal with "immediate and daunting economic challenges" (Senate Bill 10-003). Though temporary (the policy expires in the 2015-16 fiscal year), this change in policy

permitted public institutions in Colorado to preserve the vitality and quality of a world-class system of higher education.

Nonetheless, it is a fact: A system of public higher education financed upon rapid annual increases in tuition limits access for low-income and middle-income students.

"...to build the public's trust and confidence, we must focus less on the ways other states fund their systems of higher education, and more on the ways in which improvements in funding help Colorado's families.

Over the past decade, Colorado's public higher education institutions have relied increasingly on tuition and fee revenues as a response to rapidly declining state support. The result has been that students and families bear a far greater proportion of the total costs. While the state provided funding equivalent to approximately two-thirds of the total cost only ten years ago, that proportional amount has since decreased to less than one-third. The loss in

TARGETS

- ▶ Increase the relative share of college costs shouldered by the state, and reverse the trend of increasing the student's burden, in order to bolster access to degrees and credentials for those who would pursue them.
- ▶ Maintain the state's national leadership in efficiency and productivity.

INDICATORS OF PROGRESS

- ▶ Maintain efficiency by moderating tuition, increasing financial aid expenditures and increasing instructional expenditures when general fund dollars increase.
- ▶ Efficiency and productivity will be maintained above peer levels.

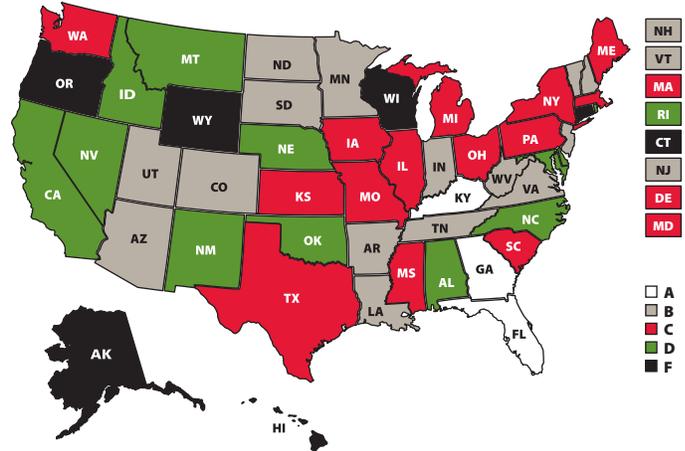
state support has been replaced by tuition and fees. This revenue shift has increased the average student loan amount for recent graduates and, when combined with a weak economy, elevated the state's student loan default rate. Further, students from low-income backgrounds have become increasingly sensitive to changes in college costs such that the cost of attending college is the primary driver in making the decision to enroll.¹²

The CCHE recognizes that, to preserve quality, access, and affordability—goals shared by all institutions of higher education and the CCHE—public revenues to higher education must increase. But, building public support for higher education will require more than simply pointing to statistics of revenue deficiencies. It will require ongoing demonstrations of effective stewardship, such as maintaining or improving productivity, maintaining quality, and recognizing the ways in which changes in costs affect participation decisions. In other words, to build the public's trust and confidence, we must focus less on the ways other states fund their systems of higher education, and more on the ways in which improvements in funding help Colorado's families.

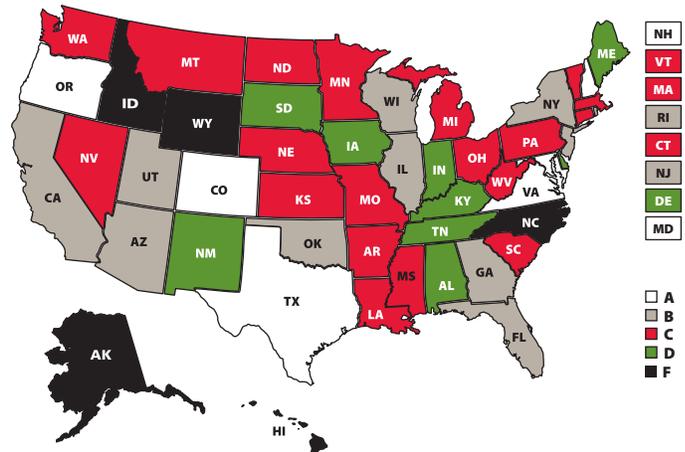
Additionally, the Commission believes strongly that measuring productivity, while critically important to building public confidence in the effectiveness of public higher education, isn't, alone, enough. The Commission believes that it too has a responsibility to advocate for improved public revenues to higher education. As was argued earlier in this plan, the

Commission believes strongly that higher education expenditures are investments, not costs. For these reasons, the Commission adopted the fourth and final measurable goal of its master plan.

Efficiency and Cost-Effectiveness, Two-Year

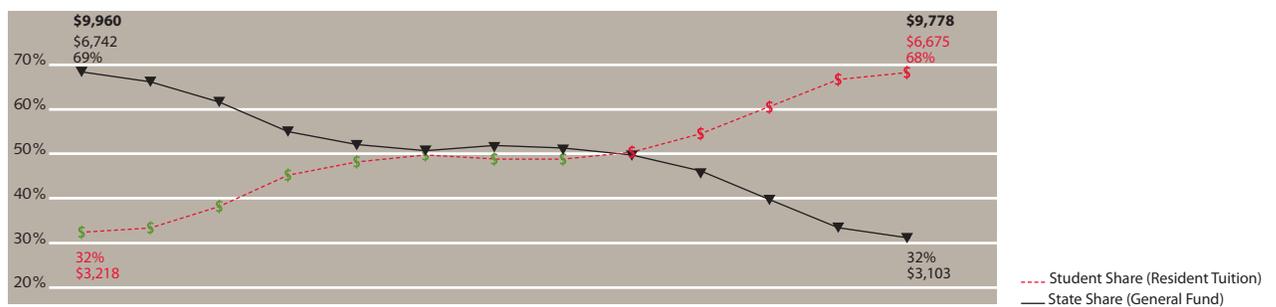


Efficiency and Cost-Effectiveness, Four-Year



SOURCE: ICW, "Leaders & Laggards A State-by-State Report Card on Public Postsecondary Education." Reprinted with permission of the Institute for a Competitive Workforce. NO endorsement by the Institute for a Competitive Workforce shall be inferred.

Average Resident Student's Share of College—Tuition vs. State Funding All Governing Boards (Adjusted for inflation in 2012 dollars)



SOURCE: Colorado Department of Higher Education, utilizing final appropriation total to Governing Boards by fiscal year, legislative Council Enrollment forecast (March 2012), and Denver/Boulder/Greeley CPI.

Reaching Our Goals

The Commission's Workplan for 2012-2017

In addition to the near-term objective of identifying statewide goals that will form the basis of the state's performance contracts and performance funding system, the CCHE has been charged by the Colorado General Assembly to carry out activities related to system-wide planning and coordination that are not measureable in a traditional sense and will not be used for institution-level performance or a performance funding system. These activities, expressed below, form the preponderance of the CCHE's near-term workplan for the years 2012-2017.

Financial Viability and Affordability. As is discussed throughout this document, perhaps no single issue facing higher education in Colorado is of greater concern to the CCHE than ensuring the long-term fiscal stability and affordability of the state system of higher education, ensuring the efficient allocation of available state resources to support institutions of higher education, and ensuring that the state's institutions remain accessible and affordable to students with demonstrated financial need.

Though the CCHE does not possess the authority to generate new revenues or appropriate funding to higher education, it does have the responsibility to advocate for sufficient resources for the system of higher education, to collaborate with campus representatives to develop a performance funding plan, and to ensure that financial aid is allocated in ways that support the state's access and completion goals. To these ends, the CCHE commits to complete the following activities.

- ▶ Beginning in November 2012, the CCHE will annually request operating revenues to meet projected enrollment and inflationary increases, based upon the College Opportunity Fund stipend value established in 2005.
- ▶ Beginning in November 2012, the CCHE will annually request appropriations for state financial aid to meet projected changes in enrollments of resident need-eligible residents and changes in costs of attendance for resident full-time students.
- ▶ By December 1, 2012 and each year thereafter, the CCHE will review and, if necessary, modify the allocation method applied to state need-based financial aid to ensure that the allocation of such funds reinforces and supports the achievement of the state's performance goals.
- ▶ By December 1, 2013, the CCHE will prepare a method to allocate performance-based operating revenue to public institutions of higher education. By September 1, 2013, the CCHE will prepare and disseminate to institutions and governing boards a draft of the proposed performance funding plan.

Aligning K-12 and Higher Education. State law demands that the state system of higher education be aligned with the system of elementary and secondary education. The purpose of this is to increase the rate at which students who graduate from Colorado high schools with the academic preparation necessary to perform college-level work without remediation enroll in and complete postsecondary and career and technical education. The policies through which this is accomplished are primarily the Commission's admission and remedial policies. Consequently, the Commission commits to completing the following activities:

- ▶ Implement supplemental instruction procedures by December 31, 2012.
- ▶ Complete revisions to the statewide remedial education policy by July 1, 2014.
- ▶ Complete revisions to the statewide admission policy by July 1, 2014.

These policy revisions will implement systemic approaches to strengthen the continuity of education from elementary and secondary through postsecondary, such as the alignment and use of the Common Core State Standards (Colorado Academic Standards), the expanded use of statewide transfer agreements, the inclusion of national consortia assessments (Partnership for the Assessment of Readiness for College and Careers [PARCC] and Smarter Balanced), the use of credit earned through concurrent enrollment, and the implementation and expanded use of reverse transfer procedures. As part of this process, the CCHE will specifically address opportunities for students with disabilities, including intellectual disabilities, to participate in postsecondary education.

Evaluating System Needs. The CCHE has been charged with several responsibilities concerning evaluating the needs and limitations of the public system of higher education. These responsibilities include: reviewing the role and mission of the state's institutions of higher education; reviewing the governance structure of the state's system of higher education; addressing the workforce and economic development needs of the state within the system of higher education; implementing strategies that strengthen the link between higher education and economic development and innovation in the state; and improving and sustaining excellence in postsecondary programs. In addition, the CCHE is charged with identifying ways to provide access to postsecondary education for underserved communities and to reduce the geographic disparities of students from rural environments. To address these responsibilities, the CCHE commits to the following activity:

- ▶ By December 1, 2013 and periodically thereafter, the CCHE will evaluate the current and projected student and workforce demand for postsecondary education, by type and level, and the roles and missions, locations, and service areas of existing public colleges and universities, and prepare recommendations on the ways in which the public system of postsecondary education could address known or projected education shortages.

Advocacy and Awareness. As the only board in Colorado with a mission to address the needs of the entire state and all of the postsecondary institutions located in it, the CCHE takes seriously its responsibility to provide timely, accurate, and influential information concerning system performance and accountability to the public. Accordingly, as stewards of the public interest, the CCHE commits to completing the following activities.

- ▶ For each year that performance contracts are in place, the CCHE will prepare an annual report to the Governor, General Assembly and other stakeholders on institutional performance regarding the goals and metrics found in the Colorado Commission on Higher Education's master plan and related performance contracts. The CCHE will ensure that this report demonstrates the impacts that changes in public revenues have had on institutions' capabilities to meet performance targets.
- ▶ Through a range of mediums and venues, the CCHE will improve the public's awareness of the conditions of higher education in the state by illustrating institutions' performance, demonstrating the impacts of changes in public revenues to higher education, identifying areas of opportunity to improve performance, and projecting the financial and academic needs of future students.



Conclusion

Colorado has a strong postsecondary education system that is producing high-quality results for many. But, Colorado's system of higher education must address some long-standing challenges if we hope to remain competitive in the national and global economy and continue to enjoy the quality of life to which Coloradans are accustomed.

Access to higher education and the attainment of a credential should not be reduced to an exclusive commodity available only to those with considerable financial means or those willing to accept large amounts of personal debt. Financing higher education should be treated as an investment in the economic and civic well-being of the state, not as a cost. Our future economic vitality demands that we recognize the benefits of increased credential attainment to the state and its economy.

“Financing higher education should be treated as an investment in the economic and civic well-being of the state, not as a cost.”

The issues that the Commission considers and addresses in this master plan are difficult. In putting forth this Master Plan and the performance goals, the Commission and the state's system of higher education are committing themselves to years of hard work.

The strongest shared commitment to hard work is imperative because the

Commission recognizes that failure to act and to make progress on the areas addressed by this plan will result in significant economic and social losses for Colorado. Businesses, individuals, and the future of the state depend on the changes outlined in this plan.

In meeting these challenges, the Commission's role is not to direct the institutions of higher education regarding how to run their campuses. Rather, the role of the Commission is to provide support for and foster improvements and innovations in higher education institutions throughout the state, hold them accountable, and provide an incentive for performance that all of the higher education stakeholders have deemed to be in the best interest of the state.

To make the case for higher education to families and policy makers and to build awareness of the system's most urgent and pressing issues, we must shine a light on performance. While not always easy, Colorado's system of public higher education must embrace transparency and be willing to examine its strengths and shortcomings publicly so as to build awareness of progress and galvanize the public's commitment to higher education.

At this very difficult time in the state's and the nation's economic history, Colorado has an opportunity to strengthen its already robust system of colleges and universities. It can ensure that all Coloradans have the opportunity to become engaged, productive citizens. Though comprehensive, this plan does not attempt to provide an answer to every pressing policy question. It does not mandate strategies to which campuses must conform. Instead, it constructs a list of priorities and a plan for implementing policies that will allow Colorado to maintain the quality of life all citizens have come to expect and enjoy.

End notes

- ¹ President's Commission on Higher Education. (1947) Higher Education for American Democracy. New York, NY: Harper & Brothers Publishers.
- ² Lumina Foundation. (2012). A Stronger Nation Through Degrees: How and Why Americans Must Achieve a Big Goal for College Attainment. Indianapolis, IN: Lumina Foundation.
- ³ Lumina Foundation. (2012). A Stronger Nation Through Degrees: How and Why Americans Must Achieve a Big Goal for College Attainment. Indianapolis, IN: Lumina Foundation.
- ⁴ Carnevale, Anthony P.; Smith, N, Strohl, J. (2010). Help Wanted: Projections of Jobs and Education Requirements Through 2018. Washington D.C.: Georgetown Center for Education and the Workforce.
- ⁵ US Census, American Community Survey available at www.census.gov.
- ⁶ US Decennial Census (1970), available at www.census.gov/hhes/socdemo/education/data/cps/1970/tab-199.pdf.
- ⁷ US Department of Education, Official Cohort Default Rates FY 2009.
- ⁸ Carnevale, Anthony P.; Smith, N, Strohl, J. (2010). Help Wanted: Projections of Jobs and Education Requirements Through 2018. Washington D.C.: Georgetown Center for Education and the Workforce.
- ⁹ Estimates provided by the National Center for Higher Education Management Systems (NCHEMS).
- ¹⁰ Noel-Levitz, research conducted for the Colorado Department of Higher Education, 2012. Available at: http://highered.colorado.gov/Publications/Studies/2012/20120504_EnrProjections_NL_Summary.pdf.
- ¹¹ The Community College Research Center at Columbia University (2012), as presented by Complete College America.
- ¹² Augenblick, Palaich, and Associates (2012). Price Sensitivity in Student Selection of Colorado Public Four-Year Higher Education Institutions. Denver, CO. Colorado Department of Higher Education.

COLORADO COMPETES:

A Completion Agenda for Higher Education

Colorado Commission on Higher Education Master Plan

Published October 2012

For copies, contact:

Colorado Department of Higher Education

1560 Broadway, Suite 1600, Denver, CO 80202

303-866-2723 • 303-866-4266 fax

ADDENDUM B: PERFORMANCE CONTRACT PROGRESS UPDATE

Colorado Department of Higher Education
Strategic Plan FY 2013-14

Institutions	Meetings Between CCHE/DHE and Institutional Leadership	Contract Template Completed	Performance Metrics Submitted	Performance Metrics Finalized
Adams State University	X	X	X	X
Aims Community College	X	X	X	X
Colorado Community College System	X	X	X	X
Colorado Mesa University	X	X	X	
Colorado Mountain College	X	X	X	X
Colorado School of Mines	X	X	X	X
Colorado State University System	X	X	X	X
Fort Lewis College	X	X	X	X
Metropolitan State University	X	X	X	X
University of Colorado System	X	X	X	X
University of Northern Colorado	X	X	X	X
Western State Colorado University	X	X	X	X
AVS (Pickens Tech, Emily Griffith, Delta-Montrose)	X	X	#	#
University of Denver	X	X	X	
Regis University		X		
Colorado Christian University	X	X		

To be completed in spring 2013 following the submission of institutional data.

ADDENDUM C: PERFORMANCE INDICATOR TEMPLATE

		Colorado Performance Contract Worksheet		Weight (As %)
	Required Indicators	Indicator Number		
Credential Completion	Minimum of two indicators and 20 total points.	1.1, 1.2, or 1.3	1.1 Increase undergraduate credentials awarded by one percentage point per year.	
			1.2 "Maintain excellence" by conferring undergraduate credentials per 100 students enrolled at a level at or among the top 25% of peer institutions	
			1.3 "Maintain excellence" by maintaining graduation rates at or among the top 25% of peer institutions	
			1.4 Annually increase the graduation rate of transfer students	
			1.5 Annually increase proportion of undergraduate credentials awarded in STEM disciplines	
			1.6 Annually increase graduate degree productivity as measured by the number of graduate credentials awarded compared to the number of graduate students (FTE) enrolled.	
			1.7 INSTITUTIONDEVELOPED INDICATOR	
Subtotal Credential Completion				
Student Momentum and Success	Minimum of two indicators and 20 total points.	2.1	Annually increase the successful completion (C or better) of introductory gPathways courses in English and Mathematics	
		2.2	Annually increase the proportion of students who accumulate at least 24 credit hours	
		2.3	Annually increase transfer out rate of degree seeking associate of art or associate of science students who earn at least 12 credit hours	
		2.4	Annually increase the number of resident students who successfully complete the remedial course sequence	
		2.5	Annually increase retention rates across all student levels (e.g., sophomore, junior, senior)	
		2.6	INSTITUTIONDEVELOPED INDICATOR	
		Subtotal Student Momentum and Success		
Closing Progress and Attainment Gaps	Minimum of two indicators and 20 total points.	3.1 or 3.2	3.1 Annually reduce disparities in graduation rates between resident underserved and resident non-underserved students	
			3.2 Annually reduce disparities in degree completion (graduates per 100 FTE) between resident underserved and resident non-underserved students	
			3.3 Annually reduce disparities in the successful completion rates of entry-level gPathways courses English and entry-level mathematics courses between resident underserved students and resident non-underserved students	
			3.4 Annually increase the proportion of newly enrolled resident students who are from resident underserved populations	
			3.5 Annually increase the proportion of resident underserved students who earn postsecondary credentials in STEM disciplines	
			3.6 Annually reduce disparities in the transfer out rate between resident underserved students and resident non-underserved students	
			3.7 Annually reduce disparities in retention rates among resident underserved students and resident non-underserved students across all levels (sophomore, junior, senior)	
			3.8 Annually increase the proportion of resident underserved students who earn graduate-level degrees	
			3.9 INSTITUTIONDEVELOPED INDICATOR	
		Subtotal Close Gaps		
Financial Stewardship	Minimum of two indicators and 15 total points.	4.1	Maintain the institution's rank relative to peers regarding the number of degrees awarded per \$100,000 in total operating (E&G) revenues	
		4.2	Moderate resident undergraduate tuition increases when state general fund revenues increase above inflation	
		4.3	Increase expenditures for instruction (per FTE) at a rate that is equivalent to or greater than tuition increases for resident undergraduate students.	
		4.4	Increase institutional need-based financial aid expenditures (per FTE) at a rate at or above tuition increases for resident undergraduate students.	
		4.5	INSTITUTIONDEVELOPED INDICATOR	
Subtotal Financial Stewardship				
Total (Must Total 100%)				0%

Note: All metrics will be measured using a three-year rolling average. For example, the 2011-12 measurement will use data from 2009-10, 2010-11, and 2011-12

ADDENDUM D: PERFORMANCE CONTRACT EXAMPLE

**STATE OF COLORADO
DEPARTMENT OF HIGHER EDUCATION
PERFORMANCE CONTRACT**

This Performance Contract is by and between the Department of Higher Education (hereinafter referred to as the “Department”) and the Board of _____ (hereinafter referred to as the “Governing Board”).

RECITALS

WHEREAS, the General Assembly enacted the College Opportunity Fund Act, title 23, Article 18, Section 101 *et seq.*, Colorado Revised Statutes, which states that performance contracts should provide for greater flexibility and a more focused accountability for institutions to students and the people of Colorado.

WHEREAS, Title 23, Article 1, Section 108(1.5)(a), Colorado Revised Statutes, requires that the Colorado Commission on Higher Education (hereinafter referred to as the “Commission”) shall develop and submit to the Governor and General Assembly, a new master plan (hereinafter referred to as the “Master Plan”) for Colorado postsecondary education, which shall be developed in collaboration with the governing boards and chief executive officers of the state institutions of higher education.

WHEREAS, Title 23, Article 1, Section 108(1.5)(f), Colorado Revised Statutes, requires the Commission to ensure that the Master Plan is implemented through the performance contracts authorized pursuant to Sections 23-5-129 and 23-41-104.6 by negotiating with the governing boards individualized goals and expectations for the public institutions of higher education, which goals and expectations support achievement of the statewide goals identified in Section 108(1.5)(c) and in the Master Plan.

WHEREAS, Title 23, Article 1, Section 108(1.7), Colorado Revised Statutes, requires that the Commission, working with the governing boards and the institutions of higher education, shall collect data, including but not limited to research conducted by national policy organizations and agencies or institutions of higher education in other states, as necessary to support development and implementation of the Master Plan and to use in negotiating the performance contracts authorized pursuant to Sections 23-5-129 and 23-41-104.6.

WHEREAS, Title 23, Article 1, Section 108(1.9), Colorado Revised Statutes, requires the Commission to create a performance-based funding plan on or before December 1, 2013, to appropriate to each governing board, including the governing boards for the junior colleges and area vocational schools, a portion of the performance funding amount for the applicable state fiscal year based on the success demonstrated by the institutions under each governing boards’ control in meeting the goals and expectations specified in the institutions’ respective performance contracts. Pursuant to Title 23, Article 1, Section 108(1.9)(c)(I), Colorado Revised Statutes, the “performance funding amount” means twenty-five percent of the amount by which the general fund appropriation for the state system of higher education, excluding any amount appropriated for student financial aid, exceeds six hundred fifty million dollars when total general fund appropriations have reached or exceed the “restored level” of seven hundred six million dollars.

GENERAL PROVISIONS

1. Effective Date and Term of Contract. This Performance Contract shall be effective after

execution by the Governing Board and the Department and on the date the Performance Contract is approved by the Commission, and shall remain in effect until June 30, 2017.

2. Scope of Contract. This Performance Contract, and Addenda A and B, which are expressly incorporated herein, sets forth the mutually agreed-upon performance goals and expectations of _____ (hereinafter referred to as the “Institution”), as well as the measurements for determining progress towards those goals. The goals and expectations set forth in this Performance Contract reflect the statewide goals set forth in Title 23, Article 1, Section 108(1.5)(c), Colorado Revised Statutes, and the Master Plan, and are tailored to the role and mission of the Institution. This Performance Contract also sets forth the mutually agreed-upon resource, programmatic and management flexibility for the Institution, as set forth in Addendum B.

3. Authority to enter Performance Contracts. The Institution is a state institution of higher education pursuant to Title 23, Article 5, Section 129(1)(b), Colorado Revised Statutes, and this Performance Contract is authorized by Title 23, Article 5, Section 129(2)(a), and Title 23, Article 1, Section 108(1.5)(f).

4. Prior Agreements. This Performance Contract supersedes and replaces any previously executed performance contract, including amendments and modifications thereto, entered into by the Parties.

5. Performance Goals and Measurements. The Institution agrees to make those efforts and implement the performance goals and expectations set forth in Addendum A, within the time frames established in Addendum A. The Institution agrees and understands that its progress towards those performance goals and expectations shall be evaluated based on the measurements set forth in Addendum A.

6. Performance Goal Achievement. This Performance Contract sets forth those goals, standards and requirements upon which the Department and the Governing Board have mutually agreed.

7. Resource, Programmatic and Management Flexibility. As authorized by Title 23, Article 5, Section 129(2)(a), Colorado Revised Statutes, the Institution’s compliance with the goals set forth herein are in lieu of many of the requirements of Article 1 of Title 23 for the period of the Performance Contract, as set forth in Addendum B.

8. Academic and Vocational Program Approval. Pursuant to Title 23, Article 5, Section 129(6)(a)-(b), Colorado Revised Statutes, and the Commission’s Policy I-V, while operating pursuant to this Performance Contract, the Governing Board shall continue to operate as the Governing Board for the Institution, and shall not be required to consult with or obtain approval from the Commission to create, modify, or eliminate academic and vocational programs offered by the Institution, so long as such creations, modifications, and eliminations are consistent with the Institution’s statutory role and mission. The Commission shall have the authority to override the creation or modification of an academic or vocational program if the change made by the Governing Board is inconsistent with the Institution’s statutory role and mission.

9. Tuition and Other Increases. During the period this Performance Contract remains in effect, the authority of the Governing Board for the Institution to set tuition shall be as set forth in Title 23.

10. Institution’s Eligibility for State Funding. Pursuant to Title 23, Article 5, Section 129(7)(a), Colorado Revised Statutes, while operating pursuant to this Performance Contract, the

Institution shall remain eligible for state-funded capital construction projects and controlled maintenance projects as provided in Title 23, Article 1, Section 106.

11. Resident Applicant Admission Requirements. Pursuant to Title 23, Article 5, Section 129(7)(b), Colorado Revised Statutes, while operating pursuant to this Performance Contract, the Institution shall continue to admit Colorado resident applicants within the requirements of Title 23, Article 1, Section 113.5 who meet the admissions criteria of the Institution.

12. Data Reporting Requirements. The Governing Board shall transmit to the Department all annual reports and data required in this Performance Contract including those set forth in Addendum A, in the form and manner prescribed herein or as required by Commission policy. The Governing Board shall provide the Department of Higher Education with data upon formal request, including data requested pursuant to Title 23, Article 1, Section 108(1.7), Colorado Revised Statutes, and shall continue to report information through the Commission for the Student Unit Record Data Systems (SURDS) and the Integrated Post-secondary Education Data System (IPEDS) of the United States Department of Education.

13. Issue Resolution. The parties agree to use their best efforts to resolve any disputes that may arise with respect to performance of the terms and conditions set forth herein. In the event that a party to this Performance Contract has reason to believe that the other party is not complying with the terms and conditions set forth herein, that party shall first provide written notice to the non-complying party setting forth the nature of the alleged failure to act or perform. If the dispute is not resolved, the official representatives of the parties shall meet to discuss a remediation plan or modification of this Performance Contract as may be required by the circumstances.

14. Performance Report. Performance on this Performance Contract shall be reported by the Department to the Governor and General Assembly pursuant to Title 23, Article 5, Section 129(5). The Institution understands that, pursuant to Title 23, Article 1, Section 108(1.9)(b) and (c), Colorado Revised Statutes, after the 2015-16 state fiscal year, in each state fiscal year in which the general assembly appropriates the restored level of general fund appropriations for the state system of higher education, the Commission, based on the performance-based funding plan adopted in the Master Plan, shall recommend to the joint budget committee the portion of the performance funding amount to be appropriated to the Governing Board, based on the demonstrated performance of the Institution in meeting the goals and expectations set forth in this Performance Contract. Pursuant to Title 23, Article 1, Section 108(1.9)(c)(II), Colorado Revised Statutes, the "restored level of general fund appropriations" means an amount of general fund appropriations for the state system of higher education, excluding any amount appropriated for student financial aid, that equals or exceeds seven hundred six million dollars.

15. Notice and Representatives. For the purposes of this Performance Contract, notices required under this Performance Contract shall be in writing and shall be sent by prepaid certified mail, return receipt requested, by facsimile, with confirmation of transmission, by overnight delivery such as Federal Express, or by hand delivery, with confirmation of receipt, to the individuals identified below who are hereby designated as the official representatives of the respective Parties. Either Party may from time to time designate in writing a new or substitute representative or address.

For the Department:

Executive Director
Colorado Department of Higher Education
1560 Broadway, Suite 1600
Denver, CO 80202

For the [Governing Board/Institution]:

President

16. No Third-Party Beneficiary. Nothing in this Performance Contract shall be construed or implied to confer third-party beneficiary status on any person or entity. Any services or benefits which third parties receive as a result of this Agreement are incidental and do not create rights for such third parties.

17. Assignment. The rights and obligations of each Party hereunder are personal to such Party and may not be transferred, assigned or subcontracted without the prior, written consent of the other Party.

18. Severability. To the extent that this Performance Contract may be executed and performance of the obligations of the parties may be accomplished within the intent of the Performance Contract, the terms of the Performance Contract are severable, and should any term or provision hereof be declared invalid or become inoperative for any reason, such invalidity or failure shall not affect the validity of any other term or provision hereof.

19. Renewal of Agreement. The Governing Board and the Department may agree to renew this Performance Contract prior to its expiration. Any such renewal must be approved by the Commission.

20. Entire Agreement. This Performance Contract, including the Addenda hereto and any documents to be delivered hereunder, are intended as the complete integration of all understandings between the parties regarding performance contracts authorized by Title 23, Article 5, Section 129 and Title 23, Article 1, Section 108(1.5)(f). No prior or contemporaneous addition, deletion or other amendment hereto shall have any force or effect whatsoever, unless embodied herein in writing. No subsequent novation, renewal, addition, deletion or other amendment hereto shall have any force or effect unless embodied in a writing executed and approved by both Parties to this Performance Contract and the Commission.

21. Modification. This Performance Contract shall be subject to such modifications as may be required by changes in federal or state law or regulations or as may be agreed to by the parties and approved by the Commission. Any such modifications shall be agreed to by the parties in writing and incorporated into and made a part of this Performance Contract as if fully set forth herein. Any modification or addition to this Performance Contract shall not become effective until approved by the Commission.

22. Force Majeure. Neither party shall be considered to have materially failed to perform its obligations under this Performance Contract, including, for the Institution, its failure to meet a Performance Goal, to the extent that such failure arises out of causes beyond the reasonable control of a party. Such causes may include, but are not limited to, acts of God or of the public enemy, acts of the state or the United States in either its sovereign or contractual capacity, fires, floods, epidemics, strikes, and unusually severe weather, but, in every case, delay or failure to perform must be beyond the reasonable control of and without the fault or negligence of the party.

SIGNATURE PAGE

THE PARTIES HERETO HAVE EXECUTED THIS PERFORMANCE CONTRACT

<p style="text-align: center;">GOVERNING BOARD Board of Trustees for _____</p> <p>BY: _____ President</p> <p>Date: _____</p> <p style="text-align: center;">APPROVED</p> <p>BY: _____ Chair, Board of Trustees for _____</p> <p>Date: _____</p>	<p style="text-align: center;">DEPARTMENT COLORADO DEPARTMENT OF HIGHER EDUCATION</p> <p>BY: _____ Lt. Gov. Joseph A. Garcia, Executive Director</p> <p>Date: _____</p> <p style="text-align: center;">APPROVED</p> <p>BY: _____ Chair, Colorado Commission on Higher Education</p> <p>Date: _____</p>
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