

Minutes of the Colorado Commission on Higher Education (CCHE) Meeting
Old Supreme Court Chambers, Colorado State Capitol, Denver
May 9, 2014

Vice Chair Pacey called the meeting to order at 1:10pm.

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

Commissioner Percy moved to approve the minutes of the April 11, 2014 CCHE meeting. The motion was seconded by Commissioner Scott and passed unanimously.

CHAIR AND COMMISSIONERS REPORTS

Vice Chair Pacey read the Resolution in Support of Colorado Academic Standards to the Commission. Commissioner Percy moved to approve the Resolution. The motion was seconded by Commissioner Colon and passed unanimously.

Vice Chair Pacey reported that she presented to the Ochsner Lifelong Learning Institute. She asked staff to address three questions that arose during her presentation. Are there any institutions moving toward a three-year BA program? Have any institutions moved to a fuller undergrad degree offered in the evening? There is a program where Toyota pays students to go to school and has that been investigated in Colorado? Staff will report back to the Vice Chair with the answers.

Commissioner Moses referenced a new report issued by the Gallup Poll and Purdue University citing very little to no difference between attending a large state-funded public institution and an elite institution of the quality of life for graduates of both.

EXECUTIVE DIRECTOR REPORT

Lt. Governor Joe Garcia thanked the Commissioners for attending the Higher Education Policy and Leadership Summit on May 1st. The Summit was well attended by the institution's Boards of Trustees, as well as the Commissioners, and the feedback has been positive. The Governor attended the Summit and signed SB 14-001 into legislation, restoring \$100 million to Colorado higher education. The Lt. Governor explained that the Colorado Opportunity Scholarship Initiative will also be signed into law by the Governor. The Lt. Governor announced that HB 14-1319, the Outcomes-based Funding for Higher Education, was signed into law that day. Lt. Governor Garcia also reported that Degree within Reach, Colorado's Reverse Transfer initiative has been launched. Staff attended a Lumina-sponsored remedial education summit in April and the Lt. Governor will be attending an ECS National Forum on Education Policy on July 1st. He

also reported that the PERA presentation, requested by Vice Chair Pacey, will be rescheduled for the fall and Commissioner Haynes' request on information about institution diversity with staff and faculty is being fulfilled by the academic affairs team.

Also reported to the Commission was U.S. Secretary of Education Arne Duncan's visit to Denver. One of the events, President Obama's "My Brother's Keeper" was attended by both the Lt. Governor and Commissioner Colon.

PUBLIC COMMENTS

Mr. George Walker cited a Denver Post editorial that predicts state higher education funding will be forced to stop within the next decade and lamented the lack of current state funding to help close the achievement gap.

CONSENT ITEMS

Recommend Approval of Bachelor of Social Work at Colorado Mesa University

Recommend Approval of Master of Arts in Applied Geography and Geo-Spatial Science at University of Colorado Denver

Recommend Approval of Master of Science in Taxation at the University of Colorado Denver

Recommend Approval to offer Bachelor of Science in Biochemistry at Metropolitan State University of Denver

Recommend Approval to offer School Social Worker Endorsement at Metropolitan State University of Denver

Recommend Approval of Geology Statewide Transfer Articulation Agreement

Dr. Ian Macgillivray assured the Commission that these programs are consistent with statute, approved by governing boards, and that all are within the credit cap and are in line with transfer agreements. The staff does a lot of behind the scenes work in vetting the items to make sure they belong on the consent agenda.

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

ACTION ITEMS

Amendment to the Colorado Commission on Higher Education By-Laws – Suzanne Stark presented this item to the Commission. The CCHE By-Laws, last amended in 2011, state that officers are elected for one year terms. The amendment proposes having annual elections but allow Commissioners to serve as Chair and Vice Chair for up to three terms.

Commissioner Scott moved to approve the proposed amendment. The motion was seconded by Commissioner Haynes and unanimously passed.

Commissioner Percy nominated both Chairman Kaufman and Vice Chair Pacey to serve another term for one year. The nominations were seconded by Commissioner Haynes and passed unanimously.

Revised Colorado Commission on Higher Education State Funded Capital Construction Prioritization Process – Vice Chair Pacey and Tonya Covarrubias, Finance Policy Officer presented this item to the Commission. The Vice Chair explained that the capital construction prioritization process was changed last year to a more quantifiable set of numbers and criteria. After last year, a promise was made to go forward with more details, input and analysis from other institutions and Vice Chair Pacey said that Ms. Covarrubias did an admirable job of detailing the issues, the concerns and compiling the data.

Ms. Covarrubias explained that consensus with the institutions was achieved regarding changes to the process. She explained that Certificates of Participation, or COPs are prioritized at the top of the list annually and one of the more notable changes is that *all* continuation projects will now be scored at the top of the list. Projects that do not fall under the categories of COP or continuation would be considered new projects. She explained that the percentage of the total number of points applicable will be considered, as space needs analysis. The scoring, the rating and the detailing of how each criterion is going to be scored will be given to the institutions so they know in advance how they are going to be scored. Differential scoring for different institutions, such as community colleges, versus four year institutions, versus research institutions will be applied, as the community colleges don't have the same capacity to raise funds as some of the research institutions do. Another change is that student fees will count as 75 percent of other cash sources.

Commissioner Moses moved to approve the revisions. The motion was seconded by Commissioner Haynes and unanimously passed.

DISCUSSION ITEMS

Degree Authorization Act: Adjustment of Fees Assessed to the Private, Degree-Granting Colleges and Universities – Heather DeLange, Academic Policy Officer, presented this item to the Commission. She explained that in 2008 the Degree Authorization Act (DAA) was given \$20,500 spending authority. This authority was given to the department to charge an application fee to any institution wishing to establish a campus in Colorado. In 2012, HB 12-1155 provided a fiscal note of an additional \$75,500, bringing the total spending authority for the Degree Authorization Act (DAA) to \$96,000. Fees were collected under this new total authority, for FY 2013 and for FY 2014. In FY 2014, it was estimated that DAA was approximately \$30,000 short of the \$96,000 spending authority in collecting fees to cover the direct and indirect cost of administering DAA.

The fee schedule is largely based on student enrollment at the various colleges and universities. The proposed changes include:

- Increased initial application fees for all institutions seeking authorization
- Increased annual fee for institutions that have provisional authorization or have been placed on probation;
- Additional tier levels for annual fees based on enrollment numbers

Commissioner Moses asked how long the new fee structure will be in place. Ms. DeLange responded that the expectation is the adjustments will need to occur every one to two years.

Commissioner Pacey asked if the time commitment by staff varies by enrollment. Ms. DeLange responded that it did.

Commissioner Colon suggested simplifying the process by eliminating the 5th tier, showing enrollment over 7,500 students.

Legislative Update – Chad Marturano, Director of Legislative Affairs, reported to the Commission on five major bills that were passed this Legislative Session that affect higher education

SB14-001 College Affordability Act – This bill gives the state’s higher education system \$100 million in general funds; \$60 million for operating expenses, which represent an 11% restoration of operating funds and \$40 million to financial aid funding. The institution’s resident undergraduate tuition will be capped at a 6% increase for FY 14-15 and FY 15-16.

SB14-004 Community College Four-year Programs – This bill allows the community colleges to now offer Bachelor’s degrees in the Applied Sciences.

SB14-114 Student Access to CSU Global Campus –This bill grants the CSU Global campus to offer full Bachelor’s degrees, rather than only offering a degree completion program as they do now.

HB14-1384 Higher Education Tuition Assistance – This bill creates the statewide Colorado Opportunity Scholarship Initiative (COSI). The bill repurposes some monies the state had as a result of the federal government eliminating the Federal Family Education Loan Program (FFELP), allowing College Invest to divest and sell those assets to be used for the COSI corpus.

SB14-1319 Outcome-based Funding for Higher Education – This bill charges the Commission and the department with establishing a new funding model for higher education. In doing so, CCHE shall reassess how public institutions are funded and why institutions receive the allocation of state funds they receive. This process which will occur between May and December 2014 will allow for a clearer conversations with stakeholders on the entire funding

amount and at the very least increase transparency in higher education funding. In this legislation, “Total state appropriation” is not the entire state funding amount for operating to public institutions of higher education. Rather, it is a subset that only includes the COF Stipend, Role and Mission Fee-for-Service contracts; and Performance funding Fee-for-Service contracts. The other funding components are comprised of Specialty Education Program funding - including the Anschutz Medical Campus and various specialty programs at Colorado State University, such as the Veterinary Medicine Program – and General Fund Direct Grants (including Local District Junior Colleges and Area Vocational Schools). These other funding components (Specialty Education Programs and General Fund Direct Grants) will have their funding change tied to the same percentage change in the “total state appropriations” from one year to the next. However, the Commission can recommend that the CU Anschutz Medical Campus and the CSU Veterinary Medicine Program as well as the General Fund Direct Grants may be greater than the change in the total state appropriation from one year to the next. The Commission’s work largely falls under the unsettled questions of how to determine and award funding based on an institutions’ role and mission and its’ performance in completion and retention of students. These funding components will be allocated through the fee-for-service contracts and must be determined, in tandem with the entire funding model by January 1, 2015. Lastly, this legislation also requires that the CCHE determine and recommend a tuition policy for Colorado’s public institutions of higher education to take effect in FY 2016-17. This tuition policy recommendation is due to the legislature on November 1, 2015.

Commissioner Moses asked when the deadline was. Mr. Marturano replied that statute dictates these decisions be made by the end of December, as the model is due to the Office of State Planning and Budget by January 1, 2015. By November 1, 2015 there will be a report on the appropriate tuition policy for FY 2016-17. The Commission asked what the principle drivers are that will determine winners and losers. Mr. Marturano replied that the final version of the bill makes that an unsettled question. COF typically benefits open enrollment, urban institutions. As the gaps are filled in, there will be a better understanding. There is a one-time cost for facilitator and modeling. Also, a project manager is built into the bill’s fiscal note.

Commissioner Percy expressed his dissatisfaction with the HB 14-1319, in light of all the work the Commission and Department has done over the last two years on performance funding and SB 11-052. Senator Zenzinger stated that she did not vote for the bill, as she felt it was too rushed a process. Commissioner Haynes supports the bill, she believes that it will create a more “equitable, transparent, and accountable” funding system. Commissioner Colon suggested the discussions about HB 14-1319 should also include what changes should be made in *how* the state provides education, saying the model today is the same as it was 50 years ago.

WRITTEN REPORT

2014 Legislative Report on the Postsecondary Progress and Success of High School Graduates – Brenda Bautsch, Research and Information Policy Officer, answered questions and took comments from the Commissioners.

Commissioner Percy asked if more statistical areas be included in future years. Ms. Bautsch replied that the report will expand on the credential section and delve into program types and completion type. Staff would also like to understand the differences between school districts and completion rates. Commissioner Percy asked if the years between enrollment and graduation will be looked at. The answer was yes.

Commissioner Colon noted that nearly 30% of the 2009 high school graduates had earned a credential in four years and believed that is too low. He also noted that only one quarter of students are on time to complete in four years after their first year.

Commissioner Haynes said that the data in the report is very helpful in making the decisions about transfer policy.

Commissioner Percy moved to adjourn. The motion was seconded by Commissioner Colon. The meeting was adjourned at 3:45pm.