

**DEPARTMENT OF HIGHER EDUCATION  
FY 2010-11 JOINT BUDGET COMMITTEE HEARING**

Legislative Services Building, Hearing Room A  
December 2, 2009  
9:00 a.m. - 5:00 p.m.

**9:00 – 9:45 Department of Higher Education**

*Rico Munn, Executive Director*

*James T. Polsfut, Chair, Colorado Commission on Higher Education*

**1. Please explain the rationale for distributing the reduction in federal American Recovery and Reinvestment Act (ARRA) funds in the reverse order of increases in funding since FY 2005-06.**

The Governor's FY10-11 budget proposal for higher education reduces anticipated federal ARRA state fiscal stabilization funds to the governing boards, local district colleges, and the area vocational schools by \$55,981,956. Up until this request, General Fund appropriations to the institutions of higher education had been cut significantly, but also fully backfilled with federal ARRA funds. This reduction in federal funding in FY10-11 is the first actual reduction to the institutions' total General Fund/federal fund appropriation.

From FY05-06 and FY08-09, appropriated General Fund support grew annually between about \$45 million and \$53 million. Growth in FY06-07 and FY07-08 was based on across the board percentage increases; while the FY08-09 appropriated increase used a model based on inflation and each governing board's overall peer gap in funding. In FY08-09, the JBC also provided \$5,600,000 additional new General Fund to the CU System, the CSU System, the CCCS System, Colorado School of Mines, Adams State College and Western State College. Despite three years of very strong funding increases, Colorado institutions still remained well below peer funding levels prior to this economic downturn.

When the current economic downturn began and it became clear that both General Fund reductions would be necessary and that these reductions would be backfilled with one-time federal stimulus funds, it was recommended and approved that these reductions would be made by rolling back appropriations to FY05-06 as allowed under the federal ARRA legislation. The Governor's recommended FY10-11 budget continues this method of implementing cuts by rolling back the federal backfill in the same manner. If the Governor's recommendation is approved the governing boards, local district colleges, and the area vocational schools will be funded at just below the FY07-08 level in combined General Funds and federal backfill. Because the growth in state support between FY07-08 and FY08-09 appropriated was significant, rolling back support in this manner was deemed to be the most reasonable way to spread the cut across the system of higher education statewide, presumably holding each institution to the highest possible base level given available revenues.

While this reduction will have a real impact on the institutions of higher education in FY10-11, more significant cuts will have to be made in FY11-12 when all of the federal backfill funding goes away and when the institutions are anticipated to be funded at their FY05-06 base General Fund levels. Adjusting how the limited federal funds are allocated in FY10-11 without also adjusting the General Fund base therefore is only a onetime adjustment and does not address the long-term funding issues the state faces with funding its system of higher education once federal funds are no longer available.

**2. Please discuss the Department's strategic planning process. What are the goals, objectives, and expected outcomes? How long will the process take?**

C.R.S. 23-1-108 gives the Commission authority to develop a master plan for the state's higher education system. Statute directs the Commission to look at statewide expectations and goals, the role and mission of institutions, enrollment and admission policies, and how to sustain system wide goals of high quality, access, diversity efficiency, and accountability. The Governor's Office, working with the Commission, is forming a strategic planning steering group to fulfill this obligation. Preliminary work has been done and an announcement of the formal plans of the strategic planning effort is expected within the next 30 days. The strategic planning process is expected to last until late 2010.

**3. The Joint Budget Committee requested a report on options for how to measure and ensure access and affordability if governing boards are granted greater flexibility in setting tuition rates. What is the status of this report, and what are the options the Commission is considering?**

The Department's response to this request for information was submitted to the JBC on December 1<sup>st</sup>, per the Governor's instructions. The report is also attached at the end of this document as Attachment A.

**4. Please respond to the findings of the Western Interstate Commission on Higher Education (WICHE) report on the College Opportunity Fund (COF). Should Colorado consider abandoning the stipends and providing all money for the governing boards through the fee-for-service contracts?**

The College Opportunity Fund (COF) program funds institutions of higher education through student authorized stipends and fee-for-service contracts between institutions and the state. The 2009 review of the COF program by the Western Interstate Commission on Higher Education (WICHE) made two recommendations to potentially change how the COF program operates. It is expected that the Department's strategic planning process, as detailed above in the response to question number two, will review the state's higher education funding system and recommend the best funding methodology for the state, taking the WICHE review of the COF program into account.

**5. Does Colorado's method of increasing and decreasing capital construction appropriations in conjunction with overall state revenues put the state's higher education institutions at a disadvantage compared to other public institutions around the country? Are there some states that provide a steady annual budget for higher education capital construction even in economic downturns, and if so, how?**

As the current economic downturn continues to delay capital construction, expectations are high that a significant backlog of capital projects will develop. The anticipated result is that a majority of the burden will be placed on the institutions to continue to fund projects through cash sources such as tuition, student fees, cash reserves, and private donations. More and more, students are being called upon to pay for capital projects.

The effects to capital construction funding are substantial as the state's budget fluctuates over time. Over the past twelve years annual capital construction funding for higher education has fluctuated from a high of nearly \$170 million to a low of COP payments only. For a three year period from FY2002-03 through FY2004-05 there was practically no capital funding, and current projections for FY2010-11 are limited to Controlled Maintenance funding only.

To cope with the shortfall two major approaches have been used to fund capital construction since the last recession: 1) SB 04-252 allows governing boards designated as an enterprise to bond up to ten percent of tuition revenues for the construction and/or maintenance of academic buildings; and 2) the development of student capital construction fees.

While the entire state budget is affected by a drop in revenues, certain issue areas have historically been considered more feasible for absorbing reductions, capital construction and higher education are two such issue areas. The end result has often been a double hit to higher education in that there is less capital funding and less operating funding.

Higher education today is a competitive market within the state of Colorado and across the country. Many Colorado residents have the ability to attend in-state public, out-of-state public or private institutions. As such any changes in cost due to state support can be a significant factor in how students determine not only whether or not to attend college, but also where to attend. When state support in any area is reduced or limited then existing tuition and fee revenue must be used to fill the hole, and therefore spreads existing funds more thinly across all areas.

With the current economic downturn institutions are seeing increased enrollment. The additional students further exacerbate capital needs such as classroom space, student services space, and renovation and repair on facilities that serve more and more students annually. As the state becomes increasingly unable to fund capital repairs institutions have been forced to seek alternative funding sources.

Institutions have reluctantly pursued student capital construction fees as an alternative capital funding source. Institutions have sought and received student support on these capital fees. Presently, students at the following institutions have voted to implement stand alone capital fees for current and future capital needs:

**Institutions with Capital Fees**

| <b>Institution</b>                   | <b>Fee name</b>                    | <b>Year Implemented</b> | <b>Current Amount per FTE</b> |
|--------------------------------------|------------------------------------|-------------------------|-------------------------------|
| Adams State College                  | Capital Fee - Academic             | FY2008-09               | \$299                         |
|                                      | Capital Fee - Auxiliary            | FY2008-09               | \$200                         |
| Colorado School of Mines             | Academic Construction Building Fee | FY2007-08               | \$350                         |
| Colorado State University            | Facility Fees                      | FY2005-06               | \$300                         |
| Colorado State University – Pueblo   | Student Facility Fee               | FY2005-06               | \$300                         |
|                                      | General Bonded Facilities Fee      | FY2008-09               | \$144                         |
| Metropolitan State College of Denver | Metro Bond Fee                     | FY2009-10               | \$126                         |
| University of Colorado at Boulder    | Capital Construction Fee           | FY2006-07               | \$400                         |

Given the projected scarcity of state funds for higher education capital construction it is likely that institutions will have to rely even more on student fees in order to maintain the facilities crucial to the future and functionality of the institutions.

The concept of utilizing student related revenues for capital construction is neither new to higher education nor unique to Colorado. Many universities and colleges across the nation currently use a portion of tuition or have a separate fee that is used directly for capital related activities. Examples include: University of Connecticut; University of Michigan; University of Nebraska; University of South Dakota; University of Texas at Austin; the Oregon University System; and the entire higher education system in the State of Washington.

There are also several instances of dedicated funding streams or hybrids for capital construction in general and higher education capital construction in particular. Nebraska allocates a portion of the sales tax from tobacco to higher education capital construction in addition to annual appropriations and institutional funds. South Dakota (and others) allocates a portion of state lottery revenues to statewide capital construction.

Texas has one of the more established funding systems for capital construction. All public institutions of higher education in the state, except community colleges and the Texas A&M University System College of Dentistry, receive funding for construction and other capital purposes from the Permanent University Fund (PUF) or the Higher Education Fund (HEF).

The amount of funds allocated for each PUF institution is determined by the Boards of Regents of The University of Texas System and Texas A&M University System each year. The allocation of HEF funds to each institution is determined by the Legislature and may be revised every five years.

Institutions under the University of Texas System and the Texas A&M University System depend on income from the publicly endowed Permanent University Fund for capital construction and

certain other capital expenditures. The fund principal (which may not be spent) includes all proceeds from oil, gas, sulfur, and water royalties, all gains on investments, all rentals on mineral leases, and all amounts received from the sale of university lands. The surface income generated by grazing leases on university lands and the net income from interest and dividends for PUF investments make up the Available University Fund, which is divided between the two university systems. The AUF is used for three primary purposes: 1) to pay interest and principal due on PUF construction bonds at the 21 institutions of the UT and A&M Systems; 2) to provide support for a wide range of programs at The University of Texas at Austin, Texas A&M University, and Prairie View University; and 3) to provide for the expenses of the two respective System administrations.

Texas higher education institutions that do not benefit from the PUF are instead covered by amendments to the Texas Constitution in 1984 and 1993 which allow the Legislature to provide appropriations to the Higher Education Fund (HEF). This fund is used for many of the same purposes as the PUF. The institutions can acquire land; construct, repair, and rehabilitate buildings; make debt service payments on HEF bonds; and purchase capital equipment and library materials with HEF funds. The fund principal is to remain whole while returns on investments can be used by institutions.

**6. How many high school students from Colorado go on to college? How many attend a Colorado public institution?**

Neither the Department or other agencies in the state have the authority to collect the necessary data to determine exactly how many high school students from Colorado go on to college. The Department does, however, know how many Colorado public high school graduates there are each year and how many first time students under the age of 19 that are Colorado residents and are enrolled at a public institution of higher education. With these two indicators, the Department can approximate the number of high school graduates that go on to college.

In the spring of 2007, there were 47,845 public high school graduates statewide. In the following fall, there were 19,690 first time, Colorado resident, students under the age of 19 enrolled at a public institution of higher education in Colorado. So, 41.2% of the public high school graduates in Colorado went on to college at a public institution of higher education in Colorado. For 2008 there were 48,233 public high school graduates and 20,118 first time students resulting in 41.7% of public high school graduates going to college at a public institution of higher education in Colorado.

These estimates do not account for high school students that graduate from private high schools, students that received a GED, and students that were homeschooled. They also do not include students that went to a private institution of higher education in Colorado and institutions of higher education out of state.

**7. Please describe the potential cost savings of increasing admissions standards for lower division courses at four-year institutions in order encourage more students to attend community colleges for the first two years.**

**a. Of Colorado high school students who go on to college, what percentage enter a four-year institution versus a two-year institution?**

The Department can only provide information for Colorado high school students who matriculate at a public institutions of higher education in Colorado since data on other students is not collected.

In Fall 2008, there were 20,118 in-state, first time college students (defined as less than 19 years old and first time at their institution). Of these 5,835, or 29%, were enrolled in the state's community colleges and 14,283, or 71%, were enrolled in public four-year institutions.

**b. What policies do other states use to encourage more students to attend community colleges for the first two years?**

Community college systems vary tremendously in size and proportion of degree production across the country. Systems run the spectrum from few community colleges statewide (Indiana) and thus very little degree production, to a community college in every single county (New York and North Carolina) which rely on their system for a significant proportion of their degrees and workforce development. The idea of incenting more individuals to the community college with a strong transfer protocol is currently a hot topic in national higher education policy circles. Indiana and Ohio are two states actively moving in that direction.

Accomplishing such a policy will depend upon many factors specific to a state's higher education landscape. However, in general terms policies typically used to incent students include:

- Building out the community college system to reach more students in all locations of the state
- Keeping tuition low at the community colleges
- Raising the admission standards at the four-year colleges
- Developing strong passport programs between community colleges and four-year colleges that are in close proximity. i.e. joint programs across schools,
- Developing strong transfer and articulation across the entire system, and
- Utilizing concurrent high school programs in which high school students simultaneously take courses at a local community college with their high school work

Experts agree, however, that the most important strategy to moving students toward community colleges comes from the ability to market this information to students— that is helping them to understand the positive factors associated with starting at a community college and to understand how and what will directly transfer to a four year school upon completion. Without the marketing and outreach piece, it is very difficult to actually modify student behavior.

**8. Please provide data on time to completion for all of the state higher education institutions.**

The tables below show graduation rates for all public institutions of higher education in the state of Colorado. Graduation rates are the federally defined statistic used for understanding what percentage of students complete their studies and the time it takes them to complete. The following tables from the Department show graduation rates from 2008. These tables show the number in an entering cohort and then the percentage of that entering cohort that graduate in 4 years, 5 years, and 6 years-- by institution. These are the time frames defined by the National Center for Education Statistics and are used throughout the higher education community. Normally, the 6-year graduation rate is the single number referenced when researchers discuss graduation rates.

6-year graduation rates in Colorado public four year institutions range from a high of 76.3% at the Colorado School of Mines to a low of 27.4% at Metropolitan State (where the graduation rate has improved the last few years). This level of completion generally aligns to national graduation rates where highly competitive institutions have an average six-year graduation rate of 75.2% and non-competitive institutions have a graduation rate of 34.7%

(Source: <http://www.aei.org/docLib/Diplomas%20and%20Dropouts%20final.pdf>).

It is important to note that the level of selectivity and “role and mission” of an institution is highly positively correlated with its time to completion, or, graduation rate, i.e. the more selective an institution is, the higher its graduation rate and the faster its students complete. The lower the selectivity, especially for near open admissions institutions, the lower graduation rate. Relevant comparisons of graduation rates can only be made either across time at a single institution, or across institutions with similar levels of selectivity and mission. It is also important to note that graduation rates are an incomplete measure of community college success because transfer to a 4-year school is a strong part of a community college mission, yet transfers are not counted as “graduates” in their graduation rate unless they graduate at that transfer institution.

**Graduation Rates, from Four-Year Public Institutions (2002 Cohort)**

| Institution Name                   | Fall 2002<br>Entering Class | Grad. within<br>4 Years<br>at Orig Inst |              | Grad. within<br>4 Years<br>at Transfer Inst |             | Grad. within<br>4 Years<br>at Either |              | Grad. within<br>5 Years<br>at Orig Inst |              | Grad. within<br>5 Years<br>at Transfer Inst |             | Grad. within<br>5 Years<br>at Either |              | Grad. within<br>6 Years<br>at Orig Inst |              | Grad. within<br>6 Years<br>at Transfer Inst |             | Grad. within<br>6 Years<br>at Either |              |
|------------------------------------|-----------------------------|---|--------------|---|-------------|--------------------------------------|--------------|---|--------------|---|-------------|--------------------------------------|--------------|---|--------------|---|-------------|--------------------------------------|--------------|
|                                    |                             | #                                       | Rate         | #   | Rate        | #                                    | Rate         | #                                       | Rate         | #   | Rate        | #                                    | Rate         | #                                       | Rate         | #   | Rate        | #                                    | Rate         |
| Adams State College                | 412                         | 66                                      | 16.0%        | 12  | 2.9%        | <b>78</b>                            | <b>18.9%</b> | 110                                     | 26.7%        | 29  | 7.0%        | <b>139</b>                           | <b>33.7%</b> | 120                                     | 29.1%        | 38  | 9.2%        | <b>158</b>                           | <b>38.3%</b> |
| Colorado School of Mines           | 562                         | 239                                     | 42.5%        | 10  | 1.8%        | <b>249</b>                           | <b>44.3%</b> | 380                                     | 67.6%        | 17  | 3.0%        | <b>397</b>                           | <b>70.6%</b> | 403                                     | 71.7%        | 26  | 4.6%        | <b>429</b>                           | <b>76.3%</b> |
| Colorado State University          | 3,791                       | 1,329                                   | 35.1%        | 64  | 1.7%        | <b>1,393</b>                         | <b>36.7%</b> | 2,174                                   | 57.3%        | 155   | 4.1%        | <b>2,329</b>                         | <b>61.4%</b> | 2,348                                   | 61.9%        | 201   | 5.3%        | <b>2,549</b>                         | <b>67.2%</b> |
| Colorado State University - Pueblo | 642                         | 105                                     | 16.4%        | 12  | 1.9%        | <b>117</b>                           | <b>18.2%</b> | 185                                     | 28.8%        | 30  | 4.7%        | <b>215</b>                           | <b>33.5%</b> | 213                                     | 33.2%        | 39  | 6.1%        | <b>252</b>                           | <b>39.3%</b> |
| Fort Lewis College                 | 1,022                       | 142                                     | 13.9%        | 13  | 1.3%        | <b>155</b>                           | <b>15.2%</b> | 290                                     | 28.4%        | 52  | 5.1%        | <b>342</b>                           | <b>33.5%</b> | 336                                     | 32.9%        | 74  | 7.2%        | <b>410</b>                           | <b>40.1%</b> |
| Mesa State College                 | 704                         | 105                                     | 14.9%        | 16  | 2.3%        | <b>121</b>                           | <b>17.2%</b> | 203                                     | 28.8%        | 40  | 5.7%        | <b>243</b>                           | <b>34.5%</b> | 232                                     | 33.0%        | 56  | 8.0%        | <b>288</b>                           | <b>40.9%</b> |
| Metropolitan State College         | 1,655                       | 73                                      | 4.4%         | 19  | 1.1%        | <b>92</b>                            | <b>5.6%</b>  | 255                                     | 15.4%        | 67  | 4.0%        | <b>322</b>                           | <b>19.5%</b> | 355                                     | 21.5%        | 99  | 6.0%        | <b>454</b>                           | <b>27.4%</b> |
| UC - Boulder                       | 5,377                       | 2,217                                   | 41.2%        | 61  | 1.1%        | <b>2,278</b>                         | <b>42.4%</b> | 3,333                                   | 62.0%        | 140   | 2.6%        | <b>3,473</b>                         | <b>64.6%</b> | 3,575                                   | 66.5%        | 205   | 3.8%        | <b>3,780</b>                         | <b>70.3%</b> |
| UC - Colorado Springs              | 893                         | 213                                     | 23.9%        | 37  | 4.1%        | <b>250</b>                           | <b>28.0%</b> | 342                                     | 38.3%        | 68  | 7.6%        | <b>410</b>                           | <b>45.9%</b> | 389                                     | 43.6%        | 91  | 10.2%       | <b>480</b>                           | <b>53.8%</b> |
| UC at Denver and Health Sci. Ctr.  | 580                         | 85                                      | 14.7%        | 22  | 3.8%        | <b>107</b>                           | <b>18.4%</b> | 179                                     | 30.9%        | 47  | 8.1%        | <b>226</b>                           | <b>39.0%</b> | 212                                     | 36.6%        | 59  | 10.2%       | <b>271</b>                           | <b>46.7%</b> |
| University of Northern Colorado    | 1,940                       | 548                                     | 28.2%        | 44  | 2.3%        | <b>592</b>                           | <b>30.5%</b> | 897                                     | 46.2%        | 142   | 7.3%        | <b>1,039</b>                         | <b>53.6%</b> | 968                                     | 49.9%        | 182   | 9.4%        | <b>1,150</b>                         | <b>59.3%</b> |
| Western State College              | 608                         | 116                                     | 19.1%        | 10  | 1.6%        | <b>126</b>                           | <b>20.7%</b> | 199                                     | 32.7%        | 31  | 5.1%        | <b>230</b>                           | <b>37.8%</b> | 224                                     | 36.8%        | 41  | 6.7%        | <b>265</b>                           | <b>43.6%</b> |
| <b>Totals</b>                      | <b>18,186</b>               | <b>5,238</b>                            | <b>28.8%</b> | <b>320</b>                                  | <b>1.8%</b> | <b>5,558</b>                         | <b>30.6%</b> | <b>8,547</b>                            | <b>47.0%</b> | <b>818</b>                                  | <b>4.5%</b> | <b>9,365</b>                         | <b>51.5%</b> | <b>9,375</b>                            | <b>51.6%</b> | <b>1,111</b>                                | <b>6.1%</b> | <b>10,486</b>                        | <b>57.7%</b> |

SOURCE: SURDS Enrollment, Fall 2002; Degrees Awarded FY 2003-2008 and Summer 08

The Graduation Rate of transfers only includes degrees attained by transfers to Colorado institutions reporting to SURDS. Transfers to private schools not reporting to SURDS or out-of-state transfers are not counted.

At 4-year institutions, "Graduated at Transfer Institution" includes only 4-year to 4-year transfers

At 4-year institutions, counts are students receiving a degree(s) i.e. double majors are only counted once.

### Graduation Rates, from Two-Year Public Institutions (2005 Cohort)

| Institution Name              | Fall 2005 Entering Class | Graduated at Original Institution |                  |              | Graduated at Transfer Institution |                  |             | Graduated at Either |              |
|-------------------------------|--------------------------|-----------------------------------|------------------|--------------|-----------------------------------|------------------|-------------|---------------------|--------------|
|                               |                          | Ass. Deg. & Cert. (2+ years)      | Cert. (<2 years) | Rate         | Ass. Deg. & Cert. (2+ years)      | Cert. (<2 years) | Rate        | #                   | Rate         |
| Aims Community College        | 152                      | 55                                | 28               | 54.6%        | 3                                 | 1                | 2.6%        | 87                  | 57.2%        |
| Arapahoe Community College    | 384                      | 28                                | 31               | 15.4%        | 0                                 | 1                | 0.3%        | 60                  | 15.6%        |
| Colorado Mountain College     | 81                       | 3                                 | 5                | 9.9%         | 0                                 | 1                | 1.2%        | 9                   | 11.1%        |
| Colorado Northwestern CC      | 117                      | 28                                | 14               | 35.9%        | 0                                 | 0                | 0.0%        | 42                  | 35.9%        |
| Community College of Aurora   | 373                      | 64                                | 6                | 18.8%        | 1                                 | 0                | 0.3%        | 71                  | 19.0%        |
| Community College of Denver   | 410                      | 26                                | 24               | 12.2%        | 0                                 | 0                | 0.0%        | 50                  | 12.2%        |
| Front Range Community College | 1,379                    | 153                               | 105              | 18.7%        | 4                                 | 6                | 0.7%        | 268                 | 19.4%        |
| Lamar Community College       | 162                      | 54                                | 11               | 40.1%        | 1                                 | 1                | 1.2%        | 67                  | 41.4%        |
| Morgan Community College      | 110                      | 38                                | 25               | 57.3%        | 2                                 | 1                | 2.7%        | 66                  | 60.0%        |
| Northeastern Junior College   | 391                      | 120                               | 28               | 37.9%        | 0                                 | 1                | 0.3%        | 149                 | 38.1%        |
| Otero Junior College          | 296                      | 76                                | 62               | 46.6%        | 2                                 | 1                | 1.0%        | 141                 | 47.6%        |
| Pikes Peak Community College  | 889                      | 118                               | 65               | 20.6%        | 0                                 | 1                | 0.1%        | 184                 | 20.7%        |
| Pueblo Community College      | 383                      | 29                                | 61               | 23.5%        | 0                                 | 0                | 0.0%        | 90                  | 23.5%        |
| Red Rocks Community College   | 491                      | 41                                | 60               | 20.6%        | 0                                 | 1                | 0.2%        | 102                 | 20.8%        |
| Trinidad State Junior College | 300                      | 62                                | 54               | 38.7%        | 1                                 | 1                | 0.7%        | 118                 | 39.3%        |
| <b>Grand Total</b>            | <b>5,918</b>             | <b>895</b>                        | <b>579</b>       | <b>24.9%</b> | <b>14</b>                         | <b>16</b>        | <b>0.5%</b> | <b>1,504</b>        | <b>25.4%</b> |

SOURCE: SURDS Enrollment, Fall 2005; Degrees Awarded FY 2005-2008 and Summer 08

For 2-year institutions, "Graduated at Transfer Institution" includes only 2-year to 2-year transfers, therefore the Community College mission of transfer-to- 4YR-schools is not included. At 2-year institutions, counts are degrees, i.e. a single student that received a certificate as well as an Associates is counted twice.

The Graduation Rate of transfers only includes degrees attained by transfers at Colorado institutions reporting to SURDS. Transfers to private schools that don't report to SURDS are not included. For two-year transfers, the rate only includes those that attained an associate degree or certificate after transfer, at Colorado institutions reporting to SURDS.

## 9. Compare tuition and fee rates at Colorado private institutions to Colorado public institutions.

The two tables below detail tuition rates for private and public institutions in Colorado for 2007 and 2008 as reported by the institutions to the National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS).

In-State and Out of State Average Tuition for Full-Time Undergraduates as reported to IPEDS by the institutions, Fall 2008 and Fall 2007

| Type                | Institution                                    | 2008  |   | 2007  |   |
|---------------------|--|---|---|---|---|
|                     |  | In-state average tuition for full-time undergraduates | Out-of-state average tuition for full-time undergraduates | In-state average tuition for full-time undergraduates | Out-of-state average tuition for full-time undergraduates |
| Public-4 Yr         | Adams State College                            | \$2,496   | \$10,392  | \$2,328   | \$9,672   |
| Public-4 Yr         | Metropolitan State College of Denver           | \$2,615   | \$11,323  | \$2,432   | \$10,534  |
| Public-4 Yr         | Fort Lewis College                             | \$2,846   | \$15,162  | \$5,138   | \$13,848  |
| Public-4 Yr         | Colorado State University-Pueblo               | \$3,422   | \$13,543  | \$3,184   | \$13,543  |
| Public-4 Yr         | University of Northern Colorado                | \$3,942   | \$13,344  | \$3,600   | \$12,180  |
| Public-4 Yr         | Mesa State College                             | \$4,324   | \$13,098  | \$3,893   | \$12,054  |
| Public-4 Yr         | Colorado State University                      | \$4,424   | \$20,140  | \$4,040   | \$17,480  |
| Public-4 Yr         | University of Colorado at Colorado Springs     | \$4,464   | \$15,300  | \$4,338   | \$15,300  |
| Public-4 Yr         | University of Colorado Denver                  | \$5,484   | \$18,456  | \$5,054   | \$17,010  |
| Public-4 Yr         | Western State College of Colorado              | \$5,640   | \$11,856  | \$2,688   | \$11,520  |
| Public-4 Yr         | University of Colorado at Boulder              | \$5,922   | \$25,400  | \$5,418   | \$23,580  |
| Public-4 Yr         | Colorado School of Mines                       | \$9,810   | \$23,820  | \$8,764   | \$21,750  |
| Private, For Profit | Colorado Center for Medical Laboratory Science | \$6,940   | \$6,940   | \$6,840   | \$6,840   |
| Private, For Profit | Jones International University                 | \$10,320  | \$10,320  | \$10,320  | \$10,320  |
| Private, For Profit | Colorado Technical University                  | \$10,440  | \$10,440  | \$9,900   | \$9,900   |
| Private, For Profit | Colorado Technical University                  | \$10,440  | \$10,440  | \$9,900   | \$9,900   |
| Private, For Profit | University of Phoenix-Southern Colorado Campus | \$10,590  | \$10,590  | \$10,140  | \$10,140  |
| Private, For Profit | National American University-Colorado Springs  | \$11,340  | \$11,340  | \$13,320  | \$13,320  |
| Private, For Profit | National American University-Denver            | \$11,340  | \$11,340  | \$13,200  | \$13,200  |
| Private, For Profit | University of Phoenix-Denver Campus            | \$11,575  | \$11,575  | \$10,140  | \$10,140  |
| Private, For Profit | Westwood College-Denver South                  | \$13,389  | \$13,389  | \$12,753  | \$12,753  |
| Private, For Profit | DeVry University-Colorado                      | \$13,810  | \$13,810  | \$13,700  | \$13,700  |
| Private, For Profit | Westwood College-Denver North                  | \$14,061  | \$14,061  | \$12,039  | \$12,039  |
| Private, For Profit | College America-Colorado Springs               | \$14,120  | \$14,120  | \$16,350  | \$16,350  |
| Private, For Profit | Colorado Technical University Online           | \$14,248  | \$14,248  | \$16,830  | \$16,830  |
| Private, For Profit | Teikyo Loretto Heights University              | \$14,970  | \$14,970  | \$14,970  | \$14,970  |
| Private, For Profit | ITT Technical Institute-Thornton               | \$16,056  | \$16,056  | \$15,300  | \$15,300  |
| Private, For Profit | Remington College-Colorado Springs Campus      | \$16,330  | \$16,330  | \$13,700  | \$13,700  |
| Private, For Profit | College America-Fort Collins                   | \$16,350  | \$16,350  | \$16,350  | \$16,350  |
| Private, For Profit | Argosy University-Denver                       | \$17,280  | \$17,280  | \$16,380  | \$16,380  |
| Private, For Profit | College America-Denver                         | \$17,650  | \$17,650  | \$16,350  | \$16,350  |
| Private, For Profit | Johnson & Wales University-Denver              | \$21,297  | \$21,297  | \$20,478  | \$20,478  |
| Private, For Profit | Naropa University                              | \$21,894  | \$21,894  | \$20,738  | \$20,738  |
| Private, For Profit | Platt College                                  | \$22,800  | \$22,800  | \$21,800  | \$21,800  |
| Private, For Profit | Rocky Mountain College of Art and Design       | \$22,992  | \$22,992  | \$19,752  | \$19,752  |
| Private, Non Profit | Colorado Christian University                  | \$19,980  | \$19,980  | \$18,850  | \$18,850  |
| Private, Non Profit | The Art Institute of Colorado                  | \$23,608  | \$23,608  | \$21,835  | \$21,835  |
| Private, Non Profit | Regis University                               | \$28,400  | \$28,400  | \$26,600  | \$26,600  |
| Private, Non Profit | University of Denver                           | \$32,976  | \$32,976  | \$31,428  | \$31,428  |
| Private, Non Profit | Colorado College                               | \$35,844  | \$35,844  | \$33,972  | \$33,972  |

**2 yr Institutions In-State and Out of State Average Tuition for Full-Time Undergraduates as reported to IPEDS by the institutions, Fall 2008 and Fall 2007**

| Type           | Institution                               | 2008  |   | 2007  |   |
|----------------|---|---|---|---|---|
|                |   | In-state average tuition for full-time undergraduates | Out-of-state average tuition for full-time undergraduates | In-state average tuition for full-time undergraduates | Out-of-state average tuition for full-time undergraduates |
| Public 2 Year  | Arapahoe Community College                | \$1,852   | \$8,574   | \$1,789   | \$8,284   |
| Public 2 Year  | Pueblo Community College                  | \$1,852   | \$8,574   | \$1,789   | \$8,284   |
| Public 2 Year  | Colorado Northwestern Community College   | \$1,944   | \$4,152   | \$2,315   | \$4,985   |
| Public 2 Year  | Community College of Denver               | \$1,944   | \$9,004   | \$1,851   | \$8,574   |
| Public 2 Year  | Front Range Community College             | \$1,944   | \$9,004   | \$1,789   | \$8,284   |
| Public 2 Year  | Morgan Community College                  | \$1,944   | \$9,004   | \$1,852   | \$8,284   |
| Public 2 Year  | Northeastern Junior College               | \$1,944   | \$7,201   | \$1,852   | \$6,858   |
| Public 2 Year  | Red Rocks Community College               | \$1,944   | \$9,004   | \$1,852   | \$8,574   |
| Public 2 Year  | Trinidad State Junior College             | \$1,944   | \$4,152   | \$1,852   | \$3,988   |
| Public 2 Year  | Aims Community College                    | \$1,968   | \$8,496   | \$1,800   | \$7,200   |
| Public 2 Year  | Pikes Peak Community College              | \$2,050   | \$8,774   | \$1,852   | \$8,574   |
| Public 2 Year  | Colorado Mountain College                 | \$2,250   | \$7,050   | \$2,160   | \$6,960   |
| Public 2 Year  | Community College of Aurora               | \$2,430   | \$11,255  | \$2,315   | \$10,718  |
| Public 2 Year  | Lamar Community College                   | \$2,430   | \$5,190   | \$2,315   | \$4,985   |
| Public 2 Year  | Otero Junior College                      | \$2,430   | \$5,190   | \$2,314   | \$4,816   |
| Private 2 Year | Denver Academy of Court Reporting         | \$6,900   | \$6,900   | \$6,800   | \$6,800   |
| Private 2 Year | Bel-Rea Institute of Animal Technology    | \$8,531   | \$8,531   | \$10,875  | \$10,875  |
| Private 2 Year | Colorado School of Healing Arts           | \$9,625   | \$9,625   | \$8,925   | \$8,925   |
| Private 2 Year | Institute of Business and Medical Careers | \$10,260  | \$10,260  | \$9,900   | \$9,900   |
| Private 2 Year | Everest College-Colorado Springs          | \$11,808  | \$11,808  | \$10,440  | \$10,440  |
| Private 2 Year | Everest College-Aurora                    | \$12,747  | \$12,747  | \$11,520  | \$11,520  |
| Private 2 Year | Everest College-Thornton                  | \$13,572  | \$13,572  | \$13,104  | \$13,104  |
| Private 2 Year | Boulder College of Massage Therapy        | \$13,700  | \$13,700  | \$13,160  | \$13,160  |

**a. Are private institutions offering degrees competitively at similar costs to public institutions?**

No (see the table above and the table on the previous page). The private, for profit institutions of higher education all have higher levels of tuition than public institutions. While the private, nonprofit institutions have significantly higher levels of tuition than public institutions across the board.

**b. Would Colorado’s public institutions benefit from implementing some elements of the business models of the successful private institutions in Colorado? Explain.**

It is doubtful that public higher education institutions in Colorado would benefit from adopting the business models and practices of even the most successful for-profit education entities. One way to examine the performance of such entities is to compare their graduation rates to those of the public sector. The following table contains Colorado’s for-profit institution’s six-year graduation rates as reported by the institutions themselves to the National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS).

The very best graduation rate among these businesses is comparable to the middle of the pack among public institutions, and a number of these businesses have graduation rates under 10%. This performance is in spite of tuition charges that (as shown earlier) can be literally nine times as

high as that of public higher education (Adams State--Tuition \$2,496 versus Naropa University—Tuition \$21,894).

**6 Year Graduation rates as of August 31, 2008**

| Institution name                               | Adjusted cohort 2002 | Number of completers | Graduation rate (%) |
|--|----------------------|----------------------|---------------------|
| College America-Colorado Springs               | 30                   | 68                   | 52.3                |
| College America-Denver                         | 392                  | 65                   | 42.1                |
| College America-Fort Collins                   | 255                  | 92                   | 36.1                |
| Colorado Technical University                  | 8                    | 3                    | 6.7                 |
| Colorado Technical University                  | 3                    | 1                    | 33.3                |
| DeVry University-Colorado                      | 13                   | 67                   | 46.9                |
| ITT Technical Institute-Thornton               | 84                   | 39                   | 46.4                |
| Jones International University                 | 15                   | 37                   | 25.5                |
| National American University-Colorado Springs  | 3                    | 1                    | 33.3                |
| National American University-Denver            | 5                    |                      | 0                   |
| Patt College                                   | 2                    | 7                    | 58.3                |
| Remington College-Colorado Springs Campus      | 286                  | 100                  | 35                  |
| Rocky Mountain College of Art and Design       | 79                   | 37                   | 46.8                |
| The Art Institute of Colorado                  | 367                  | 56                   | 42.5                |
| University of Phoenix-Denver Campus            | 18                   | 3                    | 6.6                 |
| University of Phoenix-Southern Colorado Campus | 68                   | 8                    | 18                  |
| Westwood College-Denver North                  | 52                   | 227                  | 44.3                |
| Westwood College-Denver South                  | 102                  | 23                   | 22.5                |

**10. Please provide information on the level of private giving to Colorado public institutions. Are Colorado institutions doing enough to raise private funds? Please provide data such as peer comparisons or trend data over time (or whatever the Department thinks is relevant) to support your conclusion.**

Below is a table with gift and donation amounts taken from institution’s audited financial statements. Amounts reported as gift revenue, and amounts reported by their related foundation for ‘contribution revenues’ and ‘program expenses’, are listed by year for FY 2003 through FY 2008.

The yearly increase for all institutions in non-operating gifts from \$83.4M to \$129.8M from 2003 to 2008 indicates that the schools are actively fund raising. Institutions have been asked to provide further detail of their fundraising efforts to better address this question, their responses are below the table.

| Governing Board<br>Financial Statement classification | Fiscal Year Ended June 30 |            |            |            |            |            |
|---|---------------------------|------------|------------|------------|------------|------------|
|   | 2003                      | 2004       | 2005       | 2006       | 2007       | 2008       |
| <b>Adams State College</b>                            |                           |            |            |            |            |            |
| Gifts and donation (operating)                        |                           |            | 0          |            |            |            |
| Gifts and donation (non-operating)                    | 1,045,095                 | 1,216,330  | 1,629,703  | 1,996,586  | 1,943,407  | 1,958,541  |
| Grants and gifts (capital)                            |                           |            | 0          | 0          | 0          | 0          |
| Total Gov Board Gifts and Donations                   | 1,045,095                 | 1,216,330  | 1,629,703  | 1,996,586  | 1,943,407  | 1,958,541  |
| Foundation contribution revenues                      | 571,402                   | 609,347    | 759,980    | 2,253,387  | 6,902,442  | 1,259,761  |
| Foundation program expenses                           | 611,659                   | 842,304    | 1,418,120  | 1,577,043  | 1,431,325  | 1,707,897  |
| <b>Colorado Community College System</b>              |                           |            |            |            |            |            |
| Gifts and donation (operating)                        | 289,129                   | 567,285    | 484,641    | 9,005      | 130,124    | 0          |
| Gifts and donation (non-operating)                    | 533,113                   | 698,653    | 573,483    | 606,349    | 1,251,012  | 1,504,279  |
| Grants and gifts (capital)                            | 47,957                    | 89,372     | 55,675     | 35,126     | 47,376     | 114,877    |
| Total Gov Board Gifts and Donations                   | 870,199                   | 1,355,310  | 1,113,799  | 650,480    | 1,428,512  | 1,619,156  |
| Foundation contribution revenues                      | 4,762,745                 | 2,895,976  | 4,707,436  | 3,807,793  | 5,473,592  | 4,087,055  |
| Foundation program expenses                           | 5,678,065                 | 5,612,515  | 7,060,553  | 6,457,869  | 7,212,677  | 7,777,972  |
| <b>Colorado School of Mines</b>                       |                           |            |            |            |            |            |
| Gifts and donation (operating)                        |                           |            |            |            |            |            |
| Gifts and donation (non-operating)                    | 10,470,674                | 9,465,292  | 8,051,769  | 13,783,902 | 10,484,107 | 11,270,277 |
| Grants and gifts (capital)                            | 497,844                   | 420,354    | 0          | 0          | 0          | 786,720    |
| Total Gov Board Gifts and Donations                   | 10,968,518                | 9,885,646  | 8,051,769  | 13,783,902 | 10,484,107 | 12,056,997 |
| Foundation contribution revenues                      | 12,248,137                | 10,774,564 | 11,542,988 | 15,806,033 | 10,343,334 | 10,956,749 |
| Foundation program expenses                           | 9,736,480                 | 8,252,081  | 8,036,513  | 12,969,451 | 11,860,486 | 11,345,780 |
| <b>Colorado State University</b>                      |                           |            |            |            |            |            |
| Gifts and donation (operating)                        |                           |            |            |            |            |            |
| Gifts and donation (non-operating)                    | 18,952,000                | 15,658,000 | 18,558,000 | 21,388,000 | 20,824,000 | 26,907,000 |
| Grants and gifts (capital)                            | 9,414,000                 | 8,566,000  | 17,215,000 | 7,971,000  | 4,734,000  | 1,474,000  |
| Total Gov Board Gifts and Donations                   | 28,366,000                | 24,224,000 | 35,773,000 | 29,359,000 | 25,558,000 | 28,381,000 |
| Foundation contribution revenues                      | 48,407,000                | 27,483,000 | 27,064,000 | 43,782,000 | 28,762,000 | 41,119,000 |
| Foundation program expenses                           | 25,457,000                | 23,600,000 | 32,786,000 | 26,133,000 | 23,642,000 | 25,331,000 |
| <b>Fort Lewis College</b>                             |                           |            |            |            |            |            |
| Gifts and donation (operating)                        |                           |            |            |            |            |            |
| Gifts and donation (non-operating)                    | 575,455                   | 940,651    | 994,907    | 1,488,794  | 1,663,238  | 1,514,997  |
| Grants and gifts (capital)                            | 77,670                    | 759,889    | 35,590     | 299,819    | 132,496    | 72,663     |
| Total Gov Board Gifts and Donations                   | 653,125                   | 1,700,540  | 1,030,497  | 1,788,613  | 1,795,734  | 1,587,660  |
| Foundation contribution revenues                      | 1,846,329                 | 2,182,592  | 1,009,527  | 1,547,940  | 2,181,269  | 2,048,160  |
| Foundation program expenses                           | 1,170,482                 | 1,826,464  | 1,311,396  | 1,631,978  | 1,809,621  | 1,615,369  |
| <b>Mesa State College</b>                             |                           |            |            |            |            |            |
| Gifts and donation (operating)                        | 0                         | 300,022    | 513,837    | 435,620    | 466,916    | 468,038    |
| Gifts and donation (non-operating)                    | 691,823                   | 3,596,316  | 774,423    | 945,446    | 676,022    | 1,651,414  |
| Grants and gifts (capital)                            | 0                         | 0          | 0          | 0          | 0          | 0          |
| Total Gov Board Gifts and Donations                   | 691,823                   | 3,896,338  | 1,288,260  | 1,381,066  | 1,142,938  | 2,119,452  |
| Foundation contribution revenues                      | 1,968,394                 | 972,672    | 2,649,853  | 1,980,004  | 3,201,563  | 5,558,034  |
| Foundation program expenses                           | 933,567                   | 3,726,990  | 990,582    | 1,144,166  | 855,034    | 2,796,130  |
| <b>Metropolitan State College of Denver</b>           |                           |            |            |            |            |            |
| Gifts and donation (operating)                        | 0                         |            |            |            |            |            |
| Gifts and donation (non-operating)                    | 2,458,090                 | 2,655,175  | 2,486,962  | 2,476,253  | 2,197,963  | 3,744,907  |
| Grants and gifts (capital)                            | 0                         | 0          | 0          | 0          | 0          | 0          |
| Total Gov Board Gifts and Donations                   | 2,458,090                 | 2,655,175  | 2,486,962  | 2,476,253  | 2,197,963  | 3,744,907  |
| foundation contributions                              | 1,977,735                 | 2,681,944  | 2,324,025  | 2,374,402  | 3,156,290  | 4,336,438  |
| School support  | 2,433,549                 | 2,789,344  | 2,382,441  | 2,416,994  | 2,194,973  | 3,881,394  |

|  |             |             |             |             |             |             |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>University of Colorado</b>          |             |             |             |             |             |             |
| Gifts and donation (operating)         |             |             |             |             |             |             |
| Gifts and donation (non-operating)     | 48,715,000  | 51,983,000  | 56,278,000  | 56,271,000  | 61,650,000  | 81,232,000  |
| Grants and gifts (capital)             | 25,806,000  | 70,451,000  | 16,208,000  | 10,042,000  | 10,350,000  | 31,604,000  |
| Total Gov Board Gifts and Donations    | 74,521,000  | 122,434,000 | 72,486,000  | 66,313,000  | 72,000,000  | 112,836,000 |
| Foundation contribution revenues       | 98,811,000  | 86,267,000  | 57,659,000  | 64,367,000  | 113,646,000 | 122,790,000 |
| Foundation program expenses            | 98,841,000  | 97,336,000  | 114,011,000 | 82,610,000  | 85,247,000  | 123,215,000 |
| <b>University of Northern Colorado</b> |             |             |             |             |             |             |
| Gifts and donation (operating)         |             |             |             |             |             |             |
| Gifts and donation (non-operating)     |             |             |             |             |             |             |
| Grants and gifts (capital)             | 2,290,977   | 883,476     | 0           | 344,692     | 16,581      | 24,500      |
| Total Gov Board Gifts and Donations    | 2,290,977   | 883,476     | 0           | 344,692     | 16,581      | 24,500      |
| Foundation contribution revenues       | 5,311,745   | 4,212,972   | 5,640,801   | 3,873,467   | 6,648,238   | 4,984,169   |
| Foundation program expenses            | 5,579,107   | 8,134,898   | 7,067,859   | 7,058,260   | 6,007,090   | 7,812,202   |
| <b>Western State College</b>           |             |             |             |             |             |             |
| Gifts and donation (operating)         |             |             |             |             |             |             |
| Gifts and donation (non-operating)     |             |             |             |             |             |             |
| Grants and gifts (capital)             | 0           | 0           | 0           | 492,434     | 0           | 439,449     |
| Total Gov Board Gifts and Donations    | 0           | 0           | 0           | 492,434     | 0           | 439,449     |
| Foundation contribution revenues       | 1,284,951   | 2,636,324   | 3,662,935   | 4,731,642   | 5,638,781   | 6,305,014   |
| Foundation program expenses            | 1,276,129   | 1,275,075   | 2,019,079   | 1,847,723   | 1,553,423   | 2,422,288   |
| <b>Total All Governing Boards</b>      |             |             |             |             |             |             |
| Gifts and donation (operating)         | 289,129     | 867,307     | 998,478     | 444,625     | 597,040     | 468,038     |
| Gifts and donation (non-operating)     | 83,441,250  | 86,213,417  | 89,347,247  | 98,956,330  | 100,689,749 | 129,783,415 |
| Grants and gifts (capital)             | 38,134,448  | 81,170,091  | 33,514,265  | 19,185,071  | 15,280,453  | 34,516,209  |
| Total Gov Board Gifts and Donations    | 121,864,827 | 168,250,815 | 123,859,990 | 118,586,026 | 116,567,242 | 164,767,662 |
| Foundation contribution revenues       | 177,189,438 | 140,716,391 | 117,020,545 | 144,523,668 | 185,953,509 | 203,444,380 |
| Foundation program expenses            | 151,717,038 | 153,395,671 | 177,083,543 | 143,846,484 | 141,813,629 | 187,905,032 |

Source: Audited Financial Statements and Notes.

Note: Financial Statements for Fiscal Year 2008 are the most current audited statements available.

## Institution Responses:

### *Adams State College:*

ASC private giving associated with operational activities has grown by 57% in the last six years. Gifts and donations for FY09 totaled \$1.9 million, which represents roughly 5% of the institution's annual revenues.

### *Colorado School of Mines:*

Colorado School of Mines and the CSM Foundation Inc. rank 25<sup>th</sup> among 256 public institutions in the nation for Total Endowment funds per Student FTE. As of June 20, 2009 CSM's total endowment was valued at \$148 million.

In 2006, Colorado School of Mines completed a 5-year \$125 million campaign by raising more than \$132 million in cash and commitments. Since the conclusion of that campaign Mines has continued to step up its efforts, raising \$21.9 million in FY2008 and \$30.7 million in FY2009. Mines is in the planning stages for its next major fundraising campaign.

Colorado School of Mines  
Fundraising Results

|      | Commitments   |
|------|---------------|
| FY09 | \$ 30,681,707 |
| FY08 | \$ 21,884,545 |
| FY07 | \$ 13,600,025 |
| FY06 | \$ 14,084,930 |
| FY05 | \$ 20,214,553 |

*Fort Lewis College:*

The Fort Lewis College Foundation exists to benefit Fort Lewis College. As such, the Foundation has continued to provide support for capital projects, scholarships and limited operational needs.

The Foundation has helped the College raise funds for three major construction projects. Approximately half of the cost for the Concert Hall and the Center of Southwest Studies was covered by private giving (\$2.5M and \$3.5M respectively). Currently, the Student Union is under construction and approximately \$5M has been raised for this project. The Berndt Hall Reconstruction project for Geosciences, Physics and Engineering (the College's top capital construction request), carries a \$4.2M College match. The Foundation is currently in the silent phase of the capital campaign for this project.

In addition to raising funds for capital campaigns, the Fort Lewis College Foundation also raises funds for scholarships to help students afford the College experience. Over the last five years, scholarships provided by the Foundation have grown from \$400K in FY 2004-05 to almost \$900K in FY 2008-09. On average, the Foundation raises approximately \$2M annually from cash and in-kind donations.

Fort Lewis College and its affiliated Foundation recognize the need to generate private funds to help support the College and its students. To this end, resources directed toward augmenting private giving have increased significantly over the past five years. This increase is evidenced by Foundation staffing levels going from 3.0 FTE in FY 2004 to 7.0 FTE in FY 2010.

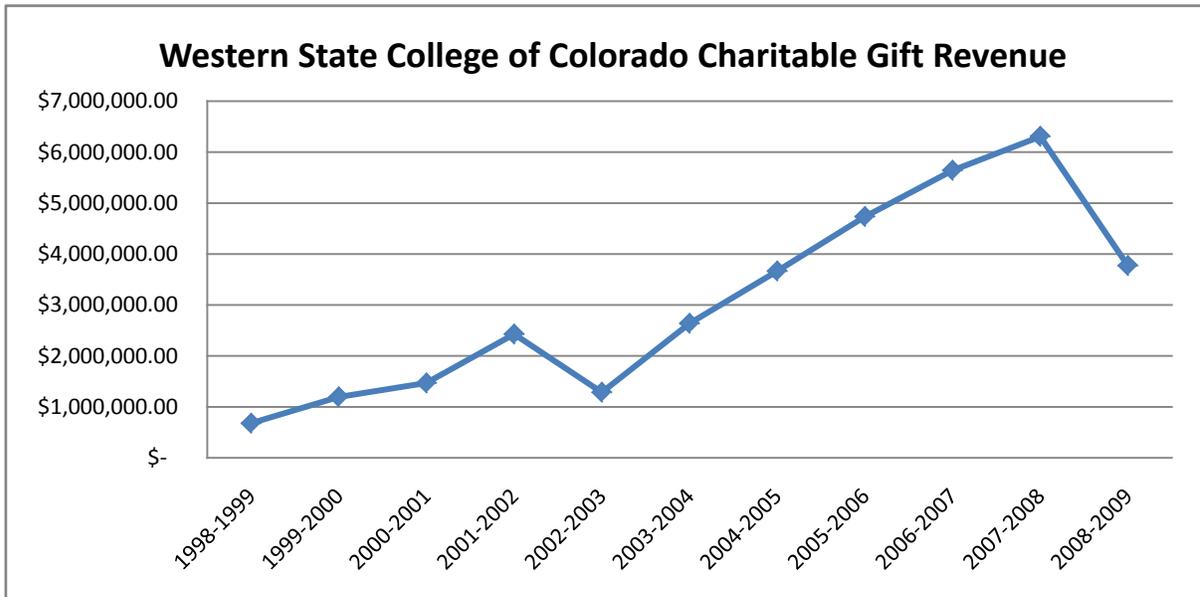
*Mesa State College:*

Over the course of the past four fiscal years, the Mesa State College Foundation has exceeded the previous year's fundraising totals. Following is a summary of the fundraising amounts received by the Mesa State College Foundation:

- 2005-2006 Total Raised -- \$2,442,095
- 2006/2007 Total Raised -- \$2,492,437
- 2007/2008 Total Raised -- \$4,588,432
- 2008/2009 Total Raised -- \$5,155,818

*Western State College:*

With the exception of 2008-09, private funding has increased dramatically at Western over the last 10 years (see chart). Despite this success, decreasing public funding of higher education adversely affects the ability of institutions to attract major private gifts. Private giving to public institutions is more far more appealing to donors as a way to enhance and secure a new level of excellence, rather than meeting basic operating needs and expenses.



The national fundraising statistics comparison of new cash and pledges for January to June (Q1-Q2) of 2008 to 2009 were down 28% (GG+A survey).

Western State College Foundation fundraising highlights over the last five years include:

- WSC Foundation has received \$20.0 million in private gifts over the past 4 years.
- During those 4 years, WSC Foundation distributed \$15.1 million in support of the College.
- WSC Foundation provides nearly \$600,000 annually in privately funded scholarships.
- WSC Foundation funds 4 endowed faculty chairs (a fifth has been pledged).
- Western’s Petroleum Geology program was created through private gifts, including 2 endowed chairs and an “Endowment for Excellence”.
- In 2005, \$750,000 in private gifts funded the resurfacing of the running track for the College and community at Mountaineer Bowl.
- In summer of 2007, the \$7.1 million Borick Business Building was completed and opened.
- In 2008, Western’s Professional Land and Resource Management Program was launched, with private gifts in excess of \$3.0 million. The program now has 50 students enrolled.

- In 2008, \$600,000 in private funds complemented the state-funded renovation of Kelley Hall to create Western's Center for Environmental Studies.
- WSC Foundation is currently raising \$6.0 million toward the \$28.0 million new College Center.

**11. What is the status of implementing transfer agreement legislation, and are transfer agreements currently adequate? Please provide data such as the number and percentage of credits accepted and denied (or whatever the Department thinks is relevant) to support your conclusion.**

Colorado currently has three guaranteed transfer "options" for students:

Completion of a AA/AS degree – A student's general education is considered complete when they arrive in transfer from a two-year institution to a four-year institution having completed an Associate of Arts or Science degree. However, a student may be required to take up to 9 remaining hours of required general education courses within their major once they are admitted and enroll in a specified degree program/program of study at a four-year institution.

gtPathways – Colorado's statewide guaranteed transfer program for general education. The gtPathways curriculum currently features 1,120 individual courses across five different content areas, (Communication, Math, Arts & Humanities, Social & Behavioral Sciences and Natural & Physical Sciences). Forty additional courses will be added to the 1, 129 upon official Commission approval in January, 2010. The gtPathways curriculum is comprised of 31 credit hours across five different content areas. Students must successfully complete each course taken in the gtPathways curriculum in order for the course(s) to successfully transfer to "receiving institutions". Once successfully completed, all gtPathways courses are guaranteed to transfer and be applied (in the same content area in which the course was taken). Students may elect to complete all 31 credit hours of the gtPathways curriculum; or, take courses individually. All successfully completed gtPathways courses are accepted in transfer, regardless of the student's transfer "path", for example, students can take gtPathways courses from a two-year to a four-year institution; from a two-year to a two-year and also from a four-year to a two-year. The gtPathways curriculum is applicable only to Colorado's public, post-secondary institutions.

Statewide Articulation Agreements – the state currently has four statewide articulation agreements in: Business; Early Childhood Education; Elementary Education, and Engineering. All public, post-secondary institutions are signatories on each of the statewide articulation agreements. The statewide articulation agreements do not guarantee admission to professional programs; however, provided a student follows the agreement's prescriptive guidance and does not deviate from the prescribed courses, (i.e., change their major), while achieving the requisite grades required of the agreement, the courses are

guaranteed to transfer and be applied to the student's program of study/major.

In addition to the above guarantees, public, post-secondary institutions also engage in transcript review; whereby each individual student's transcript is reviewed by institutional staff in order to accept and apply additional courses taken outside of gtPathways and the statewide articulation agreements, including courses taken by students in both the private sector of institutions as well as students bringing courses from out-of-state institutions, (both public and private).

Currently, Colorado's public, post-secondary institutions are working on an additional seven statewide 60 + 60/statewide articulation agreements in the following disciplines: Spanish, Biology, History, Math, Criminal Justice, Psychology, and Economics. A specified timeline has not been formally established; however, it is very likely that the additional agreements could be operationalized within 12-18 months.

Additionally, Colorado post-secondary institutions, in collaboration with the CCNE, (Colorado Council of Nursing Educators), are in the early stages of exploring the possibility of a statewide nursing articulation agreement. Currently, Colorado has a statewide nursing articulation model.

Of note, Colorado public, post-secondary institutions currently have:

- Created and participate in over 1000 inter-institutional agreements (MOUs-Memorandums of Understanding);
- Agreements that cover over 400 different degree programs;
- Regionally focused inter-institutional MOUs that reflect long-standing transfer/articulation agreements between geographically "coupled" institutions, such as AIMS Community College/University of Northern Colorado; Front Range Community College/CU Boulder; Pueblo Community College/Colorado State University – Pueblo;
- As an example, Pueblo Community College and CSU-Pueblo recently implemented degree completion programs for an additional 49 programs.

Given the current structure of public, post-secondary education in the state of Colorado, the transfer/articulation agreements and gtPathways program are effective, (and work optimally when institutions adhere to both the legislation of gtPathways and the terms of the statewide articulation agreements). Transfer/Articulation, while adequate, could always be enhanced by expanding opportunity through the creation of additional pathways, (i.e. successfully moving a student from a AAS/AGS to the AA/AS degree and on to the completion of a baccalaureate degree). Also, the ultimate finalizing of the above mentioned agreements in Spanish, Biology, History, Math, Criminal Justice, Psychology, and Economics will provide additional choices and opportunities for students in Colorado.

Please note that the Department does not maintain data on the number and percentage of credits accepted and denied.

- a. Please also address transfers from private institutions and transfers from high school programs such as dual enrollment and advanced placement.**

Transfers from high school programs are subject to the same guidelines as any college courses. Since the college courses that are offered in the high schools as dual enrollment have a higher education institution's approval, course number and syllabus, they are considered the same as an on campus course. Advanced placement courses do not carry college credit. In order to receive college credit for advanced placement courses the student must take a test and score at an appropriate level for the higher education institution to award credit based on the score.

- b. Do credits transferred from high school programs such as dual enrollment and advanced placement count toward the 145 credit hour limit on stipends?**

All dual enrollment courses that utilize the COF stipend count against the credit hour limit with the exception of basic skills courses. Advanced placement credits are awarded by an institution of higher education and therefore do not interact with COF.

**12. Please describe the British model of paying for certificates and degrees rather than enrollment. Do other states use variations of the British model?**

- a. Should Colorado consider using this model to pay institutions for graduating low-income students as a way to incentivize outreach and retention of these students?**
- b. How does the British model safeguard against abuses like skimming students or lowering completion standards?**

Linking funding to completion is used domestically and in several international countries to varying degrees. The Department anticipates that the strategic planning process, outlined in the response to question number two above, will entail discussions on a variety of funding methodologies and will provide a better response as to what type of funding system is best suited for the state of Colorado's system of higher education.

Below are excerpts from a whitepaper on completion based funding by the Midwestern Higher Education Compact, which provides a good overview both domestically and internationally. The entire whitepaper which provides more state and country specific information has been included as Attachment B. The attachment provides specific detail on the British system.

*Domestic Context*

State appropriations to public colleges and universities have historically been made on the basis of enrollments rather than completions. As such, institutions often have little incentive to ensure that students successfully complete courses and earn degrees. However, given current and future

workforce needs and state financial difficulties, higher education funding based on seat time is being carefully scrutinized while funding based on course or degree completion rates or other indicators of success is being given serious consideration. States are considering ways to incent institutions to not just enroll students but also to ensure that they earn the credentials needed in the workplace.

Performance-based funding may represent a relatively small percentage of a state's higher education budget, but some experts assert that it can lead to some rather remarkable results. The challenge for states is to create a financing system that is clearly understood and yet flexible enough to account for differences in institutional mission and demographics. The same set of guidelines and performance targets should probably not be applied similarly to community colleges, bachelor's and master's degree institutions, and research universities.

### *International Context*

Internationally, several countries are linking funding of higher education to expected outcomes. Management principles of economy, efficiency, and effectiveness are becoming measures of good governance in higher education as well as in business. Managing by outcomes or outputs rather than inputs has led to some performance-based and/or incentive funding models – rewarding *actual* rather than *promised* performance levels.

One of the incentives being considered is tying a portion of institutional funding to student success. This funding may be packaged as additional incentive dollars – awarded to institutions if they achieve certain performance benchmarks – or it could be incorporated into funding formulas, essentially replacing a portion of an institution's enrollment-based appropriation with a completions-based component. In some cases, governments and higher education institutions sign agreements or make other formal contractual arrangements that are based on expected outcomes; in other cases, governments simply tie performance funding to block grants or to funding formulas.

### **9:45– 10:05 Fort Lewis College**

*Dr. Brad Bartel, President*

*Richard G. Ballantine, Board Chair*

*Steve Schwartz, Vice President for Finance and Administration*

Fort Lewis College recognizes the current fiscal condition of the state, and respects the questions about the Native American Tuition Waiver program. The College has provided responses to the specific questions below, and has also included a general summary of the Native American program.

### **Summary of the Tuition Assistance Program for Native American Students**

On April 4, 1910, the Sixty-first Congress passed an Act, which granted to the State of Colorado the property known as the Fort Lewis School. The 1910 Act directed "...that Indian pupils shall at all times be admitted to such school free of charge for tuition and on terms of equality with

white pupils.” In 1911, Colorado Governor John P. Shafroth signed the Executive Order that accepted the Fort Lewis School under the conditions named in the 1910 Act of Congress. Fort Lewis high school began its operations under the control of the State of Colorado in 1911. In 1927, the school was approved by the Colorado State legislature to become a junior college. In 1956 the College was moved to its present day location in Durango, Colorado. In 1962, the College became a baccalaureate institution.

Increasing numbers of Native American students attending Fort Lewis College in the 1960s created a concern about the citizens of Colorado paying for their education. At the time, the College was directed to consider alternate sources of funds for the Native American Program. The Colorado legislature in its 1971 session passed a bill, which changed the tuition free language to include only qualified Native American pupils who were Colorado residents and qualified for in-state tuition. (124-14-5)

The federal government subsequently brought action against the State of Colorado in U.S. District Court seeking a judgment, which declared the 1971 legislation a breach of contract created by acts of Congress and the Colorado legislature in 1910 and 1911. The Court ruled that the State of Colorado had an obligation to admit Native American students to Fort Lewis College free of charge for tuition. An appeal was filed by the State of Colorado to the U.S. Court of Appeals, Tenth Circuit. The decision of the Court of Appeals affirmed the decision made by the U.S. District Court.

The education of Native American students is part of the statutory role and mission of Fort Lewis College, as shown below:

**23-52-101. College established - role and mission - governance.**

- (1) There is hereby established a college at Durango, to be known as Fort Lewis college, which shall be a public liberal arts college, with selective admission standards with a historic and continuing commitment to Native American education (*emphasis added*). In addition, the college may offer professional programs and a limited number of graduate programs to serve regional needs. The center of southwest studies provides a valuable regional, national, and international resource.
- (2) (a) Fort Lewis college shall be a regional education provider and shall have two-year authority only for an associate of arts degree in agricultural science.
- (b) The Colorado commission on higher education shall, in consultation with the board of trustees of Fort Lewis college, establish the criteria for designation as a regional education provider.

Currently, 758 Native American students attend Fort Lewis College, representing approximately 20% of the total student enrollment. Of the Native American students, 608 are nonresidents, representing over 120 tribes from across the country. To summarize, Fort Lewis College has been very successful in meeting its Native American role and mission, and, as part of its historic

mission, intends to continue to be successful in this regard.

Fort Lewis College has a long-standing relationship with various Native American tribes located throughout the United States. Since its founding as a high school, Fort Lewis College has worked diligently to recruit, educate, and graduate Native American students. The College now awards more baccalaureate degrees to Native American students than any other college in the United States. Although many other colleges were founded with a Native American mission, many of these (such as Dartmouth College) have abandoned their Native American mission. Fort Lewis College believes that the Native American mission is a requirement of federal law, and honors that requirement as part of the College's core mission.

Finally, please note that in the various funding formulas developed by the Department of Higher Education over the last 20 years, the funding for Native American students has been used to justify a lower level of direct state General Fund support for Fort Lewis College. The College believes that the funding received through the tuition waiver program should be considered when examining comparative level of funding among colleges. Provided below is a table showing GF per student (without the Native American Appropriation) and the total funding per student – reflecting the Native American appropriation.

|                    | <b>GF/RFTE</b> | <b>GF + Tuition/Total FTE</b> |
|--------------------|----------------|-------------------------------|
| Adams State        | \$8,875        | \$11,694                      |
| Mesa State         | \$5,294        | \$9,679                       |
| Western State      | \$8,283        | \$11,148                      |
| Fort Lewis College | \$5,251        | \$10,591                      |

*All data for FY 2008-09*

**13. Would Native Americans qualifying for tuition waivers also qualify for federal and tribal financial aid? In other words, is the tuition waiver redundant?**

The Native American tuition assistance program pays for tuition only; students can receive other forms of financial aid from state or private sources to help defray other educational costs (fees, room and board, books, transportation, etc.).

**14. Please provide copies of the relevant portions of documents that require Fort Lewis to waive tuition for Native Americans.**

- a. What is the procedure for changing this requirement? Would it require a change in federal statute, a federal administrative decision, a treaty renegotiation, or what?**

Fort Lewis College is not looking to change the requirement. The obligation is steeped in federal law, has been challenged by the State, and was upheld by the federal courts. Given the legal issues surrounding this question, the College respectfully suggests that the State's Attorney

General, John Suthers, be consulted for further direction.

**b. Please provide a brief history of prior efforts to change the requirement, if any.**

Please see summary above.

**c. How could Colorado force action on the issue? Should the state refuse to pay, or sue the federal government?**

Fort Lewis College does not believe the state should “force action” on the issue. As noted above, given the legal issues surrounding this question, the College respectfully suggests that the State’s Attorney General, John Suthers, be consulted for further direction.

**15. Of the nonresident tuition revenue to Fort Lewis, how much comes from Native American students versus other students? Are there barriers to Fort Lewis charging different rates to Native American students and other students?**

Approximately, 53% of nonresident tuition comes from Native American Students. Of the FY 2009-10 Native American appropriation, 96.3% represents tuition waived from nonresident students.

As noted above, the Act of 1910 states “...that Indian pupils shall at all times be admitted to such school free of charge for tuition and on terms of equality with white pupils.” The State and College have interpreted this to mean that Native American students are treated in the same manner, including charging the same tuition rates, as non Native American students. Currently, a Native American student does not receive the tuition waiver until the necessary documentation is provided to the College.

If there were differential tuition rates, these rates would be advertised, raising questions from both Native American and other students as to why Native American students are treated differently.

**16. What has the institution done to plan for potential significant reductions in state and federal funding in FY 2010-11? In particular, if the institution has any analysis of possible tuition and financial aid configurations to maximize access, affordability, and institutional stability in this scenario, please share the analysis with the Committee.**

The College is currently in the process of evaluating all academic and non-academic functions. The College is working through the President’s Budget Committee to discuss all options and present a plan to the President and the Board of Trustees. The Budget Committee currently believes that the reductions that are needed will require the College to eliminate programs or functions. The Committee does not believe the College has the ability to continue operating in the same manner with fewer resources. A hiring freeze was implemented last April in anticipation of the looming reduction in State funding. The proposed budget plan will be developed over the next five months.

A 53.1% resident tuition increase would be necessary to cover the reduction allocated to Fort Lewis College in the FY 2008-09 supplemental bill (\$3.978M). To provide 20% to need based financial aid (as required per statute), an additional 10.6% increase would be necessary. The total percentage increase to resident tuition would equate to 63.7%, bringing resident tuition to \$5,078 annually.

**17. Please describe efforts the institution has taken to reduce the time it takes students to complete their studies, and the savings to the students and state generated from these measures.**

In 2003-04, Fort Lewis College determined that too few students were retaining, and therefore, not graduating. In an effort to better address the types of students able to succeed at the institution, in 2005 Fort Lewis College requested that the General Assembly allow the College to raise its CCHE admissions index from 80 to 92. This higher admissions index puts Fort Lewis in the same selective admissions category as most of the institutions within the University of Colorado System (CU-Boulder, UCCS, UCD), as well as Colorado State University and the University of Northern Colorado. Transition to this new admissions category will take time, however, retention rates are improving and the College remains confident that, over time, graduation rate will increase.

Operationally, The College has worked diligently to improve the advising process, as advising is a key determinant to reducing the time to graduation. Specific initiatives include:

- Individualize matriculation advising that carefully accounts for all credits
- Promotion of “Finish in Four!” graduation contract.
- Mandatory advising each semester for continuing students
- Development of transfer guides for all Fort Lewis majors and the Colorado Community College system.

Additional efforts have focused on course supply, registration policies, credit by exam, scholarship incentives and careful attention to courses with high D-F-W rates.

**10:05 – 10:25 Mesa State College**

*Tim Foster, President*

*Charlie Monfort, Chair, Board of Trustees*

*Lena Elliott, Vice-Chair*

*Jerome Gonzales -- New Trustee*

*Cecil Hernandez -- New Trustee*

*Jane North -- Trustee*

*Glen Gallegos -- Trustee*

*Celeste Colgan -- Trustee*

*Monte Atkinson -- Faculty Trustee*

**18. What has the institution done to plan for potential significant reductions in state and federal funding in FY 2010-11? In particular, if the institution has any analysis of possible tuition and financial aid configurations to maximize access, affordability, and institutional stability in this scenario, please share the analysis with the Committee.**

The College's approach to reductions in state funding is managed by a set of guiding principles and budget balancing strategies:

Guiding Principles:

- Budget conservatively.
- Protect life, health and safety.
- Continue to invest in strategic enrollment management.
- Continue to invest in strategic Program Review and Development.
- Protect the gains achieved to date.
- Identify areas where we can do more and better with less and reward those who champion those initiatives.
- Identify and eliminate the unnecessary.

Budget Balancing Strategies:

- Review every active service provider contract and maintenance contract, and validate each for necessity. Re-negotiate or re-bid where opportunities appear and rules allow.
- Examine all service areas to consider whether using a third party provider is a viable alternative, considering both quality and price.
- Seek every opportunity for shared services and equipment (e.g. copiers, printers, phones etc.).
- Seek every opportunity to go paperless and communicate electronically to students, prospective students, faculty, staff, state agencies and vendors.
- Close buildings or limit use during summer months and semester breaks.
- Considered offering staff voluntary unpaid furloughs within a set of rules to insure all mission critical activities are fulfilled.
- Identified full-time positions that could be reduced to part-time positions.
- Examined productivity in the classroom, on-line courses, and in all service areas. Reduced faculty compensation for on-line instruction. Identified opportunities to increase class sizes without diluting quality of instruction.
- Underwent a rigorous Academic Program Quality, Priorities, and Productivity (APQPP) process that to date has resulted in the phase out of the B.A. Sociology, Anthropology Concentration (only) and Minor in Anthropology.
- Examined all Auxiliary Services with same zest for efficiencies, margin, productivity and value. Refinanced debt to reduce debt service costs.
- Created a link on Mav Zone (the College Portal) so all faculty and staff could submit cost saving or revenue generating ideas directly to the Budget office.
- Generate revenues from enrollment growth, tuition increases and improved margins on auxiliary businesses, with a close eye on affordability, peers and competitors.

Budgeting conservatively in the annual process has given the College a head start in preparing for reduction in state support. It has been the College's strategy to project enrollment at the preceding year's enrollment levels (i.e. flat) and also assume there will be no vacant faculty or staff positions (i.e. fully fund all positions). Both of these strategies embed a contingency for the uncertainties of state funding and allow the College to be able to take advantage of opportunities should they appear.

These strategies alone, however, are not enough to absorb the magnitude of state funding reductions. The revenue side of the equation must be addressed. Absent state funding, the student's share of the cost will have to go up. Enrollment growth does help in the short run but the economies of scale quickly give out to the law of diminishing returns and, unless further investments are made in the delivery of instruction, quality will be compromised. This is an unacceptable outcome.

The College is particularly concerned about students who do not meet the technical definition of need yet they and their families are severely challenged to find the resources to pay for a college education. To assist these students the college is launching a comprehensive work study program called "Mav-works." This program not only provides financial assistance to students, but research reflects that retention and student success is significantly higher for students who have campus jobs.

The College remains committed to find ways that affordability and quality can both be sustained at desired levels in 2010 with state funding forecasted at 1998-99 levels.

**19. Please describe efforts the institution has taken to reduce the time it takes students to complete their studies, and the savings to the students and state generated from these measures.**

The College has approached this challenge on multiple fronts. It works closely with eleven high schools to deliver college credit courses through the Early Scholars, Fast Track, PSEO and Advanced Placement (AP) instructional programs. By maximizing these programs It is possible for a high school senior to enter college with their freshman studies complete.

Mesa State also offers a wide menu of compressed courses that allow students to complete course work in shorter time duration. This allows students to advance at a faster pace if that is their choice and to stagger the more difficult courses consecutively rather than concurrently. At this time Mesa offers these truncated course offerings (usually eight weeks) in fall and spring semesters, a two week January term, and four separate summer terms that range from three weeks to seven weeks.

Mesa State has advanced its on-line and hybrid course offering. On-line credit hour production for this year is expected to exceed 15,000 credit hours - up from 2,149 in 2006. This alternative delivery system allows students to match their work and family schedule with their school

schedule and maintain the traditional four years to graduation pace or accelerate their progress towards a degree if they should so choose.

The College also offers CLEP Exams, Test-out exams and Life Experience credit to provide students every opportunity to avoid taking courses where they have already mastered the course content and minimize the time to graduation.

Success of these alternative course offerings in accelerating the degree progress appears evident by the fact that the College has over 600 more students enrolled in more than 12 credit hours this fall than in fall 2008.

A three-year degree program is also under development.

**10:25 – 10:45 Colorado School of Mines**

*M. W. Scoggins, President*

*Kirsten Volpi, Senior Vice President for Finance and Administration*

*L. Roger Hutson, Board Vice Chair*

**20. What has the institution done to plan for potential significant reductions in state and federal funding in FY 2010-11? In particular, if the institution has any analysis of possible tuition and financial aid configurations to maximize access, affordability, and institutional stability in this scenario, please share the analysis with the Committee.**

In October 2008, Colorado School of Mines initiated a hiring freeze – allowing only administrative positions deemed essential to be filled or strategic faculty positions to be added. As a result, Mines currently has 28 positions vacant. The hiring freeze remains in effect for this fiscal year. Similarly many new budgeted projects for FY09 have been on hold since last fall.

Mines is currently analyzing cost savings that could be achieved through various organizational realignments and policy changes. Significant consideration will be given to minimizing adverse impacts on the quality of education and strategic competitiveness.

Mines has also initiated a price elasticity study that would help determine market demand at differing resident tuition rates. This study will provide critical data in determining a financial aid strategy that assists to maintain affordability for qualified resident students. The study is expected to be completed in early 2010.

Mines continues to work diligently to grow fundraising, research, and other strategic enterprises to augment revenue sources. Mines achieved a new record level in fundraising last year – \$30 million. Sponsored research awards have grown by about 20% in each of the past two years.

**21. Please describe efforts the institution has taken to reduce the time it takes students to complete their studies, and the savings to the students and state generated from these measures.**

Mines regularly evaluates its degree programs to ensure that students are receiving a world-class engineering education in as efficient manner as possible. This is done through an iterative process led by Mines faculty with advisory input from industry partners and external academic experts; and within the framework of program accreditation requirements. Since 2001 this process has resulted in degree credit hour reductions totaling 63 credit hours across Mines' 11 undergraduate degree programs– 5.7 credit hours on average. For 2010, three undergraduate programs are planning to reduce their degree requirements by another 3 credit hours each, pending final approval by the institution.

- The calculation of the exact savings to the student is difficult because each student's situation would have to be evaluated given Mines' tuition structure. A state savings could be calculated by estimating COF savings based on multiplying each program's COF FTE enrollment by credit hour savings and by COF credit hour. Additional time will be needed to extract data on COF-eligible FTE enrollment per program.

Over the past several years, Mines has worked closely with Red Rocks Community College and Front Range Community college to craft a transfer agreement for students to seamlessly transfer credit from the respective community college to Mines upon admission. These agreements cover up to 60 credit hours at Mines. A similar agreement is close to being completed with Community College of Aurora, and discussions are underway with Community College of Denver. These agreements have worked well for students who were on the border of qualifying for Mines academically or who needed additional math or science prerequisites for admission to Mines. Ensuring their success saves the students and the state the cost of paying tuition for failed courses. These transfer agreements also provides high achieving high school students additional options to transfer advanced credits upon admission beyond the typical AP process.

Similarly, Mines has instituted "short-form class" for some classes that are designed to fulfill more than one objective in an accredited engineering program. For example, Nature and Human Values (NHV) fulfills both a writing requirement as well as providing students with an understanding of political, economic, social and cultural contexts for their engineering and applied science education. Students transferring with sufficient writing coursework can save credit hours by taking the short-form NHV class. Short-form classes have also been implemented in the Calculus sequence to assist transfer students.

The Registrar's office at Mines has implemented changes to ensure that students are provided with sufficient information in a timely manner on requirements for graduation. The office now requires a student to turn in an application to graduate when the student completes 90 hours, and provides the students with a degree audit within the month of the application. Students may also access an online degree audit to assist in graduation planning on a constant basis. The Registrar's office has also instituted a Help Center which assists students in getting the classes they need for

the next term to stay on track to graduation and works with appropriate faculty if classes or sections are full.

**10:45 – 11:00 Break**

**11:00– 11:40 University of Colorado System**

*Bruce Benson, President*

*Steve Bosley, Board of Regents Chair*

**22. Please provide an update on the accreditation status of the Health Sciences Center and the relationship of continued state funding to that status.**

Each of the schools and colleges at the Anschutz Medical Campus are accredited through individual accrediting agencies. Historically, all schools and colleges at the Anschutz Medical Campus have received full accreditation at the time of the accrediting visit. This is typically a seven to nine year time frame. In June 2009, the University of Colorado School of Medicine received notification from the Association of American Medical Colleges that its accreditation was at risk and the school needed to develop a plan for: improving its level of state support; reducing the average student debt load; and increasing the diversity of the school. While typical medical school accreditations cover eight years, the School of Medicine was granted accreditation for 18 months to show progress toward resolving the situation at which time a decision will be made about furthering accreditation for the School of Medicine. Recently, the School of Pharmacy has also received informal notice from its accrediting agency regarding concerns about the level of state funding. The campus is expecting a similar limitation on the School of Pharmacy's accreditation.

The University believes the only successful future for the Anschutz Medical Campus and the School of Medicine is a renewed partnership with the state that includes stable and increasing state support.

The University of Colorado School of Medicine is an asset that the state cannot afford to lose. Today, the revenues the school receives from **both** tuition and state support place the school near the bottom in support per student FTE. In fact, there are private institutions that receive more state support per student than the University of Colorado School of Medicine. During the last economic downturn, the School increased tuition as far as the market will bear. Today, tuition rates at the School of Medicine are 125 percent of the national average. As a result, student debt load upon graduation has increased from \$101,000 in 2003 to \$160,000 in 2009. This increase in student debt has led to changes in student behavior. As a result of the financial burden, students feel pressure to pursue specialty medical degrees as opposed to primary care – the greatest area of need in the state. In order to turn the tide of declining general practitioner degrees, the state must invest in its Medical Campus and its Medical School.

The Anschutz Medical Campus is a world-class medical campus educating over 3,000 students, almost 2,500 students are residents. Health Sciences programs are highly selective. Clinical and

research components are significant drivers of the university budget and economic impact. Medical students alone donate more than 22,000 hours of community service every year and provide \$26.2 million in uncompensated care to low-income Coloradans. The Campus houses the state's only school of medicine. Together with affiliated hospital partners, SOM faculty rank fourth out of 75 public medical schools in the country for National Institutes of Health (NIH) research expenditures; fifteenth among all medical schools. More than 415 faculty physicians are ranked as Best Doctors in America. Five faculty are members of the National Academy of Sciences, and 13 are in the Institute of Medicine. The School of Medicine has created the Colorado Rural Health Scholars Program that attracts high school juniors from all over the state, inspiring many to pursue medical careers.

**23. How many core courses does the institution offer and how does this compare to peers? Has there been a proliferation of core courses over time? Could reducing the number of core courses make the institution more efficient and cost effective?**

- a. Related to this question, please address whether the institution has an excess of diversity courses and programs, and the criticisms raised in the January 2007 report "A Color Scheme" by the Independence Institute, which can be found at this address:**

<http://www.i2i.org/articles/1-2007.pdf>

The number of core courses varies on each of our campuses. Over the last several years, the campuses have reviewed and continue to review their core course offerings. Today, every core course offered has been submitted to the Department of Higher Education's GT (Guaranteed Transfer) Pathways program for approval. Once approved, GT Pathways courses are guaranteed to transfer to any public institution of higher education in the state.

During the last academic year, the Boulder campus undertook a significant review of its core course offerings, eliminating 70 core courses, a process that is ongoing. Today, the campus offers approximately 500 core courses. The Colorado Springs campus offers 77 core courses and the Denver campus offers 89. Peer information on the number of core courses offered is not readily available.

To the extent that a core course is offered and not filled to capacity some savings may be achieved. However core courses usually fill well before the semester starts, since students must complete the core requirements. It is important to note that core course offerings rotate; while a certain number of courses in each of the required core areas are offered every semester, not every core course is taught every year.

UCD's core requires one course in cultural diversity. The campus also has a program leading to a minor in Ethnic Studies. UCCS's core also requires one course in cultural diversity, but students may use a course from the area requirements or from their major to fulfill it. The campus offers a bachelor's degree in Women's and Ethnic Studies. UCB's core requires one course in cultural

and gender diversity. The campus offers a bachelor's degree in Ethnic Studies.

**24. What has the institution done to plan for potential significant reductions in state and federal funding in FY 2010-11? In particular, if the institution has any analysis of possible tuition and financial aid configurations to maximize access, affordability, and institutional stability in this scenario, please share the analysis with the Committee.**

The University is very concerned about the level of state support that it will receive in FY 2011 and beyond. Today, the University has taken steps to begin addressing the \$50 million cut that it has already received by implementing \$29 million of budget balancing measures. Using a three-pronged approach – spending reductions, operating efficiencies, and revenue enhancements - to address the shortfall, the university is cutting expenditures while working to sustain its quality; increasing revenues through increased enrollment in key programmatic areas and other initiatives; and finally improving efficiencies through shared services.

While the University is very concerned about diminishing state funding, the University believes through a new partnership with the state, the University would become more efficient while striving to maintain our current level of quality. The University looks forward to working with the Joint Budget Committee on legislation that will change the existing partnership with the state. Some of the areas that the University believes should be addressed include:

- Ability to establish fiscal rules appropriate for the business needs of the University;
- Ability to set tuition rates over time and use financial aid to ensure the needs of Colorado residents are served;
- Modify the enrollment mix calculation to allow the University to accept additional international students. An increase in international students will improve the educational experience for resident students.
- Capital Construction and capital leasing flexibility to better respond to market demands;
- In anticipation of changes to existing PERA law, the University believes a substantial number of employees may retire in the next 18 months. The University would like to expand the number of days PERA retirees can work from 110 days per year to 150 days per year.

**25. Please describe efforts the institution has taken to reduce the time it takes students to complete their studies, and the savings to the students and state generated from these measures.**

The University is committed to assisting its students complete their education as quickly as possible. Each of the campuses has expanded their summer school offerings with a significant investment in a short summer term called “May-mester.” During the summer of 2009, the

University began an increased investment in its summer program to increase the number of academic courses required for a student to finish his or her degree. In addition, UCCS offers intensive courses during the winter break.

The University is in the process of implementing a new student information system that includes a degree audit program that is expected to improve academic advising and improve a student's understanding of the requirements needed and the possible timeline for finishing a degree.

The University participates in the GT Pathways program that ensures transfer students that take courses in the core do not have an interruption in their time to degree.

Another example of efforts the University has undertaken is its investment in on-line degree programs. Today, the University offers 1,297 online courses and 30 complete degrees online, the largest offering of any public university in the state. Last year, the University had more than 25,000 enrollments in on-line courses.

#### **11:40-12:00 Area Vocational Schools**

*Dean Stecklein, Lezlie Shirk - Directors Pickens Technical College*

*Brad Vickers, Marla Rodriguez - Directors Emily Griffith Opportunity School*

*Caryn Gibson - Director Delta-Montrose Technical College*

#### **26. What has the institution done to plan for potential significant reductions in state and federal funding in FY 2010-11? In particular, if the institution has any analysis of possible tuition and financial aid configurations to maximize access, affordability, and institutional stability in this scenario, please share the analysis with the Committee.**

The Area Vocational Schools (AVSs) currently have the lowest tuition in the state of any public higher education entity. In order to serve our mission of career and technical education, it is critical to maintain tuition at an affordable level. Significant increases in tuition will present an ominous barrier to potential students interested in pursuing career and technical education.

However, to prepare for potential reductions in state and federal funding for FY 2010-11 each AVS has completed an in-depth program analysis examining instructor costs, materials expenses, and general/ administrative costs. As a result, the following is a collection of actions the AVSs have implemented:

- Increased tuition by 8%, the maximum allowed with the support of ARRA funds. A greater percentage of increase could be required in FY 2010-11, dependent upon the decrease in funding.
- Projected that for every \$100K lost in state and federal reimbursement, tuition will need to increase by \$2.56 per credit hour to compensate for the funding loss.

- \$100,000 loss in funding = 5% increase in tuition from \$56.00/credit hour to \$58.56/credit hour.
- \$500,000 loss in funding = 23% increase in tuition from \$56.00/credit hour to \$68.80/credit hour.
- \$1,000,000 loss in funding = 46% increase in tuition from \$56.00/credit hour to \$81.59/credit hour.
- \$1,700,000 loss in funding = 78% increase in tuition from \$56.00/credit hour to \$99.51/credit hour.
- Reduced student services and administrative staff positions to limit the reduction of instructional staff.
- Reduced staff contract days.
- Reduced program operating budgets.
- Understated state revenues expected in the current FY and 2010-2011 to prepare for future state and federal reductions.
- Proposed a (pending) salary freeze in FY 2009-2010 for all staff.

**27. Please describe efforts the institution has taken to reduce the time it takes students to complete their studies, and the savings to the students and state generated from these measures.**

- The AVSs are not funded on a student FTE basis; therefore, students are not “costing” the state money if they are delayed in earning their certificate.
- We have little flexibility in reducing the time it takes students to complete their studies as the length of most programs is prescribed by industry requirements and approved by the Colorado Community College Systems.
- The majority of programs can be completed in 6 weeks to 9 months.
- The ability to earn multiple certificates in one program allows students to earn a certificate quickly and then enter the workforce while concurrently completing the entire program.

**12:00 – 1:30 Lunch**

**1:30 – 2:10 Community College System**

*Dr. Nancy McCallin, President*

*Cliff Richardson, VP of Finance and Administration*

*Bernadette Marquez, Board Chair*

**28. How have changes in the economy impacted the demand for two-year technical certificates and degrees?**

The impact has been significant, since community college enrollment is very counter-cyclical to the economy. Over the last year, enrollment at community colleges has increased at historically unprecedented levels, with a 7.1% increase in FY 2008-09 and a projected 15 to 18% increase for FY 2009-10. In FY 2009-10 alone, this translates into an additional 7,500 to 13,000 students. We have seen growth in students seeking retraining as well as growth in students pursuing their first two-years of post-secondary education with the intent to transfer to a four-year institution.

**29. What has the institution done to plan for potential significant reductions in state and federal funding in FY 2010-11? In particular, if the institution has any analysis of possible tuition and financial aid configurations to maximize access, affordability, and institutional stability in this scenario, please share the analysis with the Committee.**

The community colleges have undertaken a number of steps to address the potential reduction in funding for FY 2010-11, including holding administrative vacancies open/eliminating positions, reducing base operating expenses in non-instruction and student/academic service areas, using energy performance contracts to generate utility savings/make needed infrastructure investments, and hiring adjunct faculty in lieu of full-time faculty to deal with the current year's unprecedented enrollment growth.

If the Governor's requested level of FY 2010-11 state/ARRA funding holds, our actions that began last fiscal year will position us reasonably well moving forward into FY 2010-11. However, the uncertainty around significantly lower funding levels in FY 2011-12 create a challenge given the community college's access mission, recent massive enrollment growth, and the relatively high reliance on state funds in order to keep tuition rates reasonable.

**30. Please describe efforts the institution has taken to reduce the time it takes students to complete their studies, and the savings to the students and state generated from these measures.**

Over the course of the last several years, the community colleges have implemented a number of initiatives to ensure students are able to reach their academic goals in the most cost-efficient matter:

- For students who come to college under-prepared for college-level work, the requirement to take multiple remedial courses can be long and disheartening. Colleges are redesigning the developmental sequence to allow students to master the required content and move more quickly to college level work (condensing lowest levels into 2-6 week terms instead

of two 15 week terms/ using open entry/open exit labs to assist students with only skills they are lacking). This is a systems approach to skills mastery instead of seat time. The faster students make it through the developmental sequences, the faster they can get into the regular curriculum and obtain their 2-year certificate and/or degree.

- To improve time to graduation, the community colleges have invested in an on-line software program called Degree Works, which provides individualized information on demand to assist students in meeting degree requirements and ensuring that graduation requirements are met. This provides students with an easily accessible “early warning” system to, coupled with counseling and advising, streamline class selection and shorten degree/certificate completion.
- The community colleges are working with all public 4-year institutions to implement a set of 60 + 60 agreements which allows students to complete the 1<sup>st</sup> two years of their education without the fear of needing to repeat courses or add additional requirements upon transfer. For four-year institution lower division classes, the tuition cost is on average 3 to 5 times more expensive than the same classes offered at community colleges. Not having to take extra classes after transferring can save students \$500 to \$1,200 per 3-credit class, depending on the transfer institution.
- All secondary students who are academically ready to move toward a degree or certificate while in high school can enroll in community college courses allowing them to earn an Associate Degree/certificate and a high school diploma concurrently. This concurrent enrollment will reduce the cost of a postsecondary education for Colorado families and place people in the workforce as much as one year sooner. At CCCS resident tuition rates, students could save up to \$2,649 (per 30 credits earned) in post-secondary education costs not incurred.
- Colleges are using a variety of instructional approaches such as online, hybrid and open entry/open exit labs to allow students flexibility in their course scheduling. There are even online courses tailored to the needs of active-duty military personnel. This allows working students the ability to complete courses when it is most convenient and reduce the time it takes to complete their certificates/degrees.

**2:10– 2:30 Western State College**

*Jay Helman, President*

*Brad Baca, VP for Finance & Administration*

*Stephanie Foote, Board Vice Chair*

**31. What has the institution done to plan for potential significant reductions in state and federal funding in FY 2010-11? In particular, if the institution has any analysis of possible tuition and financial aid configurations to maximize access, affordability, and institutional stability in this scenario, please share the analysis with the Committee.**

Western understands the financial challenges facing students. With more than 22 percent of

Western’s student body having Pell Grant eligibility, we maintain our commitment to preserving affordability to the greatest extent possible and to providing financial assistance to ensure access for all students, and in particular, those who demonstrate need. The College has recently conducted an analysis of price sensitivity for Colorado resident and nonresident students in an effort to help us develop financial aid policies and programs that both ensure access and affordability for our students and institutional financial stability.

Beyond exploring tuition and financial aid scenarios, the College has begun intensive planning efforts in expectation of the need for significant expenditure reductions. Beyond assessing additional operating efficiencies, the College is making plans for staffing reductions and possible program eliminations over the next two years.

**32. Please describe efforts the institution has taken to reduce the time it takes students to complete their studies, and the savings to the students and state generated from these measures.**

The College has promoted student success and timely graduation by increased attention to the number and scheduling of course sections with the intent to reduce scheduling conflicts, to shift limited faculty resources to the courses in demand, and to increase availability of essential skills and key prerequisite courses that are necessary for students to proceed through the curriculum. Also, increased attention has been given to eliminating unnecessary complexities in the curriculum.

In addition, the College has placed increased attention in recruiting students who can academically succeed in this learning environment, all while maintaining commitment to access and to fulfilling our statutory mission as a moderately selective institution.

Department of Higher Education data show the four-year graduation rates markedly increasing.

| Western Freshmen Cohort Year | Percent graduating from Western within 4 years | Percent graduating from other CO institutions | Percent graduating from Western or transfer institution |
|------------------------------|--|---|---|
| 1995                         | 10.5   | 1.8   | 12.4  |
| 1996                         | 12.0   | 1.7   | 13.8  |
| 1997                         | 13.7   | 1.8   | 15.5  |
| 1998                         | 13.5   | 1.2   | 14.7  |
| 1999                         | 14.5   | 1.1   | 15.6  |
| 2000                         | N/A  | N/A   | N/A   |
| 2001                         | 20.1   | 1.5   | 21.6  |
| 2002                         | 19.1   | 1.6   | 20.7  |

Note that during this period the entire public higher education system saw an increase in four year graduation rates with total four-year graduation rates—original and transfer institutions—increasing from 24.2 percent for the 1995 cohort to 30.6 percent for the 2002 cohort. This is a statewide 26.4 percent increase, as compared to Western’s 66.9 percent increase.

**2:30 - 2:50 University of Northern Colorado**

*Kay Norton, President*

**33. What has the institution done to plan for potential significant reductions in state and federal funding in FY 2010-11? In particular, if the institution has any analysis of possible tuition and financial aid configurations to maximize access, affordability, and institutional stability in this scenario, please share the analysis with the Committee.**

President Norton described in the State of the University Address, that there are some key activities that will help UNC take control of our own future:

- Expanding our academic programs and enrollment to fulfill our public mission in fiscally responsible and sustainable ways, which will include growth beyond traditional on-campus programs, the effective use of existing capacity, and strategic investment in program expansion;
- Enhancing a research agenda that engages and enriches our faculty and students and the community around us;
- Building a respectful and inclusive campus environment; and
- Connecting with the community around our campus in ways that benefit both the University and the community.

Tuition and fee revenue at UNC is based on a pricing strategy that is intended to optimize enrollment and ensure access while maximizing net revenue and supporting programs of appropriate quality and distinction. This approach requires making decisions about pricing and financial aid awards interdependently and considering the total cost of attendance by program rather than by average cost. In this context, a student’s net cost equals the total cost of attendance (tuition, fees, room, board and other charges) minus financial aid, which includes need-based aid, scholarships and Teaching Assistant/Graduate Assistant stipends, regardless of funding source.

Given the economic concerns of the coming year, the recommended budget does not include across-the-board salary increases for faculty, classified or exempt staff. The Voluntary Separation Incentive Program (VSIP) that UNC has offered to classified staff in accordance with state personnel rules will generate salary savings while avoiding layoffs. Salary/vacancy savings created by the VSIP will be recovered centrally to fund the separation agreement, and decisions about filling vacant positions will be made on a case-by-case basis. The university is also working hard to increase funding through charitable donations however the economy has

impacted this activity and the return on current holdings.

The use of one-time funding as available will be used to smooth out the effect of the decreased funding and prepare for the significant drop in state funding anticipated in Fiscal Year 2011-12 with the end of the temporary federal stimulus funding.

**34. Please describe efforts the institution has taken to reduce the time it takes students to complete their studies, and the savings to the students and state generated from these measures.**

The university community is sensitive to students and their interest in a timely completion of their academic program. Advising plays a key role in the most expedient scheduling of course work. With the fiscal challenges every effort is made to offer the courses needed to expedite a timely graduation but limited resource hamper greater availability of courses.

**2:50 - 3:00 Break**

**3:00 -3:20 Local District Junior Colleges**

*Dr. Marsi Liddell, President, Aims Community College*

*Michael Kelly, CFO, Aims Community College*

*Tonette Salazar, Consultant, Aims Community College*

*Dr. Stan Jensen, President/CEO, Colorado Mountain College*

*Linda English, CFO, Colorado Mountain College*

**35. What has the institution done to plan for potential significant reductions in state and federal funding in FY 2010-11? In particular, if the institution has any analysis of possible tuition and financial aid configurations to maximize access, affordability, and institutional stability in this scenario, please share the analysis with the Committee.**

*Aims Junior College District:*

Aims Junior College District (Aims) began the process of preparing for a significant reduction in State & Federal funding during the 2008-09 budget process. Due to the dramatic decline in the National and State economy that began in the fall of 2008, Aims began to take steps to analyze its current cost structure to ascertain operational and personnel cost savings. As part of the College's budget process, departments were asked to reduce their current budgets for 2008-09 by five percent (5%), and an additional five percent (5%) for the 2009-10 budget years. Individual program costs were studied to determine which programs had cost and revenue structures that were not in sync. The Chief Financial Officer met with department and program chairperson to ascertain steps that could be taken in order to right-size the programs to make them economically feasible. In addition, the President asked every employee to make suggestions on additional cost savings the College could implement. From those suggestions, the Board of Trustees and Senior Management implemented the following cost savings and affordability strategies at the beginning

of the 2009-10 school years:

- a. Eliminated open positions that had not been filled.
- b. Pay freeze.
- c. Hiring freeze.
- d. Increase Financial Aid funding by using 1% of the 9% tuition increase for Financial Aid.
- e. Energy Savings – all College buildings operating on the central plant (heating & cooling) will be shut down on weekends. Thermostats will be set and maintained at a constant temperature year round, thus reducing spikes in demand during very cold and hot days.
- f. Monthly accumulation of sick time was reduced by twenty five percent (25%), to generate cost savings at year end.
- g. Building remodeling and Capital construction projects were suspended, with the exception of those projects to which the College was already committed to starting.
- h. Departments were reorganized to consolidate and/or eliminate redundant positions not economically feasible under the current funding environment.
- i. Established caps on educational benefits for employees.
- j. Entered into a public/private partnership (Nelnet) student payment plan in order to improve the timing and collection of tuition and fees.
- k. Instituted a print management system (GoPrint) to control printing costs by students.

For academic years 2010-11, Aims is not only facing reductions in funding from State appropriations, but also significant reductions in our property tax revenue. Per recent discussions with the Weld County Assessor, the College could be looking at a 50% reduction in our property tax receipts for Oil & Gas (which accounted for 47% of our property tax revenue in 2008-09), as well as reduced dollars relating to commercial property tax and specific ownership tax. Because of this forecast, Senior Management met on November 16, 2009 to discuss and identify priorities and processes that would address not only the funding shortfalls for 2010-11, but also the possibly greater cuts the College could face in funding for 2011-12 when the ARRA funding to the State ends, and the consequential budget realities the State will face without those funds.

The following section summarizes the November 16<sup>th</sup> retreat, and the College's current projections and areas of priority, and possible areas the College will be looking at to address future reductions in revenue from all funding sources:

**Senior Management Retreat  
Monday, November 16, 2009**

**Processes.....**

- Communicate fiscal realities based on “straight talk”
- Identify & address anticipated budget realities from State appropriations & local property taxes
- Solicit input and feedback from College community for possible consideration

**Fiscal Realities**

- Revenue will decrease in FY10-11 and FY 11-12:
  - 50% cut in gas & oil revenue
  - \$1.5M cut in State appropriations
  - Tuition revenue will remain flat
- Projected cuts for next two fiscal years:
  - 10% = \$4.2M
  - 15% = \$6.3M
  - 20% = \$8.4M

**Identify & Address Anticipated Budget Realities**

- Priorities to consider:
  - Maximizing Effectiveness & Efficiency
  - Future of Campuses
  - Program & Service Decisions Based on Diminished Resources
  - Tying Data-driven Decisions to College Mission & Goals
  - Managing Enrollment & Partnerships
- Possible ways to increase revenue:
  - Grants
  - 1% tuition increase = \$100K
  - Increase online course offerings
  - Charge for parking
  - Directed higher differential tuition rates for specific high cost programs.
- Possible ways to decrease expenditures:
  - Continued analyses of programs, services & sites
    - Phasing out certain programs
    - Outsourcing some services
    - Closing and/or combining sites
  - 4-day/36-hour work week and/or furlough days
  - Reduction/elimination of educational allowance for employees
  - Increase probationary period for 3rd year faculty
  - Limit non-exempt full-time staff instructional overloads
- Other considerations:
  - Further analysis of construction projects
    - T&I Building Remodel

- Greeley Campus Promenade
  - Berthoud Campus
- PERA contributions—State employees will be required to pay 2.5% more into PERA
- Increase class size limits

Part 2 of the question will be addressed during the 2010-11 budget process as the College obtains increased clarity on the many variables that impact these decisions. However, it should be noted that the Aims Board of Trustees, employees, District citizens, and business community have a long history of supporting measures that maximize access and affordability for our students. The number one goal of the Board at Aims is to “increase access and opportunity for students”.

Aims has one of the lowest tuition rates in the state. The most recent feedback report from IPEDS, shows that Aims is more affordable (tuition and fees) on average than its peers. This is attributable in part to the support by the District citizens for Higher Education through their State tax dollars, as well as additional support through a direct property tax mill levy to support the mission of Aims. In addition, the business community of the District has also stepped up to support the College mission through direct and indirect contributions. For example, the College Promise program, a scholarship program established by business leaders to partner with the local school district and Aims to help support and fund the cost of going to college at Aims. The program helps those students who might have otherwise thought they could not afford a college degree or certificate from Aims.

The Financial Aid Office is looking at the following items as a result of potential significant reduction in State and Federal funding:

Implement electronic notifications to students for items that are not regulated:

- missing information notices to students to make them aware of the items needed to complete their financial aid
- general communications to students
- ways to automate more of our processes, while still providing quality customer service
- possible reduction or elimination of services that are not mandated and require excessive amounts of manual intervention and that yield minimal FTE for the school

Each year, we look at the total funds available to students (Federal & State) and we then decide how to best award our institutional funds. Items we consider in determining how institutional funds will be awarded include:

- in-district cost of base tuition and fees
- average cost of books and supplies
- maximum Pell grant award
- Colorado Student Grant (Colorado College Responsibility Grant) annual award minimum

How the College structures the configuration of tuition and financial aid in 2010-11 and beyond will depend upon the continued funding support by the Federal, State, District citizens, and business community.

*Colorado Mountain College:*

CMC has three primary sources of revenue – tuition and fees, state revenue and local property tax. Administration, along with the Board of Trustees, has looked at revenue projections for the next three to four years and is preparing for significant revenue decreases to hit in two of our primary sources of funding starting in 2010/11. The following year, 2011/12, will bring further decreases and is anticipated to be the largest drop in revenues due to the property tax cycle.

Our property tax revenues from oil and gas are projected to decrease by 53% in the 2011/12 fiscal year. We anticipate that other property tax will decline in the range of 15-30% the same year. Specific ownership taxes will likely decline in the 09/10 and 10/11 fiscal years. We are planning for the state revenues to decrease by the amount of ARRA backfill in 2010/11 and then again in 2011/12. Overall revenues could be down as much as 12-25% when compared with the 2009/10 fiscal year. The College receives no funding from the state to build buildings or buy equipment. We are currently developing a Facilities Master Plan that will address facilities needs over the next ten years. Projects of immediate concern address life safety issues at one of our campuses and growth potential at another campus. We also have needs addressing the upkeep of our existing buildings across 7 campuses. These facilities needs must be balanced with the demands of increasing enrollments, the need for new programs to address the changing economy and declining revenues.

Tuition and fees are the only sources of funding that the College has some control over. For this reason, we are recommending to the Board of Trustees that tuition be raised by 9% next year. Our mission is to allow open access to all students thus, remaining affordable is forefront in our decisions. Our citizens have supported our mission by levying a property tax within our counties in order to help subsidize our tuition rates and keep them low. With this increase in rates, CMC will still remain one of the lowest overall cost institutions in the state and will remain true to our mission of open, affordable access.

Personnel costs account for almost 80% of the College total expense in the General Fund. For this reason, CMC is reviewing every position within the college to determine where excess capacity might be identified. Increasing enrollments are putting greater demands on our existing staff and we must be sure that every position is fully utilized and serving our students in the most efficient way possible. As positions turn over, each and every one will be analyzed to determine the need before a decision is made to refill it. Full time faculty loads are being analyzed in the same manner. Faculty will be retrained in other disciplines when there is an opportunity to more fully utilize their expertise. If at all possible, the College will try to avoid staff or faculty layoffs through attrition and by controlling the addition of new positions over the next few years.

Budget cuts will be looked at in other operating cost areas if necessary in the coming years. A big initiative currently under way is working with an ESCO (Energy Savings Company) to cut costs in utilities in all of our buildings college wide. We anticipate long term savings to be significant. The Board of Trustees required that reserves be set aside to help us weather an economic downturn in the coming years. These reserves will assist us in the years ahead when our revenues drop. We anticipate needing to utilize reserves while also cutting costs over the next four years.

As student financial aid from state and federal sources have been declining over the past few years, the College has done two things to try to keep available aid at a reasonable level for our students. We have budgeted more institutional aid over the past few years to help backfill the cuts. We have also launched many scholarship campaigns through our Foundation to raise money for student scholarships. This has proven to be a successful tactic and now our students have greater access to institutional scholarship funds than they have ever had.

**36. Please describe efforts the institution has taken to reduce the time it takes students to complete their studies, and the savings to the students and state generated from these measures.**

*Aims Junior College District:*

Aims Junior College District offers a number of concurrent enrollment options for high school students to accumulate college credit while still in high school. The following information outlines the types of programs Aims offers, as well as a chart of our partnering schools:

**Concurrent Enrollment Options**

Aims Community College offers several concurrent enrollment options for high school students to receive college credit and/or avoid duplication of high school courses upon entering college.

**Articulation Agreement:**

A high school course and a college course are compared for content and if there is a close alignment, an articulation agreement can be written. The teacher must be qualified to teach the college course and materials used within the course must be similar. There is no cost to the student or to the school. The credit for the course does not initially appear on a transcript, but if the student later attends the college that the articulation agreement was developed with, the student does not have to repeat that course. The course will show on the student's transcript at the completion of the certificate and/or degree as having been taken. This option avoids course duplication and allows the student to enroll in other beneficial courses. The articulation agreement is designed for CTE courses and does not apply to general education (core) courses.

**Dual Enrollment:**

Dual Enrollment allows High School students to make substantial progress toward their college degree before finishing high school. A dual credit course is a college course taken by a high school student for which the student earns both college and high school credit at the same time. Most of these courses are taught at the high school and instructors are considered part-time

instructors by Aims. Courses are eligible for dual enrollment using the same process for eligibility as an articulation agreement. The course is taught by a qualified high school teacher and the district is eligible for a partial-reimbursement for the salary costs. The student must pay Aims' tuition if they desire college credit and the credit will apply toward high school graduation. The course will appear on an Aims transcript and can be transferred to other colleges within their acceptance guidelines. Dual Enrollment courses can be CTE or general education.

### **Advanced Studies:**

Advanced studies are classes that are usually offered at a high school location, but additionally can be offered at an Aims location. The instructors are Aims instructors and are hired by the College Chairs associated with the relevant department and meet Aims' qualifications for the position. The students are receiving college credit for the courses, paying Aims' tuition, and are receiving grades transcribed as Aims' courses. The parents or students pay Aims' tuition. Parents may, if they meet the conditions required for reimbursement, be reimbursed for the courses by the school district. This reimbursement is through Post Secondary Enrollment Options (PSEO). Generally, reimbursement is tied to courses that the students would not ordinarily be able to enroll in at that particular high school. Students must earn a "C" grade or better for reimbursement to apply. Advanced Studies courses can be CTE or general education.

### **Career Academy:**

The Career Academy is the name Aims' has identified for describing our efforts to develop partnerships in Career and Technical Education Programs coupled with K-12 in our service area. Programs or courses included within the Career Academy currently include Automobile Collision Repair, Automotive Service (AYES), Nurse Aide, Med Prep, Carpentry, and Horticulture/Landscape (07). The Career Academy is a contracted program agreement for students in high schools to take classes in Career and Technical Education at Aims. High schools purchase slots for students in order to establish seats for students to participate. Books and most materials are provided for the student within the contracted programs agreement.

**Additional programs to begin considering include online courses and degree offerings and the Five-Year Program Concept (student spend an extra year in high school and graduate with their high school and Associates degree).**

### **Online Degree/course offerings:**

Last year Aims was approved to offer the Associate of Arts degree online. In fall 2008, Aims increased online course offerings by 20%. We anticipate increasing offerings again in fall 2009. We have not yet determined the percentage increase in offerings at this time. This enrollment initiative has been lead by the Director of Online Learning at Aims, Jean Otte.

### **Multi Industry Systems Technician (MIST) certificate:**

This is a certificate developed as a result of a grant partnership between Aims and Weld County Workforce Development (WIRED Grant). The certificate is designed to train individuals as technicians in varied energy and related industry settings. High school students may participate as well as other postsecondary participants.

**Weld County Sheriff's Department Collaboration:**

This last fall the College, through the Criminal Justice Department and TPSALS Division, began collaboration with Weld County Sheriff's Office to offer courses for both credit and non-credit. This training is available to both patrol officers and correctional officers. We hope to see the number of offerings grow and number of participants increase.

**Supplemental Instruction:**

The College has been working with Supplemental Instruction for several years. Supplemental Instruction (SI) is basically a method of academic support proven effective in improving student academic success in courses with traditionally high D, F, and withdrawal rates. Supplemental Instruction involves an organized group study effort lead by a student leader (paid) who has taken the class and is selected by the instructor of the course section to lead SI. The trained SI leader then facilitates organized group study session outside of the normal class. This effort continues as a retention effort for high-risk courses at Aims.

**Aims Community College*****Concurrent Enrollment High School Partners 2008-2009***

| Schools                 | Enrolled<br>Fall 2008 | Students | Enrolled<br>Spring 2009 | Students | Articulations |
|-------------------------|-----------------------|----------|-------------------------|----------|---------------|
| <i>Arickaree</i>        |                       |          |                         |          | X             |
| <i>Aspen</i>            |                       |          |                         |          | X             |
| <i>Berthoud</i>         | X                     |          | X                       |          |               |
| <i>Bollman</i>          |                       |          |                         |          | X             |
| <i>Briggsdale</i>       | X                     |          | X                       |          |               |
| <i>Colorado High</i>    | X                     |          | X                       |          |               |
| <i>Dayspring</i>        | X                     |          |                         |          |               |
| <i>Eaton</i>            | X                     |          | X                       |          |               |
| <i>Erie</i>             |                       |          | X                       |          |               |
| <i>Estes Park</i>       | X                     |          |                         |          |               |
| <i>Fossil Ridge</i>     |                       |          |                         |          | X             |
| <i>Frederick</i>        |                       |          | X                       |          |               |
| <i>Frontier Academy</i> | X                     |          | X                       |          |               |
| <i>Ft. Lupton HS</i>    | X                     |          | X                       |          |               |
| <i>GAP</i>              |                       |          | X                       |          |               |
| <i>Greeley Central</i>  | X                     |          | X                       |          |               |
| <i>Home Schooled</i>    | X                     |          | X                       |          |               |
| <i>Idalia</i>           |                       |          |                         |          | X             |
| <i>Loveland</i>         | X                     |          |                         |          |               |
| <i>Lyons</i>            | X                     |          |                         |          |               |
| <i>Mountain View</i>    | X                     |          | X                       |          |               |
| <i>Northridge</i>       | X                     |          | X                       |          |               |

|                         |   |   |   |
|-------------------------|---|---|---|
| <i>Options</i>          | X | X |   |
| <i>Pawnee</i>           | X | X |   |
| <i>Platte Valley</i>    | X | X |   |
| <i>Poudre</i>           |   |   | X |
| <i>Rocky Mountain</i>   |   |   | X |
| <i>Roosevelt</i>        | X | X | X |
| <i>Thompson Valley</i>  | X | X | X |
| <i>Trademark</i>        | X | X |   |
| <i>Union Colony</i>     | X | X |   |
| <i>University</i>       | X |   |   |
| <i>Valley</i>           | X | X |   |
| <i>Weld Central</i>     | X | X |   |
| <i>Weld Opportunity</i> | X | X |   |
| <i>West</i>             | X | X |   |
| <i>Windsor</i>          | X | X |   |

In addition to the concurrent enrollment option for high school students, Aims has implemented “brush up” math to allow students who place (Accuplacer) in lower level developmental math the opportunity to brush up skills for a small fee. This gives them the opportunity to retest and place in a higher level of developmental math (as compared to taking an extra developmental class), and reduces the number of credits they have to take, thus shortening the time to degree completion.

Some Certificate Programs have also been adapted to allow one semester and two semester certificates, such as medical assisting in addition to degree programs. This shortens the time while adding employability. Students spend less money, likely borrow less, and reduce the time of unemployment.

Aims is also partnering with University of Northern Colorado (UNC) in what we call our “First Step” program. This program allows incoming students who would not have qualified for acceptance into UNC, to dorm at UNC and take college courses at Aims for the first couple of years, in order to qualify for enrollment at UNC. This allows UNC the ability to maintain the occupancy levels needed to cover their operating cost of the dorms, and reduces the overall tuition cost for the student paying for a degree, because of the lower tuition rates at Aims.

Finally, Aims has partnerships with a number of schools, in and outside our taxing district (including the Denver School District), to educate students who have dropped out of high school for various reasons. Students who complete the program receive their high school diploma, and are then eligible (if they choose) to continue on to more advance degrees. Aims has a proven track record for retention of at-risk students. As studies have shown, an investment in education will reduce costs that are associated with crime and increased spending power, which ultimately benefits the State and everyone who resides within.

Due to the complex nature of each program, the cost involved in doing a cost benefit analysis of each program, and the variable combination of programs each student could utilize, we do not currently have any accumulated information on the generated cost savings to each student or the State.

*Colorado Mountain College:*

Colorado Mountain College has worked diligently with the high schools within our district to establish strong dual or concurrent enrollment programs. CMC serves 9 counties with multiple school districts in some counties. Our partnerships with these school districts will allow high schools students to get started on their college curriculum earlier. We are working to develop program paths so that high school students will be able to graduate with a two year degree just one year after graduating from high school (five year program). For those students who want a jump start on their college education a variety of classes are offered each semester to high school students. This is very cost effective since the student receives both high school and college credit by taking one class.

The College has been offering courses on line for the past few years to accommodate students who are unable to physically attend classes. We were recently approved to offer a full degree program on line so that our students now have the option to earn their degree without having to come to campus. This effort will help those who are juggling work and families with getting their education to complete more timely. The cost per credit hour for on line classes is the same as in person classes so the students are able to take advantage of the reasonable tuition rates CMC offers.

Colorado Mountain College has also offered students taking more than 15 credit hours, three of them for free. Credit hour number 16, 17 and 18 are offered to students free of charge. This is an incentive for students to take more hours per semester and graduate sooner. This can be a big savings for students who can take advantage of this offering.

**3:20 – 3:40 Adams State College**

*David Svaldi, President*

*Bill Mansheim, CFO*

*Tim Walters, Chair, Board of Trustees*

**37. What has the institution done to plan for potential significant reductions in state and federal funding in FY 2010-11? In particular, if the institution has any analysis of possible tuition and financial aid configurations to maximize access, affordability, and institutional stability in this scenario, please share the analysis with the Committee.**

ASC's ARRA funding for FY10-11 has been cut by \$1,045,784, which represents an 8% cut in operating revenues. The College made the following adjustments to its FY10-11 budget:

- Froze/reallocated 6 staff positions - \$313,000
- Reduced operating budgets - \$145,000
- Froze COLA increases - \$800,000
- Total budget reductions - \$1,258,000

Based on ASC's current fee schedule and the Governor's 9% tuition rate request, tuition and fees would go up \$258 per semester. 79% of ASC resident undergraduate students who apply for financial aid are Pell eligible. Federal Pell awards are projected to go up by \$500 next year for full Pell eligible students. ASC will also set aside 20% of the tuition revenue above the rate of inflation for scholarships.

**38. Please describe efforts the institution has taken to reduce the time it takes students to complete their studies, and the savings to the students and state generated from these measures.**

**Adams State College's Efforts to Reduce the Time Needed to Complete a Bachelors Degree**

Adams State College is deeply committed to ensuring that our students earn degrees in the timeliest way possible. This means careful program planning, diligent academic advising, and flexible course offerings. Whether students begin their study at ASC, or enter as transfer students, we want to make sure that they are not taking courses that do not match their degree plan. We also understand that financial aid and scholarships serve to reduce the cost of attendance. This makes it easier for students to enroll full-time. Attending full-time is always the fastest route to a degree.

More than 65% of new first-time students who enter ASC are required to take some developmental coursework. Since these courses do not count toward graduation, this obviously slows down student's time-to-degree. Still, we are proud of the efforts we have made to assist students in earning their degrees as quickly as possible. Among those students who earned a bachelors degree from ASC in 2008, 57% had earned their degree in four-years or less and another 20% took between four and five year. Only 23% of our graduates took more than five years to complete their degree.

Here are some of the specific steps we have taken to reduce the time our students take to earn their degree:

- We recently added a full time transfer coordinator. This person works directly with transfer to students to ensure that all transfer credit is articulated with their ASC degree plan and no time is wasted repeating courses already completed elsewhere.
- Expanded our Academic Advising Center to reduce the number of students/advisor. This makes it easier for undecided student to see an advisor.

- Improved training for faculty advisors. Our Director of Academic Advising meets regularly with academic departments to ensure that our faculty advisors fully understand current degree requirements.
- ASC students have the opportunity to enroll in many courses through our Extended Studies program. This allows students to begin work on a course immediately and not need to wait until that course is offered on-campus during a regular term.
- Operate a large College@High School program across our region. This allows qualified students to earn ASC credit while still in high school. A student can earn as much as a full semester of college credit before beginning college.
- All of our degree plans are available to students online.
- In spring 2009 we implemented the Curriculum Advising and Program Planning (CAPP) advising system. This is software that allows faculty advisors to see precisely what a student needs to take to complete his/her degree requirements. This system has current data on all current majors and all recent catalogues.
- We require students to meet with their faculty advisor to secure an individualized PIN number before registering for classes. This ensures that all students have had a personal meeting with their advisor to discuss course selection and degree requirements.
- After finding that commuter students were retaining at lower rates than residential students, we developed the Grizzly Partner scholarship lower the cost of living on-campus for students from the San Luis Valley. This has significantly increased the number of local students living on-campus and will eventually shorten their time to degree by allowing them to attend full-time.
- Developed new Merit Scholarship for students entering in fall 2010 that will reward good academic performance and encourage students to enroll full-time.
- Revamped our summer offerings to ensure that more General Education courses are offered throughout the summer. This makes it more likely that students could eliminate a semester of study at the end of their program by taking summer courses.
- Developed an intersession (a December/January term) that will allow students to take a General Education course during what is normally a break period. A student taking one intersession course each year should be able to reduce time-to-degree by a full semester.
- ASC offers waves tuition and fees for the 13<sup>th</sup> through the 15<sup>th</sup> credit hours taken in a given semester
- Projected savings to students:
  - Using the current tuition and fee schedule, a **full-time resident student's** average cost per credit hour is **\$148**. A **part-time resident student** pays **\$186** per credit hour. Over a 120 credit hour degree program, a full-time student would save **\$4,560** in tuition and fees by taking advantage of the free credit hour window.
  - A full-time student will graduate in 8 semesters. A student who attends part-time, at 12 or fewer credit hours per semester, will graduate in 10+ semesters. Assuming the student lives on campus, the part-time student will spend, at a

minimum, an additional **\$7,560** for room and board for the 2+ semesters of room and board.

**3:40 – 4:20 Colorado State University**

*Joseph B. Blake, Chancellor, CSU System*

*Anthony Frank, President, CSU*

*Joseph Garcia, President, CSU-Pueblo*

*Jenna Langer, interim CEO, CSU-Global Campus*

*Patrick McConathy, Chair, Board of Governors*

*Richard Schweigert, CFO, CSU System*

**39. What has the institution done to plan for potential significant reductions in state and federal funding in FY 2010-11? In particular, if the institution has any analysis of possible tuition and financial aid configurations to maximize access, affordability, and institutional stability in this scenario, please share the analysis with the Committee.**

For FY 2011, as with the past couple years, our campuses and the system have worked diligently and will continue to implement a plan to ensure academic quality and limit the impact of state funding cuts on students by focusing on expanding revenues from sources other than state support and by carefully controlling expenses and reducing administrative costs.

If reductions to higher education are significantly more than anticipated in FY 2012 and beyond, both CSU and CSU Pueblo are developing multi-year planning scenarios based on various levels of state funding reductions. These scenarios may include across the board expense reductions, continued elimination of positions and administrative department closures. Resident tuition rates may have to be increased significantly over current tuition rate increase recommendations to offset some of the cuts in order to maintain student quality, faculty retention and student access.

Campus Scenarios for FY 2011:

CSU – Fort Collins

- Planning for a \$10M budget cut in FY 2011 on top of the cuts taken in FY 2009 and FY 2010.
- All administrative and academic units are modeling various cut levels. Primary goal, to the extent possible, is to make decisions now relative to FY 2011 so departments can plan and notify affected employees in cases where positions maybe targeted for elimination.
- Continue to focus on maximizing enrollment and budgeting within the tuition guidelines projected in the Governor’s draft budget.
- The largest discretionary portion of the budget will continue to be, if available, financial aid in order to insure access and affordability for students.

CSU-Pueblo

- Has experienced unprecedented enrollment growth over the past two years and is anticipating continued growth in FY 2011.
- University continues to focus on efficiencies, cost containment strategies, and on improving the effectiveness of its activities while maintaining service levels for students.
- Limit base operating increases for FY 2011 despite a projected enrollment increases and saving a portion of increased revenue from accelerated enrollment growth into a rainy day fund to offset potential future funding reductions.
- Postponement of additionally planned quality initiatives, in anticipation of state budget cuts, such as increased support for admissions and recruitment including applicant conversion as well as a delay in increases for academic and financial advising support.
- Student access remains the focus. Tuition rate increase for FY 2010 was 4% rather than the maximum authorized by statute.
- CSU-Pueblo has a history of increasing institutional financial aid budget by more than the statutorily required 20% of increased resident tuition revenue above inflation.
- Moved to Federal Direct Loan Program to provide student loans that have a lower cost and faster delivery.

**40. Please describe efforts the institution has taken to reduce the time it takes students to complete their studies, and the savings to the students and state generated from these measures.**

The greatest savings to students and the state of Colorado come from successful completion of degrees in as close to 120 credits as possible. The savings to students are measured not only by tuition and fees not committed to a fifth year, but also in income from employment that would be foregone if a student stayed for an additional year. For the state, of course, the savings are expressed as COF dollars not spent on students continuing to a fifth year or beyond. Students and the State incur their greatest losses when students pay tuition and borrow money for college but never complete a degree.

CSU – Fort Collins

- 90% of all students are in the “right major” by the time they have earned 45 credits as a result of the creation of the Institute for Learning and Teaching – a one-stop center for advising and tutoring that provides ongoing counseling and monitoring of student progress. The most notable cause of graduation delays is students who delay declaring a major late into their academic career or who change majors after finding an original choice is not the right fit.
- Piloting the installation of academic coordinators to work with students in two high-demand areas—psychology and the College of Liberal Arts—as part of our ongoing student success and retention initiative. We are also encouraging summer enrollment and creating more online courses to make it easier for place-bound students to sustain steady progress toward a degree.
- Each student has access to the DARS program (Degree Audit and Reporting System). The system allows the student to:

- Assess how each course counts toward major or Core requirements,
- Weighing the consequences of a change of major on their time-to-degree.

#### CSU-Pueblo

- Offers a unique four year graduation incentive program that rewards students who graduate within four years of first enrolling.
- First-time students can choose to sign a contract that will guarantee them a check for their last semester's tuition up to \$1,500, the approximate tuition for 15 credit hours, if they graduate in four years or fewer.
- The plan will motivate students to attend full time and stay focused on their studies while saving the state money and improving the University's retention and graduation rates.

#### **4:20 – 4:40 Metropolitan State College of Denver**

*Steve Jordan, President*

*Adele Phelan, Board Chair*

*Natalie Lutes, Vice President of Administration and Finance*

#### **41. What has the institution done to plan for potential significant reductions in state and federal funding in FY 2010-11? In particular, if the institution has any analysis of possible tuition and financial aid configurations to maximize access, affordability, and institutional stability in this scenario, please share the analysis with the Committee.**

Effective July 1, 2009, Metro State consciously chose a conservative path by implementing base reductions of \$9.9 million. Revenue generated from the 9% tuition increase was allocated to offset some of the reductions and continue progress toward institutional strategic initiatives. Due to the uncertainty of the economic future, anticipated revenue from FY2009-10 enrollment growth was not allocated for base purposes. This enrollment growth is anticipated to generate approximately \$3.7 million, which will help offset the anticipated federal stimulus reduction in FY2010-11. By using the tuition revenue to cover this stimulus reduction, the College is delaying its ability to hire additional tenure-track faculty and address compensation concerns. It also affects the College's ability to fund other institutional priorities.

The federal stimulus dollars were allocated for projects specifically designed to prepare the College for the anticipated FY2011-12 base budget reductions. This includes:

- The College's \$4 million "right sizing with technology" program aimed at improving productivity campus wide with new automated systems for use in scheduling student meetings with professor and counselors.
- The hiring of new grant writers to help faculty members land additional outside support from the federal government and private foundations.

- And a unique retirement-incentive program, called the Capstone Project, which invites long-time professors to spend their final semesters at the College creating a project—perhaps a new Web-based course, a program aimed at supporting Latino students, or a course designed for first-year students. This program is expected to save the College between \$1-2 million and will allow the professors to leave a useful legacy.
- Additionally, dollars were allocated to support student scholarships.

Metro State's academic year tuition and fees of \$3,840 are well below the current Pell amount of \$5,350. Therefore need-based students will continue to have funding sources available.

**42. Please describe efforts the institution has taken to reduce the time it takes students to complete their studies, and the savings to the students and state generated from these measures.**

Effective fall semester 2007, Metro State revised its tuition schedule. This change eliminated tuition increases between 12 to 18 hours and created an economic incentive for students to increase their academic load. The goal was to encourage students to add additional courses and complete their degree within a four-year timeframe. Metro State has experienced a larger growth in FTE compared to headcount, which indicates students are taking advantage of this economic incentive and are completing their coursework in less time.

Over the past three years Metro State has developed and implemented the First Year Success Program. This program currently serves approximately 600 students. When the College's new neighborhood building is complete, all freshmen will participate in the program. Similar programs at other institutions show a vast improvement in retention and student academic success once fully implemented. Early indications are that Metro State's First Year Success Program is primed to follow with similar results.

**4:40 – 5:00 Colorado Historical Society**

*Edward C. Nichols, President and CEO*

*Susan Riehl, Chief Financial Officer*

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**Attachment A**

Access and Affordability Report

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COLORADO DEPARTMENT OF  
 **HIGHER  
EDUCATION**

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ACCESS TO HIGH-QUALITY, AFFORDABLE EDUCATION FOR ALL COLORADANS

## **Access and Affordability Report**

JBC Request for Information

December 1, 2009

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1560 Broadway, Suite 1600 • Denver, Colorado 80202 • (303) 866-2723  
D. RICO MUNN, EXECUTIVE DIRECTOR

## Department Compliance with Joint Budget Committee Request for Information – Measuring and Ensuring Access and Affordability

### INTRODUCTION

Data from the United States Census shows that postsecondary education attainment correlates directly with increased income and improved measures of health. For example, individuals with a baccalaureate degree earned a median income of \$50,376 in 2007 compared to \$32,474 for those who only possessed a high school diploma. Further, individuals with BA degrees are more likely to vote, less likely to be incarcerated, and less likely to access social support services. For these and other reasons, maintaining and expanding access to postsecondary education is a necessary state goal and one that likely must be accomplished in the near future without additional state financial resources.

The FY09-10 Long Bill included a request for information (RFI) directing the Department of Higher Education (Department) to submit a report by September 15, 2009 presenting options for how to measure and ensure access and affordability at institutions of higher education. The Governor directed the Department to comply with this request to the extent possible and submit the requested report by December 1, 2009. Discussion during the 2009 legislative session concerned tuition policy issues, specifically whether governing boards should be granted more flexibility to set tuition rates. Proponents of greater tuition flexibility contend that flexibility could actually improve access to higher education because a portion of the additional tuition revenue generated would be applied to institutional need-based financial aid.

The full language of the RFI follows below:

**Request for Information 28, page 7: Department of Higher Education, Colorado Commission on Higher Education, Administration** – The Department, in cooperation with the Colorado Commission on Higher Education, the higher education institutions, and the Office of State Planning and Budgeting is requested to submit a report to the Joint Budget Committee by September 15, 2009 presenting options for how to measure and ensure access and affordability if governing boards are granted greater flexibility in setting tuition rates.

The RFI specifically separates the terms access and affordability and, as such, makes a distinction between the two and reflects the reality that affordability is one component to access, albeit a critical component. None of the models presented here address the other components of access as no one model could. A strategic approach is needed to look at myriad components of accessibility. The Department's response is limited to only affordability issues and the proposed options should only be utilized within an approach that also accounts for the other access issues.

In extending the time period for the submission of the report, the Governor also noted that the production of the report is not intended to endorse the concept of greater tuition flexibility. Governor Ritter also asked that these options be used in conjunction with the review and update of the statewide higher education master plan.

In the following pages, we provide brief background information on tuition and fee history and financial aid programs, followed by options that could be used to measure access and affordability.

## **BACKGROUND**

Before examining options for measuring access and affordability it is important to consider major differences in the role and mission of Colorado's institutions of higher education and also to review existing guidance and requirements on federal, state, and institutional financial aid that are presumed to maintain affordability especially for lower income students.

### Role and Mission

Colorado's institutions of higher education each have very different roles and missions, all of which are authorized under Title 23 of the Colorado Revised Statutes. The community colleges, for example, are open admission institutions, while the University of Colorado at Boulder is a comprehensive graduate research institution with selective admission standards. While not statutorily mandated or authorized, the more selective institutions tend to have higher tuition charges. These differences partially determine the composition of students at each institution and must be considered when comparing institutions in terms of maintaining access and affordability. Colorado law has established which institutions are to serve as entry points allowing access to higher education. It may be unfair, for example, to hold the Colorado School of Mines to the same standard of access that a community college or Metro State College is held to. Additionally, the Commission and the Department have developed a transfer system from the community college system that allows students to transition from the two year sector to the four year sector with some guarantees on the transferability of the first sixty credit hours.

Admission standards are found in Commission policy at the following link:

<http://highered.colorado.gov/Publications/Current/i-partf.pdf> For the most part, the tuition of open access institutions has been kept lower than that of more selective institutions. In the recent economic downturn, the community colleges that are part of the Colorado Community College System have had unprecedented tuition growth to offset general fund reductions. Please see Attachment I for a five year history of tuition increases and comparison of resident, undergraduate institutional tuition rates.

### Federal Financial Grant Aid

The Pell grant is awarded to low-income students from the federal government and is intended to level the playing field for access and affordability. Eligibility for a Pell grant is determined through the Expected Family Contribution (EFC) calculation from the Free Application for Federal Student Aid (FAFSA). In FY08-09, full-time students with EFCs at or below \$4,041 were eligible for a Pell grant of up to \$4,731. The average Pell grant awarded in Colorado to resident students in FY07-08 (most recent data available)<sup>1</sup> was \$2,519 at public institutions. A total of 44,803 students received Pell grants, 9,387

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<sup>1</sup> Data for the FY08-09 year will be available in December

of whom received the maximum award of \$4,310 in FY07-08. The charts below show the number and percentage of students by grant range for resident students enrolled at public institutions in FY07-08.

**Pell Grant Recipients by Award Range**

| Pell Grant Award Range           | Number of Federal Pell Recipients | Percentage of Federal Pell Recipients by Award Range | Cumulative Percentage of Pell Recipients (Ascending) | Cumulative Percentage of Pell Recipients (Descending) |
|----------------------------------|-----------------------------------|--|--|---|
| \$200-\$500                      | 2,708                             | 6%   | 6%   | 100%  |
| \$501-\$1000                     | 4,396                             | 10%  | 16%  | 94%   |
| \$1001-\$1500                    | 5,381                             | 12%  | 28%  | 84%   |
| \$1501-\$2000                    | 4,639                             | 10%  | 38%  | 72%   |
| \$2001-\$2500                    | 6,763                             | 15%  | 53%  | 62%   |
| \$2501-\$3000                    | 3,111                             | 7%   | 60%  | 47%   |
| \$3001-\$3500                    | 3,586                             | 8%   | 68%  | 40%   |
| \$3501-\$4000                    | 3,094                             | 7%   | 75%  | 32%   |
| \$4001-\$4309                    | 1,738                             | 4%   | 79%  | 25%   |
| \$4,310                          | 9,387                             | 21%  | 100%   | 21%   |
| Total Number of students awarded | 44,803                            |  |  |   |

**Adjusted Gross Income Range of Pell Recipients**

| AGI Range       | Count         | Percentage of Total |
|-----------------|---------------|---------------------|
| 0-19,999        | 27,261        | 60.85%              |
| 20,000-39,999   | 12,775        | 28.51%              |
| 40,000-59,999   | 4,291         | 9.58%               |
| 60,000-79,999   | 425           | 0.95%               |
| 80,000-99,999   | 32            | 0.07%               |
| 100,000 & above | 19            | 0.04%               |
| <b>Total</b>    | <b>44,803</b> |                     |

For FY09-10, the maximum federal Pell grant was increased \$500 so that tuition increases were largely covered by the increased amount. The Pell grant is projected to increase an additional \$200 in FY10-11, and current legislation proposes indexing the maximum award to the poverty level plus increases of 1% annually for inflation. Thus, while recent tuition increases have been largely offset for the most needy students by Pell, in future years, it is expected that if large tuition increases occur, they will likely outpace the Pell increases. Moreover, while Pell grants are expected to take care of the lowest income

students, state financial aid policy must also take some responsibility for maintaining affordability for the low to middle income students who are not eligible for Pell. The balancing of affordability for middle and low income students is a policy decision that remains difficult since Department data shows that Level 1 and Level 2 students have more unmet need than higher income groups who are in the financial aid file.

### State Need-Based Financial Aid

The General Assembly appropriates state funding for the state's need-based financial aid program (\$74.1 million in FY09-10). The Colorado Commission on Higher Education then allocates these funds each year to the public institutions of higher education; private, non-profit institutions; and eligible participating private, for profit institutions. The Commission's current financial aid policy guarantees a minimum grant award to every Level I student (described as a student whose EFC is within 150% of Pell eligibility-- an average income level of \$31,060 for dependent students).

The Commission allocates state financial aid to institutions based on their average number of Level I FTE over the prior three years. Institutions are allocated sufficient state aid to provide the minimum grant amount (set at \$750 in FY07-08) to each eligible student plus additional funds that can be distributed at each institution's discretion to any student with financial need. In FY07-08, the average grant amount was \$1,216 and 42,202 students (headcount) received the grant at public institutions. Of the 42,202 students who received a state need-based grant, 36,626 received Pell grants (87%).

Institutions are required under state policy to award a minimum of \$750 to every eligible Colorado student. Allocations to institutions are greater than the base award and are calculated on the average Cost of Attendance at each institution within its Tier. Allocations are made at the following levels:

\$850 at Tier 3,  
\$1,039 at Tier 2 and  
\$1,137 at Tier 1

The packaging philosophies vary by institution. Institutions have the discretion to determine whether or not to award part-time students. We know that some institutions heavily award freshmen, others award flat grants to all eligible students and still others give the minimum grant to freshman and increased aid to upperclassmen.

### Institutional Aid

To varying degrees, institutions have dedicated their own internal resources to financial aid. This aid may be need-based or based on other criteria such as merit or athletics. There is little regulation on institutional aid and it can be awarded to resident or nonresident students. C.R.S. 23-18-202 (3) (c) requires institutions of higher education that are designated as TABOR enterprises to "annually allocate at least twenty percent of any increase in undergraduate resident tuition revenues above inflation to need-based financial assistance." Fiscal year 2005-06 was the first year governing boards were designated as TABOR enterprises and this section was added to the statutes. Each year the Department verifies that the governing boards complied with this requirement for years in which they are designated TABOR enterprises (See Attachment 2 for FY07-08 compliance).

The following table shows the total expenditures for student financial aid from FY02-03 through FY07-08. It is clear from the data that student loans are growing more quickly and are higher in real dollars than other forms of aid, indicating a greater reliance on this type of aid to cover the costs of postsecondary education. Further, the table shows the significant increase (93%) in institutional aid over the time period, from \$148.4 million in FY02-03 to \$285.9 million in FY07-08. The Department is currently compiling financial aid data for FY08-09. This data will be included in the Financial Aid report submitted to the JBC at the request of the Governor's office.

**Total Expenditures on Student Financial Aid FY07-08**

| Fiscal Year    | Federal Pell Grant | Federal Loans | Federal Other | State      | Institutional | Other      | Total         |
|----------------|--------------------|---------------|---------------|------------|---------------|------------|---------------|
| 2003           | 126,585,894        | 634,957,192   | 33,108,532    | 92,750,785 | 148,408,762   | 75,402,858 | 1,111,214,023 |
| 2004           | 143,906,521        | 735,276,655   | 32,178,873    | 80,968,637 | 137,255,420   | 65,928,279 | 1,195,514,385 |
| 2005           | 151,545,541        | 817,466,069   | 32,658,968    | 78,152,438 | 194,265,627   | 42,430,273 | 1,316,518,916 |
| 2006           | 141,403,386        | 834,562,469   | 33,571,583    | 79,890,039 | 250,881,750   | 67,636,141 | 1,407,945,368 |
| 2007           | 141,156,387        | 901,930,663   | 50,413,660    | 88,741,013 | 243,682,242   | 44,754,431 | 1,470,678,396 |
| 2008           | 154,590,127        | 980,667,407   | 55,647,723    | 96,806,055 | 285,899,867   | 53,530,406 | 1,627,141,585 |
| % Change 03-08 | 22.12%             | 54.45%        | 68.08%        | 4.37%      | 92.64%        | -29.01%    | 46.43%        |

\*This table includes data from private non-profit and proprietary schools.

While some financial aid is provided from private sources, these awards are not significant and normally targeted to specific students; therefore, private grant aid probably cannot be used strategically to ensure access and affordability.

Sources of institutional aid vary by type of institution (tier). Attachment 3 lists Colorado's institutions of higher education by tier. The table below breaks out the total amount of institutional aid reported in the Department's Student Unit Record Data System (SURDS) in FY07-08. The total institutional aid paid to undergraduate, resident students with any financial need by tier is shown in the table below. This table does not include other aid that may have been provided to residents with no need, graduate students, or non-resident students.

**Total Institutional Aid by Tier FY07-08**

| TIER   | Total Inst Aid | Inst Aid to Students with Need | % of Inst                 | Inst Aid to Level 1 Students | % of Inst               |
|--------|----------------|--------------------------------|---------------------------|------------------------------|-------------------------|
|        |                |                                | Aid to Students with Need |                              | Aid to Level 1 Students |
| Tier 1 | 143,508,980    | 47,365,562                     | 33.01%                    | 30,945,325                   | 21.56%                  |
| Tier 2 | 15,724,319     | 7,178,825                      | 45.65%                    | 4,179,868                    | 26.58%                  |
| Tier 3 | 6,245,089      | 2,960,098                      | 47.40%                    | 1,871,996                    | 29.98%                  |

## EXAMPLES ON METRICS FOR ACCESS AND AFFORDABILITY

Following are three examples of metrics to measure access and affordability. The examples each have limitations and the best approach may be to develop a hybrid based upon the ultimate goals and definitions of access and affordability.

### Example A:

In response to the JBC's request for information, the Department requested the National Center for Higher Education Management Systems (NCHEMS) develop a model measuring access and affordability at each institution of higher education. Their model (Example A.1.) makes the primary assumption that each institution of higher education is currently affordable; it then establishes a benchmark for each based on the socio economic status of their student body. Institutions would be required to maintain the benchmark, at a minimum, in future years. The bases for the model are the median income distribution by county in Colorado and the county of origin distribution for each institution's student body. NCHEMS research shows that across institutions nationwide, typically more than 80% of each institution's student body comes from no more than four to five counties. The NCHEMS model looks at the percentage of each institution's resident undergraduate population that receive Pell grants compared to the state average and the estimated median income for their student body based on county of origin compared to the state average. In short, institutions with poorer student bodies calculated as the median income distribution by county compared to the state average should have more Pell recipients than the state average.

As an example of what the model shows for each institution, Arapahoe Community College (ACC) students come from counties that overall *are slightly above* the Colorado median income. It would therefore be expected that ACC *should be slightly below* the statewide average for percent of first time entering students receiving Pell grants. In fact, ACC is exceeding this benchmark as shown below:

#### **Percent of First Time Entering Students Receiving Pell Grants**

- Colorado = 24.6%
- ACC Actual = 24.8%
- ACC Expected = 21.5%
- Difference = 3.3%

There are two primary concerns with this approach, both of which represent possible flaws in the model. First, the model assumes that each student's family income is the median from the county of their origin, when in fact students at CU-Boulder from Denver County may come from families with incomes above the median, while Denver County students at Metro State College may be from families at or below the median income. The second concern is the model's reliance on Pell recipients as a proxy for students of need, arguing that doing so leaves out a significant population of students with need – those that are just above the income requirements for Pell eligibility. NCHEMS has adjusted their model to account for Pell recipients and students below median income as a more complete proxy for students with documented need, thus addressing one of these concerns. A further concern with the NCHEMS model is that it does not account for transfer students in the analysis, focusing entirely on first time entering students.

This measurement looks only at the lower income student and is an indicator that does not take into account the specialized role, mission and student population at each institution.

Another version of this example (Example A.2.) is to measure the proportion of the student population at each institution that is Pell eligible. The model would settle on a base year and watch for variations due to tuition or other changes in policies. However, the problem with this approach is that the proportion will change with the economy and may take dips that are not meaningful in any given year. While those issues can be accommodated in a mathematical model, the option still only looks at the lowest income students and loses sight of any financial squeeze on the middle class student. The chart below shows the percent of students at each institution that are Pell eligible:

**Pell Grant Recipients (FTE) as a Percentage of Resident Undergraduate FTE**

| <b>Institutions</b>   | <b>Pell Recipient FTE 07-08</b> | <b>Undergrad Res FTE 07-08</b> | <b>Res Pell per FTE</b> |
|---|---------------------------------|--------------------------------|-------------------------|
| Adams State College   | 1,107                           | 1,440                          | 76.87%                  |
| Aims Community College                                      | 1,016                           | 2,856                          | 35.57%                  |
| Arapahoe Community College                                  | 944                             | 4,022                          | 23.48%                  |
| Colorado Mountain College                                   | 282                             | 2,113                          | 13.35%                  |
| Colorado Northwestern Community College                     | 143                             | 663                            | 21.64%                  |
| Colorado School of Mines                                    | 431                             | 2,683                          | 16.05%                  |
| Colorado State University                                   | 3,107                           | 15,966                         | 19.46%                  |
| Colorado State University - Pueblo                          | 1,485                           | 2,994                          | 49.62%                  |
| Community College of Aurora                                 | 1,057                           | 3,077                          | 34.36%                  |
| Community College of Denver                                 | 1,923                           | 4,655                          | 41.31%                  |
| Fort Lewis College  | 602                             | 2,621                          | 22.97%                  |
| Front Range Community College                               | 2,504                           | 9,313                          | 26.88%                  |
| Lamar Community College                                     | 310                             | 662                            | 46.77%                  |
| Mesa State College  | 1,650                           | 4,390                          | 37.60%                  |
| Metropolitan State College of Denver                        | 4,998                           | 15,135                         | 33.02%                  |
| Morgan Community College                                    | 364                             | 974                            | 37.41%                  |
| Northeastern Junior College                                 | 396                             | 1,196                          | 33.15%                  |
| Otero Junior College  | 675                             | 1,139                          | 59.30%                  |
| Pikes Peak Community College                                | 2,600                           | 7,102                          | 36.61%                  |
| Pueblo Community College                                    | 2,217                           | 3,405                          | 65.10%                  |
| Red Rocks Community College                                 | 1,020                           | 4,466                          | 22.84%                  |
| Trinidad State Junior College                               | 631                             | 1,255                          | 50.25%                  |
| University of Colorado - Boulder                            | 3,069                           | 16,034                         | 19.14%                  |
| University of Colorado - Colorado Springs                   | 1,546                           | 5,186                          | 29.81%                  |
| University of Colorado at Denver and Health Sciences Center | 2,106                           | 6,862                          | 30.69%                  |
| University of Northern Colorado                             | 1,751                           | 8,629                          | 20.29%                  |
| Western State College                                       | 399                             | 1,428                          | 27.93%                  |

|   |                |                |               |
|---|----------------|----------------|---------------|
| Colorado Community College System TOTALS  | <b>14,785</b>  | <b>41,928</b>  | <b>35.26%</b> |
| Colorado Community College System AVERAGE | <b>1137.29</b> | <b>3225.23</b> | <b>35.26%</b> |

Example B:

The Department conducted a very preliminary analysis of how institutions could be held to a requirement that they maintain access and affordability for Colorado resident students and how such a requirement could be measured. The Department’s example model measures the base income range distribution at an institution and requires that the institution maintain the same percentage of students in the bottom two or three income levels. For example, an institution’s income distribution based on a three year average income of resident undergraduates could be as follows:

- Low Income < \$35k 10%
- Low-Mid Income \$35 – 50k 25%
- Middle Income \$50 – 75k 30%
- High-Mid Income \$75-90k 10%
- Above \$90k 25%

In most respects the Department’s example is similar to the NCHEMS model of measuring base performance with a goal of maintaining the status quo without losing ground with enrollment of the current proportion of low and middle income students. It does, however, account for students in the low and middle income levels and thus may be a better measure for maintaining access and affordability for all students with documented need.

- The Department notes that performing this analysis would require collecting additional data from the institutions. The data file does not have income on every student; income level is collected only if a student applies for financial aid. Currently that is approximately 65.45% of resident undergraduate students. The Department believes that for the most part those students who do not apply for financial aid are in the higher income groups.

Attachment 4 shows the number s of resident undergraduates by income range who received financial aid in FY07-08. Over half the students or their families in Colorado applying for financial aid, including loans only, earn under \$40,000 per year. That of course varies by type of institution with 71.5% of students or their families in the Community College system earning under \$40,000 per year. This illustrates where many of Colorado’s lowest income students are attending post secondary institutions.

Example C

Example A and B both establish a benchmark measure for each institution based on the students they currently serve. The underlying assumption is that all institutions are currently operating at an affordable level and meeting the state’s access goals. A third example for measuring access and affordability could be created using national research on student loan debt. According to FinAid.org, student loan payments should not exceed 15% of a person’s discretionary income without incurring a

partial economic hardship. Partial economic hardship is defined as having annual education loan payments in excess of 15 percent of discretionary income, where discretionary income is the amount by which one's adjusted gross income (AGI) exceeds 150 percent of the Federal Poverty Threshold.

A student's major will be a factor in their earning potential upon graduation, for example an electrical engineering degree holder will probably command a higher salary than will a liberal arts degree holder immediately upon graduation. Consequently, the engineering major could afford to have a higher student loan debt load upon graduation because of his/her increased earning potential.

Under this example, institutions would be directed to ensure that students do not incur loans that they are unable to reasonably pay back within ten years without incurring a partial economic hardship (as described above). Loan repayment calculators are readily available and in use by institution financial aid advisors. Reasonable assumptions could be made to estimate adjusted gross income after graduation for various degrees. This standard could be applied to students at or below a certain income threshold (e.g., an EFC within 250% of Pell-eligibility requirements) only as a means to ensure access and affordability for students with documented need.

This approach does not take into consideration students who transfer into an institution with preexisting debt, change majors, or require loans to complete remediation prior to beginning a degree program. Further, student borrowing habits vary. By limiting loans by major, students may turn to private loans or credit cards to make the payments.

The debt load approach to measuring access and affordability for higher education could be an annual or a time-of-graduation measurement or both. Time of graduation allows the use of the measurements talked about above while annual debt review provides a real-time look at how student loan patterns may be changing.

Attachment 5a reviews cumulative debt load of resident undergraduates by type of school over time and Attachment 5b shows annual debt load over time. This Attachment shows annual debt over time as well as debt at graduation. The numbers will be updated in December.

## CONCLUSION

The above described examples do not look at retention and success of students. These examples address metrics that could be used to measure access and affordability as outlined in the Request for Information. These metrics could be used as stand-alone measurements or as part of a systemic review of Colorado's goals for access and affordability.

**Attachment 1**  
5 Year History of Resident Undergraduate Tuition

5 Year History of Resident Undergraduate Tuition (30 Credit Hours Per Academic Year)

| Institution  | FY 2005-06<br>Resident Tuition<br>(30 CHRS) | FY 2006-07<br>Resident Tuition<br>(30 CHRS) | FY 2007-08<br>Resident Tuition<br>(30 CHRS) | FY 2008-09<br>Resident Tuition<br>(30 CHRS) | FY 2009-10<br>Resident Tuition<br>(30 CHRS) | % Increase<br>Resident<br>Tuition |
|--|---|---|---|---|---|-----------------------------------|
| University of Colorado - Boulder<br>Base <sup>1</sup>          | \$ 4,446                                    | \$ 4,554                                    | \$ 5,418                                    | \$ 5,922                                    | \$ 6,446                                    | 45.0%                             |
| University of Colorado - Colorado Springs<br>Base <sup>2</sup> | \$ 3,966                                    | \$ 4,066                                    | \$ 4,350                                    | \$ 4,676                                    | \$ 4,910                                    | 23.8%                             |
| University of Colorado - Denver<br>Base <sup>3</sup>           | \$ 4,224                                    | \$ 4,330                                    | \$ 5,054                                    | \$ 5,484                                    | \$ 5,712                                    | 35.2%                             |
| Colorado State University<br>Base <sup>4</sup>                 | \$ 3,381                                    | \$ 3,466                                    | \$ 4,040                                    | \$ 4,424                                    | \$ 4,822                                    | 42.6%                             |
| Colorado State University - Pueblo<br>Base <sup>5</sup>        | \$ 2,903                                    | \$ 2,975                                    | \$ 3,184                                    | \$ 3,422                                    | \$ 3,732                                    | 28.6%                             |
| Fort Lewis College<br>Resident                                 | \$ 2,462                                    | \$ 2,522                                    | \$ 2,648                                    | \$ 2,846                                    | \$ 3,102                                    | 26.0%                             |
| University of Northern Colorado<br>Base <sup>6</sup>           | \$ 3,192                                    | \$ 3,276                                    | \$ 3,600                                    | \$ 3,942                                    | \$ 4,296                                    | 34.6%                             |
| Adams State College<br>Resident                                | \$ 1,980                                    | \$ 2,030                                    | \$ 2,328                                    | \$ 2,496                                    | \$ 2,712                                    | 37.0%                             |
| Mesa State College<br>Resident <sup>7</sup>                    | \$ 2,583                                    | \$ 3,442                                    | \$ 3,893                                    | \$ 4,325                                    | \$ 4,692                                    | 81.7%                             |
| Metropolitan State College of Denver<br>Resident               | \$ 2,387                                    | \$ 2,447                                    | \$ 2,432                                    | \$ 2,615                                    | \$ 2,850                                    | 19.4%                             |
| Western State College<br>Resident                              | \$ 2,352                                    | \$ 2,554                                    | \$ 2,688                                    | \$ 2,880                                    | \$ 3,140                                    | 33.5%                             |
| Colorado School of Mines <sup>8</sup><br>Resident              | \$ 7,248                                    | \$ 8,047                                    | \$ 8,959                                    | \$ 9,810                                    | \$ 10,590                                   | 46.1%                             |
| Colorado Community College System <sup>9</sup>                 |   |   |   |   |   |                                   |
| Arapahoe Community College                                     | \$ 2,183                                    | \$ 2,237                                    | \$ 2,315                                    | \$ 2,430                                    | \$ 2,649                                    | 21.4%                             |
| Colorado Northwestern Community College                        | \$ 2,183                                    | \$ 2,237                                    | \$ 2,315                                    | \$ 2,430                                    | \$ 2,649                                    | 21.4%                             |
| Community College of Aurora                                    | \$ 2,183                                    | \$ 2,237                                    | \$ 2,315                                    | \$ 2,430                                    | \$ 2,649                                    | 21.4%                             |
| Community College of Denver                                    | \$ 2,183                                    | \$ 2,237                                    | \$ 2,315                                    | \$ 2,430                                    | \$ 2,649                                    | 21.4%                             |
| Front Range Community College                                  | \$ 2,183                                    | \$ 2,237                                    | \$ 2,315                                    | \$ 2,430                                    | \$ 2,649                                    | 21.4%                             |
| Lamar Community College  | \$ 2,183                                    | \$ 2,237                                    | \$ 2,315                                    | \$ 2,430                                    | \$ 2,649                                    | 21.4%                             |
| Morgan Community College                                       | \$ 2,183                                    | \$ 2,237                                    | \$ 2,315                                    | \$ 2,430                                    | \$ 2,649                                    | 21.4%                             |
| Northeastern Junior College                                    | \$ 2,183                                    | \$ 2,237                                    | \$ 2,315                                    | \$ 2,430                                    | \$ 2,649                                    | 21.4%                             |
| Otero Junior College   | \$ 2,183                                    | \$ 2,237                                    | \$ 2,315                                    | \$ 2,430                                    | \$ 2,649                                    | 21.4%                             |
| Pikes Peak Community College                                   | \$ 2,183                                    | \$ 2,237                                    | \$ 2,315                                    | \$ 2,430                                    | \$ 2,649                                    | 21.4%                             |
| Pueblo Community College                                       | \$ 2,183                                    | \$ 2,237                                    | \$ 2,315                                    | \$ 2,430                                    | \$ 2,649                                    | 21.4%                             |
| Red Rocks Community College                                    | \$ 2,183                                    | \$ 2,237                                    | \$ 2,315                                    | \$ 2,430                                    | \$ 2,649                                    | 21.4%                             |
| Trinidad State Junior College                                  | \$ 2,183                                    | \$ 2,237                                    | \$ 2,315                                    | \$ 2,430                                    | \$ 2,649                                    | 21.4%                             |

Notes:

- 1: University of Colorado - Boulder has historically charged tuition differentials on the following programs/schools: Business; Engineering; Journalism; and Music
- 2: University of Colorado - Colorado Springs has historically charged tuition differentials on the following programs/schools: Class Standing; Letters, Arts & Sciences; School of Public Affairs; College of Business; Beth El; Engineering and Applied Sciences
- 3: University of Colorado - Denver has historically charged tuition differentials on the following programs/schools: Class Standing; Arts & Media; Business; Engineering; Dental Hygiene; and School of Nursing
- 4: Colorado State University has historically charged tuition differentials on the following programs/schools: College of Business; College of Engineering; Department of Computer Science; Upper Division Courses; and High Cost Programs
- 5: Colorado State University - Pueblo has historically charged tuition differentials on the following programs/schools: Business; Computer Information Sciences; Nursing; Engineering
- 6: University of Northern Colorado has historically charged tuition differentials on the following programs/schools: Business; Nursing; Music; Theatre; and Dance
- 7: As part of a "Truth in Tuition" adjustment Mesa State College incorporated a majority of fees into tuition for FY2006-07. As a result prior years' data submissions were amended to portray this change historically for comparison purposes.
- 8: The Colorado School of Mines used a tuition surcharge during FY2006-07 and FY2007-08. As part of a "Truth in Tuition" adjustment this surcharge was rolled into base tuition for FY2008-09. As a result prior years' data submissions were amended to portray this change historically for comparison purposes.
- 9: Colorado Community College System has historically charged tuition differentials on the following programs/schools: Nursing; and Online

| Institution  | % Change<br>From FY2004-05 to<br>FY2005-06 | % Change<br>From FY2005-06 to<br>FY2006-07 | % Change<br>From FY2006-07 to<br>FY2007-08 | % Change<br>From FY2007-08 to<br>FY2008-09 | % Change<br>From FY2008-09 to<br>FY2009-10 |
|--|--|--|--|--|--|
| University of Colorado - Boulder<br>Base <sup>1</sup>          | 27.8%                                      | 2.4%                                       | 19.0%                                      | 9.3%                                       | 8.8%                                       |
| University of Colorado - Colorado Springs<br>Base <sup>2</sup> | 20.3%                                      | 2.5%                                       | N/A  | 7.5%                                       | 5.0%                                       |
| University of Colorado - Denver<br>Base <sup>3</sup>           | 28.0%                                      | 2.5%                                       | 16.7%                                      | 8.5%                                       | 4.2%                                       |
| Colorado State University<br>Base <sup>4</sup>                 | 15.0%                                      | 2.5%                                       | 16.6%                                      | 9.5%                                       | 9.0%                                       |
| Colorado State University - Pueblo<br>Base <sup>5</sup>        | 15.0%                                      | 2.5%                                       | 7.0%                                       | 7.5%                                       | 9.0%                                       |
| Fort Lewis College<br>Resident                                 | 8.5%                                       | 2.4%                                       | 5.0%                                       | 7.5%                                       | 9.0%                                       |
| University of Northern Colorado<br>Base <sup>6</sup>           | 12.0%                                      | 2.6%                                       | 9.9%                                       | 9.5%                                       | 9.0%                                       |
| Adams State College<br>Resident                                | 8.9%                                       | 2.5%                                       | 14.7%                                      | 7.2%                                       | 8.7%                                       |
| Mesa State College<br>Resident                                 | 25.2%                                      | 33.3%                                      | 13.1%                                      | 11.1%                                      | 8.5%                                       |
| Metropolitan State College of Denver<br>Resident               | 16.8%                                      | 2.5%                                       | -0.6%                                      | 7.5%                                       | 9.0%                                       |
| Western State College<br>Resident                              | 18.8%                                      | 8.6%                                       | 5.3%                                       | 7.1%                                       | 9.0%                                       |
| Colorado School of Mines<br>Resident                           | 14.4%                                      | 11.0%                                      | 11.3%                                      | 9.5%                                       | 8.0%                                       |
| Colorado Community College System <sup>7</sup>                 |  |  |  |  |  |
| Arapahoe Community College                                     | 8.9%                                       | 2.5%                                       | 3.5%                                       | 5.0%                                       | 9.0%                                       |
| Colorado Northwestern Community College                        | 8.9%                                       | 2.5%                                       | 3.5%                                       | 5.0%                                       | 9.0%                                       |
| Community College of Aurora                                    | 8.9%                                       | 2.5%                                       | 3.5%                                       | 5.0%                                       | 9.0%                                       |
| Community College of Denver                                    | 8.9%                                       | 2.5%                                       | 3.5%                                       | 5.0%                                       | 9.0%                                       |
| Front Range Community College                                  | 8.9%                                       | 2.5%                                       | 3.5%                                       | 5.0%                                       | 9.0%                                       |
| Lamar Community College  | 8.9%                                       | 2.5%                                       | 3.5%                                       | 5.0%                                       | 9.0%                                       |
| Morgan Community College                                       | 8.9%                                       | 2.5%                                       | 3.5%                                       | 5.0%                                       | 9.0%                                       |
| Northeastern Junior College                                    | 8.9%                                       | 2.5%                                       | 3.5%                                       | 5.0%                                       | 9.0%                                       |
| Otero Junior College   | 8.9%                                       | 2.5%                                       | 3.5%                                       | 5.0%                                       | 9.0%                                       |
| Pikes Peak Community College                                   | 8.9%                                       | 2.5%                                       | 3.5%                                       | 5.0%                                       | 9.0%                                       |
| Pueblo Community College                                       | 8.9%                                       | 2.5%                                       | 3.5%                                       | 5.0%                                       | 9.0%                                       |
| Red Rocks Community College                                    | 8.9%                                       | 2.5%                                       | 3.5%                                       | 5.0%                                       | 9.0%                                       |
| Trinidad State Junior College                                  | 8.9%                                       | 2.5%                                       | 3.5%                                       | 5.0%                                       | 9.0%                                       |

**Attachment 2**  
Need Based Financial Aid – 20% Allocation

**Need Based Financial Aid - 20% Allocation**

|  | WSC        | ASC       | MSC         | MSCD        | CU           |             |            | CSU         |              |             | CSM          | UNC         | CCC       | FLC       | Total        |
|--|------------|-----------|-------------|-------------|--------------|-------------|------------|-------------|--------------|-------------|--------------|-------------|-----------|-----------|--------------|
|  |            |           |             |             | UCB          | UCD         | UCCS       | UCHSC(1)    | Total        | CSU - FC    | CSU - Pueblo | Total       |           |           |              |
|  | Used Avg   | Used Avg  | Used Avg    | Used Avg    | Used Avg     | Used Avg    | Used Avg   | Used Avg    | Used Avg     | Used Avg    | Used Avg     | Used Avg    | Used Avg  | Used Avg  | Used Avg     |
| Resident Tuition FY08                    | \$ 2,688   | \$ 2,328  | \$ 3,893    | \$ 2,432    | \$ 6,794     | \$ 5,119    | \$ 5,029   | \$ 9,237    | \$ 26,179    | \$ 4,202    | \$ 3,379     | \$ 7,581    | \$ 1,852  | \$ 2,648  | \$ 62,245    |
| Resident Tuition FY07                    | \$ 2,554   | \$ 2,030  | \$ 3,442    | \$ 2,246    | \$ 5,634     | \$ 4,321    | \$ 4,670   | \$ 8,804    | \$ 23,429    | \$ 3,632    | \$ 2,975     | \$ 6,607    | \$ 1,789  | \$ 2,522  | \$ 56,027    |
| Dollar Increase                          | \$ 134     | \$ 298    | \$ 451      | \$ 186      | \$ 1,160     | \$ 798      | \$ 359     | \$ 433      | \$ 2,750     | \$ 570      | \$ 404       | \$ 974      | \$ 63     | \$ 126    | \$ 6,218     |
| Resident Tuition FY07                    | \$ 2,554   | \$ 2,030  | \$ 3,442    | \$ 2,246    | \$ 5,634     | \$ 4,321    | \$ 4,670   | \$ 8,804    | \$ 23,429    | \$ 3,632    | \$ 2,975     | \$ 6,607    | \$ 1,789  | \$ 2,522  | \$ 56,027    |
| CY06 CPI                                 | 3.60%      | 3.60%     | 3.60%       | 3.60%       | 3.60%        | 3.60%       | 3.60%      | 3.60%       | 3.60%        | 3.60%       | 3.60%        | 3.60%       | 3.60%     | 3.60%     | 3.60%        |
| Dollar inflationary increase             | \$ 91.94   | \$ 73.08  | \$ 123.91   | \$ 80.86    | \$ 202.82    | \$ 155.56   | \$ 168.12  | \$ 316.94   | \$ 843.44    | \$ 130.75   | \$ 107.10    | \$ 237.85   | \$ 64.40  | \$ 90.79  | \$ 2,016.97  |
| Increase above inflation                 | \$ 42.06   | \$ 224.92 | \$ 327.09   | \$ 105.14   | \$ 957.18    | \$ 642.44   | \$ 190.88  | \$ 116.06   | \$ 1,906.56  | \$ 439.25   | \$ 296.90    | \$ 736.15   | \$ (1.40) | \$ 35.21  | \$ 4,201.03  |
| FY07 Student FTE                         | 1,452      | 1,465     | 4,370       | 14,744      | 16,045       | 6,107       | 5,153      | 484         | 27,789       | 16,015      | 2,937        | 18,952      | 40,876    | 2,644     | 123,829      |
| Resident tuition revenue above inflation | \$61,065   | \$334,006 | \$1,429,375 | \$1,550,243 | \$15,357,689 | \$3,923,406 | \$983,605  | \$ 56,171   | \$20,321,070 | \$7,034,557 | \$ 871,995   | \$7,906,552 | \$57,390  | \$ 93,000 | \$35,059,121 |
| Percent allocation to NBFA               | 20.0%      | 20.0%     | 20.0%       | 20.0%       | 20.0%        | 20.0%       | 20.0%      | 20.0%       | 20.0%        | 20.0%       | 20.0%        | 20.0%       | 20.0%     | 20.0%     | 20.0%        |
| Dollar allocation to NBFA                | \$12,213   | \$66,801  | \$285,875   | \$310,049   | \$3,071,578  | \$784,681   | \$196,721  | \$ 11,234   | \$ 4,064,214 | \$1,406,911 | \$174,399    | \$1,581,310 | \$ -      | \$ 18,618 | \$ 7,023,302 |
| Actual Institutional NBFA FY08 (2)       | \$ 6,107   | \$210,000 | \$ 294,168  | \$ 562,757  | \$ 4,612,680 | \$ 966,757  | \$ 350,000 | \$ -        | \$ 5,929,437 | \$4,925,000 | \$ 542,000   | \$5,467,000 | \$ -      | \$382,187 | \$25,056,796 |
| Estimated Over (Under) Contribution      | \$ (6,106) | \$143,199 | \$ 8,283    | \$ 232,708  | \$ 1,541,102 | \$ 182,076  | \$133,279  | \$ (11,234) | \$ 1,885,223 | \$3,518,089 | \$ 367,601   | \$3,885,690 | \$ -      | \$363,569 | \$18,033,494 |

(1) Used annual tuition rates in BDB to determine average  
 (2) Provided by Institution

**Assumptions:**  
 CPI from CY 06 of 3.6% used. (Use same CPI as for budgeting purposes)  
 Tuition from CQHE's 5-year history for Resident, Undergraduate Full-Time Rates  
 FY07 Student FTE used. (Same for budgeting purposes)

**Attachment 3**  
Public Institutions by Tier

## Public Institutions by Tier

|   |
|---|
| <b>Tier 1</b>   |
| Colorado School of Mines<br>Colorado State University<br>University of Colorado - Boulder<br>University of Colorado - Colorado Springs<br>University of Colorado Denver<br>University of Northern Colorado  |
| <b>Tier 2</b>   |
| Adams State College<br>Colorado State University - Pueblo<br>Fort Lewis College<br>Mesa State College<br>Metropolitan State College of Denver<br>Western State College  |
| <b>Tier 3</b>   |
| Aims Community College<br>Arapahoe Community College<br>Colorado Mountain College<br>Colorado Northwestern Community College<br>Community College of Aurora<br>Community College of Denver<br>Front Range Community College<br>Lamar Community College<br>Morgan Community College<br>Northeastern Junior College<br>Otero Junior College<br>Pikes Peak Community College<br>Pueblo Community College<br>Red Rocks Community College<br>Trinidad State Junior College |

**Attachment 4**  
Students by Income

### Students by Income Range

| <b>AGI Range Statewide</b> | <b># of Students</b> | <b>Percentage of Students</b> |
|----------------------------|----------------------|-------------------------------|
| 0-19,999                   | 30,592               | 33.93%                        |
| 20,000-39,999              | 19,410               | 21.53%                        |
| 40,000-59,999              | 12,336               | 13.68%                        |
| 60,000-79,999              | 9,030                | 10.01%                        |
| 80,000-99,999              | 7,309                | 8.11%                         |
| 100,000 & above            | 11,494               | 12.75%                        |
| <b>Public Total</b>        | <b>90,171</b>        |                               |

### AGI Range By Tier

| <b>Tier 1</b>       | <b># of Students</b> | <b>Percentage of Students</b> |
|---------------------|----------------------|-------------------------------|
| 0-19,999            | 8,127                | 22.71%                        |
| 20,000-39,999       | 5,846                | 16.34%                        |
| 40,000-59,999       | 5,118                | 14.30%                        |
| 60,000-79,999       | 4,444                | 12.42%                        |
| 80,000-99,999       | 4,032                | 11.27%                        |
| 100,000 & above     | 8,220                | 22.97%                        |
| <b>Total Tier 1</b> | <b>35,787</b>        |                               |
|                     |                      |                               |
| <b>Tier 2</b>       | <b># of Students</b> | <b>Percentage of Students</b> |
| 0-19,999            | 7,770                | 35.49%                        |
| 20,000-39,999       | 5,035                | 23.00%                        |
| 40,000-59,999       | 3,094                | 14.13%                        |
| 60,000-79,999       | 2,271                | 10.37%                        |
| 80,000-99,999       | 1,945                | 8.88%                         |
| 100,000 & above     | 1,781                | 8.13%                         |
| <b>Total Tier 2</b> | <b>21,896</b>        |                               |
|                     |                      |                               |
| <b>Tier 3</b>       | <b># of Students</b> | <b>Percentage of Students</b> |
| 0-19,999            | 14,695               | 45.23%                        |
| 20,000-39,999       | 8,529                | 26.25%                        |
| 40,000-59,999       | 4,124                | 12.69%                        |
| 60,000-79,999       | 2,315                | 7.13%                         |
| 80,000-99,999       | 1,332                | 4.10%                         |
| 100,000 & above     | 1,493                | 4.60%                         |
| <b>Total Tier 3</b> | <b>32,488</b>        |                               |

Resident, UG, Any Aid

**Attachment 5a**  
Average Student Loan Debt

**Average Student Loan Debt at Graduation-Associates Degree**

| <b>Institution</b>                      | <b>2004</b> | <b>2005</b> | <b>2006</b> | <b>2007</b> | <b>2008</b> |
|---|-------------|-------------|-------------|-------------|-------------|
| Adams State College                     | \$ 12,035   | \$ 6,244    | \$ 8,488    | \$ 14,259   | \$ 9,334    |
| Aims Community College                  | \$ 9,498    | \$ 8,305    | \$ 8,784    | \$ 9,056    | \$ 10,324   |
| Arapahoe Community College              | \$ 9,785    | \$ 9,149    | \$ 9,955    | \$ 11,806   | \$ 11,587   |
| Colorado Mountain College               | \$ 9,287    | \$ 8,613    | \$ 8,573    | \$ 8,118    | \$ 10,463   |
| Colorado Northwestern Community College | \$ 9,214    | \$ 9,950    | \$ 11,482   | \$ 13,423   | \$ 13,372   |
| Community College of Aurora             | \$ 10,974   | \$ 9,194    | \$ 10,254   | \$ 9,073    | \$ 10,134   |
| Community College of Denver             | \$ 10,271   | \$ 9,385    | \$ 11,260   | \$ 10,462   | \$ 10,877   |
| Front Range Community College           | \$ 9,572    | \$ 9,863    | \$ 10,408   | \$ 10,241   | \$ 9,899    |
| Lamar Community College                 | \$ 6,936    | \$ 6,194    | \$ 7,582    | \$ 6,333    | \$ 9,704    |
| Mesa State College                      | \$ 12,240   | \$ 8,651    | \$ 9,681    | \$ 11,481   | \$ 11,181   |
| Morgan Community College                | \$ 6,400    | \$ 7,873    | \$ 7,549    | \$ 10,461   | \$ 14,389   |
| Northeastern Junior College             | \$ 6,453    | \$ 5,135    | \$ 6,077    | \$ 6,480    | \$ 6,919    |
| Otero Junior College                    | \$ 7,723    | \$ 7,805    | \$ 8,191    | \$ 8,539    | \$ 9,690    |
| Pikes Peak Community College            | \$ 9,768    | \$ 8,241    | \$ 7,847    | \$ 8,821    | \$ 8,925    |
| Pueblo Community College                | \$ 11,630   | \$ 10,538   | \$ 10,984   | \$ 11,539   | \$ 11,818   |
| Red Rocks Community College             | \$ 11,505   | \$ 8,591    | \$ 8,706    | \$ 9,687    | \$ 10,529   |
| Trinidad State Junior College           | \$ 6,790    | \$ 6,387    | \$ 8,293    | \$ 8,392    | \$ 8,217    |

LOANS INCLUDED: Federal Stafford Loans Unsubsidized; Federal Perkins Loan; Federal Stafford Loans Subsidized; Federal Health Profession Loans; Other Loans

NOTE: In this table Average Students Loan Debt is calculated as the average loan amount per student only for students that have debt upon graduation, not the average debt of all degree receiving students per institution.

**Average Student Loan Debt at Graduation-Baccalaureate Degree**

| <b>Institution</b>                             | <b>2004</b> | <b>2005</b> | <b>2006</b> | <b>2007</b> | <b>2008</b> |
|--|-------------|-------------|-------------|-------------|-------------|
| Adams State College                            | \$ 16,580   | \$ 15,646   | \$ 16,699   | \$ 17,832   | \$ 18,634   |
| Colorado School of Mines                       | \$ 16,714   | \$ 15,591   | \$ 16,103   | \$ 18,653   | \$ 22,453   |
| Colorado State University                      | \$ 16,997   | \$ 16,570   | \$ 17,623   | \$ 18,536   | \$ 18,948   |
| Colorado State University - Pueblo             | \$ 18,702   | \$ 18,746   | \$ 20,485   | \$ 21,750   | \$ 21,855   |
| Fort Lewis College                             | \$ 16,272   | \$ 15,963   | \$ 15,925   | \$ 16,496   | \$ 17,891   |
| Mesa State College                             | \$ 16,927   | \$ 17,047   | \$ 17,763   | \$ 19,754   | \$ 18,028   |
| Metropolitan State College of Denver           | \$ 19,906   | \$ 19,502   | \$ 19,636   | \$ 20,480   | \$ 21,475   |
| University of Colorado - Boulder               | \$ 19,126   | \$ 19,607   | \$ 18,105   | \$ 18,887   | \$ 21,642   |
| University of Colorado - Colorado Springs      | \$ 17,518   | \$ 17,793   | \$ 16,525   | \$ 18,379   | \$ 18,168   |
| University of Colorado at Denver               | \$ 17,468   | \$ 21,719   | \$ 21,552   | \$ 23,945   | \$ 23,327   |
| University of Colorado Health Sciences Center* | \$ 35,553   |             |             |             |             |
| University of Northern Colorado                | \$ 16,628   | \$ 15,905   | \$ 16,744   | \$ 16,778   | \$ 17,967   |
| Western State College                          | \$ 16,620   | \$ 18,872   | \$ 15,956   | \$ 16,596   | \$ 20,613   |

LOANS INCLUDED: Federal Stafford Loans Unsubsidized; Federal Perkins Loan; Federal Stafford Loans Subsidized; Federal Health Profession Loans; Other Loans

NOTE: In this table Average Students Loan Debt is calculated as the average loan amount per student only for students that have debt upon graduation, not the average debt of all degree receiving students per institution.

\* Combined with UCD for 2005 through 2008

**Attachment 5b**  
Annual Student Loan Data

Annual Student Loan Data for Resident, Undergraduate Students at Public Institutions

| Institution                               | 2003                  |                   |                           | 2004                  |                   |                           | 2005                  |                   |                           | 2006                  |                   |                           | 2007                  |                   |                           | 2008                  |                   |                           |
|---|-----------------------|-------------------|---------------------------|-----------------------|-------------------|---------------------------|-----------------------|-------------------|---------------------------|-----------------------|-------------------|---------------------------|-----------------------|-------------------|---------------------------|-----------------------|-------------------|---------------------------|
|   | Sum of FedLoans       | Count of FedLoans | Average loan per borrower | Sum of FedLoans       | Count of FedLoans | Average loan per borrower | Sum of FedLoans       | Count of FedLoans | Average loan per borrower | Sum of FedLoans       | Count of FedLoans | Average loan per borrower | Sum of FedLoans       | Count of FedLoans | Average loan per borrower | Sum of FedLoans       | Count of FedLoans | Average loan per borrower |
| Colorado School of Mines                  | \$ 4,268,729          | 888               | \$ 4,807                  | \$ 4,710,578          | 1,089             | \$ 4,339                  | \$ 5,237,248          | 1,089             | \$ 4,809                  | \$ 5,603,085          | 1,215             | \$ 4,576                  | \$ 5,815,063          | 1,181             | \$ 4,924                  | \$ 6,086,508          | 1,141             | \$ 5,308                  |
| Colorado State University                 | \$ 34,876,219         | 7,258             | \$ 4,805                  | \$ 37,193,900         | 7,492             | \$ 4,957                  | \$ 38,067,517         | 7,608             | \$ 5,004                  | \$ 38,069,948         | 7,557             | \$ 5,038                  | \$ 36,324,391         | 7,161             | \$ 5,073                  | \$ 38,703,496         | 7,290             | \$ 5,309                  |
| University of Colorado - Boulder          | \$ 32,792,382         | 7,257             | \$ 4,519                  | \$ 33,942,471         | 6,795             | \$ 4,995                  | \$ 34,766,256         | 7,022             | \$ 4,951                  | \$ 34,443,356         | 7,031             | \$ 4,899                  | \$ 33,398,584         | 6,748             | \$ 4,949                  | \$ 34,672,864         | 6,620             | \$ 5,238                  |
| University of Colorado - Colorado Springs | \$ 10,987,582         | 2,232             | \$ 4,923                  | \$ 12,522,839         | 2,507             | \$ 4,995                  | \$ 13,655,258         | 2,807             | \$ 5,307                  | \$ 14,571,263         | 2,742             | \$ 5,314                  | \$ 14,337,529         | 2,720             | \$ 5,271                  | \$ 15,666,339         | 2,885             | \$ 5,427                  |
| University of Colorado Denver             | \$ 14,771,237         | 2,728             | \$ 5,419                  | \$ 16,966,000         | 3,025             | \$ 5,609                  | \$ 22,208,770         | 3,468             | \$ 6,404                  | \$ 24,512,363         | 3,721             | \$ 6,588                  | \$ 25,872,930         | 4,131             | \$ 6,263                  | \$ 27,115,656         | 4,234             | \$ 6,546                  |
| University of Northern Colorado           | \$ 16,501,670         | 3,939             | \$ 4,188                  | \$ 19,489,482         | 4,384             | \$ 4,446                  | \$ 20,426,515         | 4,551             | \$ 4,488                  | \$ 21,354,123         | 4,780             | \$ 4,466                  | \$ 21,700,745         | 4,684             | \$ 4,653                  | \$ 21,941,870         | 4,376             | \$ 5,014                  |
| <b>Tier 1 Summary</b>                     | <b>\$ 114,197,799</b> | <b>24,300</b>     | <b>\$ 4,689</b>           | <b>\$ 124,771,270</b> | <b>25,203</b>     | <b>\$ 4,951</b>           | <b>\$ 134,545,564</b> | <b>26,945</b>     | <b>\$ 5,107</b>           | <b>\$ 138,754,128</b> | <b>27,026</b>     | <b>\$ 5,124</b>           | <b>\$ 137,449,242</b> | <b>26,805</b>     | <b>\$ 5,168</b>           | <b>\$ 144,746,633</b> | <b>26,546</b>     | <b>\$ 5,453</b>           |
| Adams State College                       | \$ 3,907,941          | 947               | \$ 4,127                  | \$ 4,321,234          | 983               | \$ 4,396                  | \$ 5,432,764          | 1,123             | \$ 4,838                  | \$ 5,635,318          | 1,285             | \$ 4,541                  | \$ 6,303,212          | 1,272             | \$ 4,955                  | \$ 6,476,102          | 1,277             | \$ 5,071                  |
| Colorado State University - Pueblo        | \$ 11,507,451         | 2,209             | \$ 5,209                  | \$ 11,252,021         | 2,303             | \$ 4,886                  | \$ 13,724,698         | 2,946             | \$ 5,391                  | \$ 14,190,728         | 2,437             | \$ 5,823                  | \$ 13,296,563         | 2,331             | \$ 5,704                  | \$ 13,392,293         | 2,308             | \$ 5,803                  |
| Fort Lewis College                        | \$ 5,532,282          | 1,206             | \$ 4,587                  | \$ 6,010,142          | 1,288             | \$ 4,666                  | \$ 6,839,982          | 1,293             | \$ 4,552                  | \$ 5,662,170          | 1,225             | \$ 4,622                  | \$ 5,240,595          | 1,117             | \$ 4,692                  | \$ 5,519,067          | 1,123             | \$ 4,915                  |
| Mesa State College                        | \$ 10,826,040         | 2,435             | \$ 4,446                  | \$ 12,157,900         | 2,637             | \$ 4,611                  | \$ 13,103,698         | 2,854             | \$ 4,591                  | \$ 13,080,142         | 2,869             | \$ 4,559                  | \$ 13,289,335         | 2,797             | \$ 4,751                  | \$ 14,435,108         | 2,748             | \$ 5,253                  |
| Metropolitan State College of Denver      | \$ 43,521,888         | 7,973             | \$ 5,459                  | \$ 45,992,524         | 8,624             | \$ 5,333                  | \$ 51,472,284         | 9,305             | \$ 5,532                  | \$ 53,211,683         | 9,521             | \$ 5,589                  | \$ 52,478,624         | 9,494             | \$ 5,528                  | \$ 50,876,143         | 8,841             | \$ 5,755                  |
| Western State College                     | \$ 3,890,854          | 946               | \$ 4,113                  | \$ 4,011,005          | 1,000             | \$ 4,011                  | \$ 3,945,762          | 930               | \$ 4,241                  | \$ 3,751,445          | 882               | \$ 4,403                  | \$ 3,592,367          | 825               | \$ 4,354                  | \$ 3,736,964          | 832               | \$ 4,491                  |
| <b>Tier 2 Summary</b>                     | <b>\$ 79,186,437</b>  | <b>15,716</b>     | <b>\$ 5,039</b>           | <b>\$ 83,744,926</b>  | <b>16,835</b>     | <b>\$ 4,974</b>           | <b>\$ 93,577,168</b>  | <b>18,041</b>     | <b>\$ 5,184</b>           | <b>\$ 95,731,486</b>  | <b>18,189</b>     | <b>\$ 5,283</b>           | <b>\$ 94,200,696</b>  | <b>17,635</b>     | <b>\$ 5,281</b>           | <b>\$ 94,435,077</b>  | <b>17,729</b>     | <b>\$ 5,513</b>           |
| Alapaha Community College                 | \$ 4,015,789          | 1,094             | \$ 3,671                  | \$ 5,257,887          | 1,345             | \$ 3,909                  | \$ 5,981,261          | 1,441             | \$ 4,151                  | \$ 6,682,659          | 1,483             | \$ 4,521                  | \$ 7,927,798          | 1,679             | \$ 4,718                  | \$ 10,215,330         | 1,984             | \$ 5,201                  |
| Colorado Northwestern Community College   | \$ 534,938            | 150               | \$ 3,566                  | \$ 473,814            | 126               | \$ 3,760                  | \$ 662,453            | 175               | \$ 3,785                  | \$ 750,382            | 163               | \$ 4,604                  | \$ 788,497            | 168               | \$ 4,693                  | \$ 980,095            | 186               | \$ 5,269                  |
| Community College of Aurora               | \$ 2,274,433          | 659               | \$ 3,467                  | \$ 3,235,220          | 938               | \$ 3,449                  | \$ 4,110,917          | 1,074             | \$ 3,828                  | \$ 4,315,098          | 1,171             | \$ 3,686                  | \$ 4,249,459          | 1,157             | \$ 3,673                  | \$ 5,611,172          | 1,316             | \$ 4,284                  |
| Community College of Denver               | \$ 3,066,741          | 1,037             | \$ 2,957                  | \$ 5,531,394          | 1,482             | \$ 3,732                  | \$ 6,929,090          | 1,809             | \$ 4,306                  | \$ 7,525,263          | 1,799             | \$ 4,183                  | \$ 7,534,953          | 2,048             | \$ 3,679                  | \$ 8,251,091          | 2,183             | \$ 3,780                  |
| Front Range Community College             | \$ 7,786,151          | 2,384             | \$ 3,294                  | \$ 11,709,039         | 3,018             | \$ 3,880                  | \$ 14,834,624         | 3,613             | \$ 4,106                  | \$ 14,053,390         | 3,688             | \$ 3,811                  | \$ 11,715,160         | 3,320             | \$ 3,529                  | \$ 14,728,161         | 3,381             | \$ 3,844                  |
| Lamar Community College                   | \$ 655,045            | 212               | \$ 3,080                  | \$ 446,878            | 184               | \$ 2,429                  | \$ 749,400            | 224               | \$ 3,346                  | \$ 1,090,983          | 309               | \$ 3,531                  | \$ 1,306,505          | 286               | \$ 4,568                  | \$ 1,572,640          | 316               | \$ 4,977                  |
| Morgan Community College                  | \$ 379,997            | 129               | \$ 2,946                  | \$ 530,419            | 170               | \$ 3,120                  | \$ 733,127            | 224               | \$ 3,273                  | \$ 888,140            | 224               | \$ 3,965                  | \$ 966,971            | 259               | \$ 3,811                  | \$ 1,219,163          | 263               | \$ 4,636                  |
| Northeastern Junior College               | \$ 1,105,676          | 446               | \$ 2,488                  | \$ 1,334,851          | 521               | \$ 2,562                  | \$ 1,382,179          | 522               | \$ 2,646                  | \$ 1,360,712          | 483               | \$ 2,760                  | \$ 1,308,529          | 393               | \$ 3,330                  | \$ 1,835,783          | 466               | \$ 3,939                  |
| Otero Junior College                      | \$ 1,097,309          | 331               | \$ 3,315                  | \$ 1,729,178          | 487               | \$ 3,551                  | \$ 1,976,986          | 592               | \$ 3,365                  | \$ 2,536,491          | 638               | \$ 3,976                  | \$ 2,870,091          | 620               | \$ 4,629                  | \$ 3,251,887          | 581               | \$ 5,563                  |
| Pikes Peak Community College              | \$ 5,349,231          | 1,554             | \$ 3,442                  | \$ 6,465,983          | 1,883             | \$ 3,424                  | \$ 7,815,210          | 2,281             | \$ 3,426                  | \$ 8,489,501          | 2,517             | \$ 3,373                  | \$ 9,203,011          | 2,891             | \$ 3,552                  | \$ 12,667,886         | 3,111             | \$ 4,072                  |
| Pueblo Community College                  | \$ 5,629,872          | 1,498             | \$ 3,835                  | \$ 8,215,947          | 1,989             | \$ 4,130                  | \$ 9,998,215          | 2,202             | \$ 4,268                  | \$ 10,007,673         | 2,308             | \$ 4,336                  | \$ 9,108,737          | 2,223             | \$ 4,097                  | \$ 11,727,632         | 2,334             | \$ 5,025                  |
| Red Rocks Community College               | \$ 2,694,820          | 664               | \$ 4,059                  | \$ 3,793,857          | 960               | \$ 3,949                  | \$ 4,470,788          | 1,052             | \$ 4,250                  | \$ 4,846,028          | 1,141             | \$ 4,247                  | \$ 5,151,038          | 1,252             | \$ 4,114                  | \$ 6,607,915          | 1,443             | \$ 4,579                  |
| Trinidad State Junior College             | \$ 337,063            | 278               | \$ 3,371                  | \$ 1,204,945          | 354               | \$ 3,404                  | \$ 1,585,216          | 405               | \$ 3,914                  | \$ 1,604,821          | 423               | \$ 3,794                  | \$ 1,182,004          | 332               | \$ 3,560                  | \$ 1,296,599          | 297               | \$ 4,366                  |
| Aims Community College                    | \$ 2,899,995          | 1,037             | \$ 2,803                  | \$ 3,216,166          | 1,217             | \$ 2,643                  | \$ 4,008,787          | 1,316             | \$ 3,046                  | \$ 4,750,973          | 1,237             | \$ 3,841                  | \$ 5,443,226          | 1,358             | \$ 4,008                  | \$ 5,994,717          | 1,453             | \$ 4,119                  |
| Colorado Mountain College                 | \$ 1,444,313          | 446               | \$ 3,238                  | \$ 1,723,847          | 484               | \$ 3,562                  | \$ 1,757,527          | 537               | \$ 3,350                  | \$ 1,595,932          | 468               | \$ 3,410                  | \$ 1,671,139          | 455               | \$ 3,453                  | \$ 1,624,985          | 406               | \$ 4,001                  |
| <b>Tier 3 Summary</b>                     | <b>\$ 39,874,333</b>  | <b>11,866</b>     | <b>\$ 3,344</b>           | <b>\$ 54,866,415</b>  | <b>15,188</b>     | <b>\$ 3,620</b>           | <b>\$ 66,396,760</b>  | <b>17,247</b>     | <b>\$ 3,850</b>           | <b>\$ 70,669,336</b>  | <b>18,062</b>     | <b>\$ 3,913</b>           | <b>\$ 70,341,138</b>  | <b>18,141</b>     | <b>\$ 3,877</b>           | <b>\$ 87,554,786</b>  | <b>20,150</b>     | <b>\$ 4,345</b>           |
| <b>Statewide</b>                          | <b>\$ 233,055,589</b> | <b>51,862</b>     | <b>\$ 4,492</b>           | <b>\$ 263,302,511</b> | <b>57,196</b>     | <b>\$ 4,605</b>           | <b>\$ 294,457,492</b> | <b>61,633</b>     | <b>\$ 4,778</b>           | <b>\$ 305,155,580</b> | <b>63,277</b>     | <b>\$ 4,823</b>           | <b>\$ 301,991,056</b> | <b>62,582</b>     | <b>\$ 4,826</b>           | <b>\$ 326,736,466</b> | <b>63,825</b>     | <b>\$ 5,119</b>           |

**Attachment B**

MHEC Completion Based Funding for Higher Education



## **Completion-based Funding for Higher Education**

**Prepared February 2009**

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## Completion-based Funding for Higher Education

### International Context

Internationally, several countries are linking funding of higher education to expected outcomes. Management principles of economy, efficiency, and effectiveness are becoming measures of good governance in higher education as well as in business. Managing by outcomes or outputs rather than inputs has led to some performance-based and/or incentive funding models – rewarding *actual* rather than *promised* performance levels.

One of the incentives being considered is tying a portion of institutional funding to student success. This funding may be packaged as additional incentive dollars – awarded to institutions if they achieve certain performance benchmarks – or it could be incorporated into funding formulas, essentially replacing a portion of an institution’s enrollment-based appropriation with a completions-based component. In some cases, governments and higher education institutions sign agreements or make other formal contractual arrangements that are based on expected outcomes; in other cases, governments simply tie performance funding to block grants or to funding formulas.

The following examples illustrate possible uses of outcome-based funding for higher education.

#### **Australia**

The Learning and Teaching Performance Fund in Australia is based on student satisfaction with generic skills, student satisfaction with good teaching, overall student satisfaction, full-time employment, further part-time or full-time study, all bachelor students’ progress rates, and commencing bachelor students’ retention rates. Australia’s Higher Education Disability Support Programme is based on the number of domestic students with a disability enrolled at the institution, weighted by the retention and success ratios for those students.

#### **Canada**

In international comparisons, Canada has been awarded an “A” grade and ranks first out of 17 peer countries for college completion and has been awarded a “B” grade and ranks fifth out of 17 peer countries on university completion (OECD data as reported on the website, <http://www.conferenceboard.ca/HCP/Details/education.aspx>).

In 1967 the province of Quebec established a pre-university program as a way of making postsecondary education more accessible. The program, which is offered after Grade 11, replaces the extra year of high school, covers one year of community college, and is a prerequisite for university acceptance. According to the Conference Board of Canada, between 1990 and 2006,

college participation rates for those aged 17 to 19 were consistently above 35 percent in Quebec, compared with only 10 percent in the rest of Canada (<http://www.conferenceboard.ca/>).

### **Czech Republic**

The Czech Republic uses formula-funding criteria for higher education such as the number of degrees awarded or the number of graduates.

### **Denmark**

The public budgets for teaching and learning activities are exclusively based on output measures – based on the number of credits obtained by students each year. This mechanism is known as the “taximeter” model.

### **England**

In England, the goal to widen participation and access to higher education resulted from concerns expressed when a new system of fees was introduced to British public higher education during the 2006-07 academic year. Under the new system, higher education institutions can charge tuition fees of any amount from £0 to £3,000. However, England’s Office for Fair Access (OFFA) was established to prevent institutions from charging fees above £1,200 if those institutions do not make adequate provision for widening access and encouraging participation, especially for those students from under-represented groups.

As part of the process, the higher education institutions are required to set milestones toward improving access and report them to the Higher Education Funding Council (HEFC) and OFFA. The data reported by an institution may include completion data since ensuring the success of students in their programs of study is one of the program’s goals (<http://www.hefce.ac.uk/widen/>).

England’s OFFA must approve an access agreement with each institution that charges the new variable tuition fees. If institutions do not meet the milestones they set, they will not be sanctioned unless a serious breach of the agreement has been made. If a serious breach has been made, a public higher education institution can be fined up to £500,000 or about 110% of the amount promised but not spent on bursaries (grants) or outreach work. The HEFC’s Widening Access and Participation Strategic Advisory Committee monitors progress in implementing key performance targets relating to all of the goals aimed at widening participation in British higher education.

### **Finland**

The block grant funding formula for polytechnics includes the number of students enrolled (70%) and the number of graduates (30%, including the postgraduate level). The grant for universities includes the number of degrees (including post-graduate programs).

### **Netherlands**

There is some variance in the funding of higher education institutions in the Netherlands. Generally, however, the funding for universities includes factors based on the number of first year students and number of degrees awarded – 37% is a base component for teaching and learning activities; 50% is calculated from the number of diplomas; and 13% is based on the number of first year students. The funding for universities of applied science includes factors

based on the number of students leaving the institutions without a diploma and the number of students leaving with a diploma. In the latter case, if students take more than 4.5 years to graduate from a university of applied science, a proportionate factor of less than 1.0 is applied to the formula.

### **Norway**

Funding for higher education in Norway factors in the number of credits accumulated by students (according to six cost categories of studies), the number of international student exchanges, and research-based indicators.

### **Spain**

Funding for higher education in Spain differs by region. Generally, higher education funding factors in the number of first year students, the number of students enrolled (excluding post-graduate students), the cost per student, the field of study, the number of credits accumulated by duration students, the number of graduates (including at post-graduate level), the number of students completing each year of study, the level of qualifications of academic staff, the income from non-public sources, and the average study duration.

### **Sweden**

Funding for higher education in Sweden factors in the number of students enrolled (excluding post-graduate students), the field of study, and the number of credits accumulated by students.

### **General Resources**

- *Tertiary Education for the Knowledge Society: OECD Thematic Review of Tertiary Education: Synthesis Report, Volume 1, Chapter 4, "Matching Funding Strategies with National Priorities, 2008, pg. 192, [http://oecd-conference-teks.iscte.pt/downloads/OECD\\_vol1.pdf](http://oecd-conference-teks.iscte.pt/downloads/OECD_vol1.pdf)*
- Higher Education Funding Council for England, Widening Participation, <http://www.hefce.ac.uk/widen/>

## National Context

State appropriations to public colleges and universities have historically been made on the basis of enrollments rather than completions. As such, institutions often have little incentive to ensure that students successfully complete courses and earn degrees. However, given current and future workforce needs and state financial difficulties, higher education funding based on seat time is being carefully scrutinized while funding based on course or degree completion rates or other indicators of success is being given serious consideration. States are considering ways to incent institutions to not just enroll students but also to ensure that they earn the credentials needed in the workplace.

Performance-based funding may represent a relatively small percentage of a state's higher education budget, but some experts assert that it can lead to some rather remarkable results. The challenge for states is to create a financing system that is clearly understood and yet flexible enough to account for differences in institutional mission and demographics. The same set of guidelines and performance targets should probably not be applied similarly to community colleges, bachelor's and master's degree institutions, and research universities.

The following summaries provide a sampling of incentive funding initiatives for higher education in various states.

### Indiana

In the 2007-2009 biennium, Indiana adopted performance-funding incentives for degree completion, on-time graduation, and two-to-four-year transfer activity. Even though the percentage of funding derived from performance-funding incentives is relatively small, the value is set to increase over time and spans several budget cycles. The state's public higher education institutions are directed to shift the focus gradually from enrollments to outcomes.

For each additional bachelor's degree, higher education institutions would receive an additional \$5,000, and for each additional associate's degree they would receive \$3,500. For example, if a university produced 100 more bachelor's degrees in a given year than the prior year, it would receive an additional \$500,000. The plan notes that it may be necessary to adjust the subsidy-per-credit-hour rate upwardly, which is currently \$3,500, to offset any unintended and dramatic shifts in institutional funding as the formula is optimized.

The Indiana Commission for Higher Education is to consider *additional* ways (such as course completions) to incorporate performance-funding incentives into the state higher education funding formula as part of its 2009-2011 biennial budget. The current enrollment growth adjustment uses an annualized full-time equivalency (FTE) enrollment count that records "attempted" credit hours at the beginning of each academic term:

$$\text{Enrollment Growth} = 4\text{-year average FTE enrollment} - \text{Actual FTE enrollment} \times \$3,500$$

(See page 6, <http://www.che.state.in.us/Reaching%20Higher/Versions%20for%20Distribution%20-%20All/3-College%20Completion-7-7.pdf>.)

The envisioned credit-completion incentive would use the same rolling average, but the census date would occur at the *end* rather than at the beginning of the term:

Credit-Completion Growth = 4-year average completed credit hours – Actual completed credit hours x \$3,500

(See page 6, <http://www.che.state.in.us/Reaching%20Higher/Versions%20for%20Distribution%20-%20All/3-College%20Completion-7-7.pdf>.)

### Indiana Resources

- *Reaching Higher with Accountability: Embracing Accountability for Results*, Indiana Commission for Higher Education, June 13, 2008  
<http://www.che.state.in.us/Reaching%20Higher/Versions%20for%20Distribution%20-%20All/1-%20Accountability-7-7.pdf>
- *Reaching Higher with College Completion: Moving from Access to Success*, Indiana Commission for Higher Education, June 13, 2008  
<http://www.che.state.in.us/Reaching%20Higher/Versions%20for%20Distribution%20-%20All/3-College%20Completion-7-7.pdf>
- *Higher Expectations: Reaching Higher: Strategic Directions for Higher Education*, Entrepreneur.com (IN Business Magazine), Nov 2008,  
<http://www.entrepreneur.com/tradejournals/article/190197270.html>

### **Louisiana**

Louisiana's governor and legislature have called for a new performance-based incentive funding pool to strengthen the postsecondary education system and make institutions more competitive. Colleges and universities will be able to earn these funds based on measured results in focused areas of desired improvement that are linked to each institution's specific mission. (See <http://www.la-par.org/Publications/PDF/PerformanceFundingMay2008.pdf>.)

### **Missouri**

Missouri abandoned performance funding due to budget cuts.

### **Ohio**

Ohio's proposed performance goals are in line with the state's 10-year strategic plan for higher education (<http://uso.edu/strategicplan/>). Both course completions and degree completion are included in the goals. Funding takes institutional mission into consideration. Also, extra support would be given for STEM areas and at-risk students. Rather than using the current funding formula based on 14<sup>th</sup> day enrollment reports, enrollments would be funded based on course completions (grade D or higher) and by the statewide average cost of individual programs.

For undergraduate students, the expected completion rate would be weighted for risk factors and based on course completion rates at each campus by discipline area and by subsidy level (developmental, general studies or technical, and baccalaureate). Master's and professional (non-medical) students would be funded based on course completion only and on the statewide average cost of programs but not weighted for risk factors.

### Ohio Resources

- *Funding Formula for Ohio's Universities Based on Outcome Goals: Recommendations of the IUC Subcommittee of the OBR Subsidy Funding Consultation*, September 3, 2008 (Pgs. 2-3)  
<http://www.rpia.ohio-state.edu/Univ-system/docs/Compiled%20funding%20recs%20-%20FINAL.doc>

### **Oklahoma**

Performance funding has averaged \$2.2 million per year and has been distributed by the Oklahoma State Regents for Higher Education. The focus of the incentives is on student retention, graduation, and degree completion (<http://www.okhighered.org/studies-reports/brain-gain/braingain2008-update.pdf>).

### **South Carolina**

South Carolina has abandoned performance funding, in part, due to complexity.

### **Tennessee**

Performance funding began in Tennessee in the early 1980s. Dr. Joseph Burke, senior fellow at the Nelson A. Rockefeller Institute and co-author of *Achieving Accountability in Higher Education: Balancing Public, Academic, and Market Demands*, recommends that 3-5% of a total university budget be tied to outcomes, and he points to Tennessee as an example. The state has approximately 5% of its total higher education budget based on student improvement and performance. Data reported by the state includes the percentage of students taking remedial or developmental courses that subsequently complete college-level courses one year later.

#### Tennessee Resources:

- Performance Funding: Frequently Asked Questions, Tennessee's government website [http://www.tennessee.gov/thec/2004web/division\\_pages/academic\\_pages/performance\\_funding/performancefundingfaq.html](http://www.tennessee.gov/thec/2004web/division_pages/academic_pages/performance_funding/performancefundingfaq.html)
- Review of *Achieving Accountability in Higher Education: Balancing Public, Academic, and Market Demands* <http://www.career.org/iMISPublic/AM/Template.cfm?Section=CWR1&CONTENTID=17423&TEMPLATE=/CM/ContentDisplay.cfm>
- *Ready to Assemble: A Model State Higher Education Accountability System*, Kevin Carey and Chad Alderman, Education Sector, pg. 6, <http://www.educationsector.org/research/>

### **Texas**

Performance funding – especially course completions and degrees awarded – has been proposed in Texas. In 2007, the Texas Legislature enacted Senate Bill 1231 which provides that, except for several specific instances of good cause, undergraduate students entering as first time freshmen at a Texas public institution of higher education in the fall of 2007 or later will be limited to a total of six dropped courses during their undergraduate career (Texas Education Code, Sec. 51.907).

### **Washington**

The Washington State Board for Community and Technical Colleges established an incentive funding program that rewards 2-year colleges when students pass key landmarks on the way to a degree. Colleges compete against themselves for continuous improvement. Funding is stable and predictable, and cumulative over time.

Data from 2006-2007 were used to establish a baseline. In 2007-2008, colleges became familiar with and adopted the new measures; the year was considered a learning year for all colleges. The first performance year is 2008-2009. The system creates incentives to help students build and maintain their academic momentum toward higher achievement whether they are among the least prepared or the most college-ready. The dollar value per point is set conservatively so that funds

available should cover all projected rewards. There is no upper limit to the number of points that can be earned by a college. If funds available do not cover all earned rewards, the unfunded points will be “banked” for incentive rewards the following year.

### **Student Achievement Initiative Momentum Point Calculation**

Washington State Board for Community and Technical Colleges

#### **How do Colleges Realize Student Achievement Rewards?**

A college derives financial rewards when its student achievement improves...that is, when the total momentum points earned by its students go up.

#### **How will the Momentum Points be Calculated?**

One point is awarded each time a college student...

- Makes nationally recognized standardized test gains in math or in English language reading or listening as measured by pre- and post-testing or by earning a GED or high school diploma
- Passes a remedial math or English course with a qualifying grade to advance toward college-level work
- Earns the first 15 college-level credits
- Earns the first 30 college-level credits
- Completes the first 5 college-level math credits
- Earns a certificate backed by at least one year of college, earns a two-year degree or completes an apprenticeship

#### **How will the Awards be Distributed?**

- Each college will receive awards for improvements in student achievement measured by net gains in its total momentum points. If a college's enrollments decrease, point increases will be calculated on prorated enrollments so that colleges are not penalized.
- The initial baseline year is 2006-07 and the first performance year is 2008-09.
- The first performance awards will be distributed in October 2009 and will become part of each college's base allocation.
- Subsequent awards will be distributed for *additional* improvements in a college's momentum points; that is, when total points above the most recent highest year increase or when the rate increases.

#### **What is the Dollar Value of Each Momentum Point Increase?**

- Prior to each academic year, SBCTC will set the dollar value per point based on the total dollars available for awards.
- If estimated total system points are less than the actual points achieved, excess points are “banked” and paid to the colleges in the following year.

#### **How Much Money will be Used to Pay for Increases in Momentum Points?**

- Colleges received \$1.75 million in 2007-08 as seed money for student achievement efforts, targeting TRIO-eligible students, now part of colleges' base allocations.
- The Board has set aside \$500,000 for the first performance year, to be distributed in October 2009, to become part of colleges' base allocations.

**Source:** [http://www.sbctc.ctc.edu/college/education/momentum\\_point\\_calculation\\_mar07.pdf](http://www.sbctc.ctc.edu/college/education/momentum_point_calculation_mar07.pdf)

Resources for Washington State Board for Community & Technical Colleges (SBCTC)

- *Student Achievement Initiative Momentum Point Summary*  
[http://www.sbctc.ctc.edu/college/education/measuring\\_std\\_achievement\\_000.pdf](http://www.sbctc.ctc.edu/college/education/measuring_std_achievement_000.pdf)
- *Student Achievement Initiative Momentum Point Calculation*  
[http://www.sbctc.ctc.edu/college/education/momentum\\_point\\_calculation\\_mar07.pdf](http://www.sbctc.ctc.edu/college/education/momentum_point_calculation_mar07.pdf)
- *Student Achievement Initiative: How Colleges Can Use Momentum Points to Implement an Achievement Strategy*  
[http://www.sbctc.ctc.edu/college/education/momentum\\_points\\_000.pdf](http://www.sbctc.ctc.edu/college/education/momentum_points_000.pdf)
- Sept 12, 2007 SBCTC Agenda Item  
[http://www.sbctc.ctc.edu/college/education/proposal\\_to\\_board\\_sept07.pdf](http://www.sbctc.ctc.edu/college/education/proposal_to_board_sept07.pdf)
- *Meeting Washington State's Needs for an Educated Citizenry and Vital Economy: An Initiative for Measuring Colleges and Awarding Funds for Improving Student Achievement and Success*, October 2007 (Research Report No. 07-1)  
[http://www.sbctc.ctc.edu/college/education/resh07-1\\_mtg\\_wa\\_st\\_needs\\_for\\_an\\_educ\\_citizenry\\_and\\_vital\\_econ.pdf](http://www.sbctc.ctc.edu/college/education/resh07-1_mtg_wa_st_needs_for_an_educ_citizenry_and_vital_econ.pdf)

**General Resources**

- *Good Policy, Good Practice: Improving Outcomes and Productivity in Higher Education: A Guide for Policymakers*, a joint report from the National Center for Public Policy and Higher Education and the National Center for Higher Education Management Systems, November 2007, [http://www.highereducation.org/reports/Policy\\_Practice/GPGP.pdf](http://www.highereducation.org/reports/Policy_Practice/GPGP.pdf)
- Making Opportunity Affordability state initiatives, Lumina Foundation for Education  
[http://makingopportunityaffordable.org/files/20081216\\_fact\\_sheet.pdf](http://makingopportunityaffordable.org/files/20081216_fact_sheet.pdf)
- *Performance Funding 2.0 (Inside Higher Ed, Dec. 17)* <http://www.insidehighered.com/news/2008/12/17/perform>