

Minutes of the Colorado Commission on Higher Education (CCHE) Meeting  
Legislative Services Building, Denver  
February 14, 2014

Chairman Kaufman called the meeting to order at 1:05pm.

Chairman Dick Kaufman, Commissioners John Anderson, Luis Colon, Happy Haynes, Monte Moses, Hereford Percy, James Polsfut and BJ Scott attended. Vice Chair Patty Pacey and Commissioner Jeanette Garcia attended via conference call. Also in attendance were CCHE Advisory Committee members Senators Nancy Todd and Rachel Zenzinger, Dr. Toni Larson, Frank Novotny, Mark Superka, and Melissa Wagner were in attendance. Advisor Michael Mincic attended via conference call.

Commissioner Percy moved to approve the minutes of the January 10, 2014 CCHE meeting. The motion was seconded by Commissioner Haynes and passed unanimously.

### **EXECUTIVE DIRECTOR REPORT**

The Lt. Governor reported to the Commission that during the last several months the Department has undergone a reorganization to align our strategic priorities with the development of highly functioning teams.

He mentioned that the Department, in conjunction with the State Higher Education Executive Officers (SHEEO), will organize training for the public institutions governing boards as new members are appointed. This will occur during the spring while the Commission will receive its governance training.

Also reported: the Governor's Statewide Scholarship team is working to develop a program that not only provides scholarships for a specific set of students (eligibility criteria still to be determined) to access post-secondary opportunities, but also provide the support services in high school and college that assist students in successfully completing a degree or certificate;; the Colorado Academic Standards align with Common Core and he would like to see higher education have a stronger voice in assessments and standards; we are establishing a timeline and process for the further development of the criteria for prioritization of IHE Capital Construction requests; and a presentation, at the March CCHE meeting, by the Executive Director of PERA.

### **PUBLIC COMMENT**

Mr. George Walker expressed his concern that the State Board of Education was too conservative and the CCHE was not involved enough in the P-20 process. He also believes that standardized testing should be a multi-ethnic, multi-racial value system.

## **CONSENT ITEMS**

### **Recommend Approval of Master of Arts in Creative Writing at Western State Colorado University**

### **Two-Year Cash Funded Capital Program List Amendment– Colorado State University**

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

## **ACTION ITEMS**

**Request For Authorization To Offer Supplemental Academic Instruction (SAI) from Western State Colorado University (WSCU)** – Tamara White, Director of Admission and Access Policy, presented this item to the Commission explaining that WSCU seeks authorization to offer credit-bearing SAI for Supplemental Academic Writing (ENG100) and College Algebra Skills (MATH102). WSCU uses high school GPA as a secondary evaluation to determine potential placement into SAI.

Commissioner Polsfut asked why GPAs were used. Ms. White replied that WSCU looks at the transcript to see which courses were taken and what grades were received in each course. Bill Niemi, Associate Vice President for Academic Affairs at WSCU, said that WSCU's target was to move 50 percent of remedial students into a college gateway course and the best way to target students was by using GPAs.

Commissioner Anderson wondered what realistic reductions in remediation through use of SAI, might be. Ms. White responded that 11 percent of students at Metropolitan State University of Denver who took English with SAI had a grade of D or less, compared to 28 percent with a D or less, who took English without SAI.

Commissioner Moses moved to authorize WSCU to offer SAI for Supplemental Academic Writing and College Algebra Skills. The motion was seconded by Commissioner Haynes and passed unanimously.

**Degree Authorization Act: ECPI University– Request for Authorization as a Place of Business** – Heather DeLange, Academic Policy Officer, presented this item recommending authorization as a place of business (with no instruction provided in Colorado) for ECPI University to operate an administrative office in Colorado, pursuant to the Degree Authorization Act. Ms. DeLange explained, based on the determination of the activities occurring at the Colorado site including recruitment, student support services, and administrative staff for the college, that authorization as a place of business, as defined in CCHE policy Section I, Part J, is the most appropriate authorization for the activities occurring within Colorado. The business office will be recruiting and enrolling students for ECPI University online programs.

When asked by the Commission which activities will be occurring in the Colorado location, Kolby Chase, Campus Director of Admissions at EPCI University located in Virginia Beach, Virginia, responded that the location will be used to house admissions, financial aid, and student services advisors to work for ECPI's online campus and reiterated that no instruction will occur from the Colorado office.

Commissioner Moses moved to approve authorization as a place of business for EPCI University. The motion was seconded by Commissioner Percy and passed unanimously.

## **DISCUSSION ITEMS**

**Legislative Update** – Chad Marturano, Director of Legislative Affairs, informed the Commission on the status of higher education-related bills currently in the legislature.

S.B.14-001 College Affordability Act – an amendment was added to the bill that gives a hard cap of 6 percent tuition increase for FY14-15 and FY 15-16.

S.B.14-004 Community College Four-year Programs – has passed the third reading in the Senate Education Committee and the second reading in the House Education Committee.

S.B.14-114 Colorado Energy Research Authority – allows CSU Global to offer full Bachelor degree program offerings. This bill is a moving target and the sponsors are working on amendments that the CCHE will be updated on.

S.B.14-036 Delay Statewide Testing Study Academic Standards – Delays by one year the implementation of new statewide assessments including Common Core. This bill has been postponed indefinitely. Commissioner Anderson asked if the conversation on delaying Common Core is going to continue. Mr. Marturano replied that continued conversation should be anticipated which will necessitate more outreach and information to correct inaccuracies.

H.B.14-1011 Advanced Industry Economic Development Funding and H.B.14-1013 Advanced Industries Workforce Development Program align state resources and workforce development and complement CCHE's Master Plan goals.

H.B.14-1124 In-state Tuition American Indians Tribes Ties to Colorado – Requires state-supported institutions of higher education to classify as an in-state student for tuition purposes a student who is a member of a federally recognized American Indian tribe with historical ties to Colorado. This bill is in House Appropriations.

H.B.14-1154 Employment of Community College Faculty – Requires community colleges to maintain only one salary and compensation schedule and incremental step schedule for all faculty. It defines a full-time work load as 30 credit hours.

H.B.14-1237 Supplemental Appropriations Department of Higher Education – Includes supplemental appropriations from the Joint Budget Committee for the Department of Higher Education. This is a truing up of student enrollment and passed out of both House and Senate Appropriations.

**Update: JBC Staff Analysis and Proposals** – Mark Cavanaugh, Chief Financial Officer, per Commissioner Garcia’s request at the January meeting, reported on the Joint Budget Committee’s (JBC) higher education budget briefing regarding the financial health of public higher education institutions. Mr. Cavanaugh also reported on the JBC staff analysis regarding higher education performance funding, institution debt limits, and financial aid in the agenda item.

The financial health of public higher education institutions showed Adams State University and Western State Colorado University as being in a particularly vulnerable position. Mr. Cavanaugh explained that the composite financial index while an accurate and useful tool, presented a “snapshot in time” which can misconstrue an institution’s financial position and long term strategy. An example being when an institution is spending down reserves to keep tuition low or making needed investments in capital or maintenance.

Commissioner Moses asked what authority CCHE has to regulate finances in the public institutions. Mr. Cavanaugh replied that Colorado’s approach has intentionally been highly delegated with very limited centralized authority over institution operations and finances. Lt. Governor Garcia added that the CCHE does not have authority to issue debt.

Regarding the performance funding plan, the JBC staff feels there are too many metrics for the institutions and too much institution choice. Mr. Cavanaugh and several Commissioners pointed out that the Commission worked directly with the institutions on performance contracts for several months and negotiated the metrics through an extensive give and take process. The Commissioner’s stated that they believe they found the right balance between tailored metrics unique to institutional needs and those of the state and that they can be updated before performance dollars are at stake.

Finally, Mr. Cavanaugh noted that the JBC and General Assembly have opted not to action on the Intercept Act or other institution debt limit changes this year. It remains to be seen what action may be recommended by JBC staff with respect to modernizing the language around financial aid. Mr. Cavanaugh indicated that the department remains open to updated language and clearer definitions as long as it does not impinge on institutional or CCHE authority or require more department staff. JBC staff recommendations will be monitored.

**FY 2014-2015 Financial Aid Discussion** – Celina Duran, Financial Aid Administrator, continued the discussion from the January CCHE meeting regarding financial aid need-based, work study and merit aid. She presented different models to show how the \$40 million in financial aid might be allocated between need-based aid (\$30 million), merit aid (\$5 million) and work study aid (\$5 million). The models are allocation of funds and do not dictate how institutions must award aid.

#### Need Based Models

Model A for need-based aid follows new EFC numbers, as does Model B. Model A has no protections and infuses the new funds. Model B has an upper growth limit of 50 percent and holds harmless at 2.6 percent rate of inflation. Institutions favor Model B.

#### Work Study Models

Model A for work study aid follows undergraduate students need and favors two year institutions slightly more than in Model B. Model B looks at FTE and allocates the proportional share to each institution.

#### Merit Models

Model A for merit aid assumes there are meritorious students at all institutions across the state and allocates based upon FTE. Model B looks at full time students only and aligns with the goals in the Master Plan. Model C also looks at full time students but has an upper limit of eligibility, which is 300 percent of Pell eligibility. Both models B and C favor four year institutions over the two years.

Ms. Duran will bring final models for approval by the Commission to the March CCHE meeting.

Mr. Bill Mansheim, Chief Financial Officer at Adams State University (ASU), told the Commission that Adams State University believes that the need-based aid models do not adequately represent differences between institutional admissions selectivity based on mission and the demographics of the students served. He stated that since ASU has open enrollment with students who are less prepared, they will never have the completion success as other state institutions, such as Colorado School of Mines and the University of Colorado. Mr. Mansheim also is concerned that with Pell eligibility, a 100% Pell eligible student, with an expected family contribution of \$0, is given the same weight in the models as a Pell eligible student whose family contribution is \$5,000. ASU does not believe that this is a valid assumption. Regarding incremental increases based on retention, ASU agrees with that concept but the school loses a lot of students as freshman and sophomores.

Commissioner Polsfut and Commissioner Moses asked if it would be useful to run new models showing a better picture of the effect of Pell dollars on a campus or a staff analysis of what variables impact the ASU outlier position.

Mr. John Marshall, Vice President for Student Services at Colorado Mesa University (CMU), told the Commission that CMU is pleased with the retention-oriented/goal-oriented methodology for allocation of financial aid but has the same concerns as ASU regarding the need-based aid models. Mr. Marshall also suggested the potential for a pilot program approach, in partnership with the Commission, to meet the needs of moderately prepared and under-resourced first-time entering students by tailoring a work study program to their needs. Regarding merit aid, CMU is in favor of Model C as a good place to start. Mr. Marshall also said that CMU wants to keep this dialogue open to better align financial aid in this state with both governing boards' strategic plans as well as the statewide master plan goals.

Mr. Frank Waterous, of the Bell Policy Center, told the Commission that allocation plans are value statements and excluding part time students in the merit aid models devalues much of the modern educational population. He urged CCHE not to adopt any models that exclude part time students. He pointed out that part time students are just as meritorious as full time students and many of them have life circumstances beyond their control that necessitate part time enrollment.

Commissioner Scott moved to adjourn. The motion was seconded by Commissioner Colon. The meeting was adjourned at 4.