

HB 14-1319: A New Funding Model for Higher Education

Facilitation and Stakeholder Engagement

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I. INTRODUCTION

House Bill 14-1319, signed into law in May 2014, required the Colorado Commission on Higher Education (CCHHE) to develop a new base funding formula to allocate state general fund dollars among the state's public institutions of higher education. This new funding model is to be implemented in the 2015-16 fiscal year.

The new law further required the CCHHE to engage in a facilitated process with "interested parties" while developing the model to understand the goals and priorities of Colorado's citizens. The legislation required, at a minimum, input from the following stakeholders:

- Higher education institutions
- Business
- Parents
- Students
- Elected officials
- Advocates
- K-12 education

The CCHHE, through the Colorado Department of Higher Education (DHE), contracted with The Keystone Center (Keystone) and Engaged Public in July 2014 to assist in the design and facilitation of the outreach component of the HB 14-1319 project.

This report summarizes the most critical information and overarching themes that came out of the key stakeholder interviews, community meetings, and online outreach that was provided to the CCHHE and working groups established to help implement HB14-1319. The report does not attempt to capture all of the points that were expressed in the interviews or community meetings; rather, it summarizes and provides insights into the themes that surfaced from this outreach.

II. THE PROCESS

Keystone and Engaged Public worked closely with the DHE in designing and carrying out the outreach plan. The DHE established a Public Education and Outreach Team that included DHE staff and stakeholder representatives to guide and support the outreach work. Keystone and Engaged Public met regularly with the Team, whose members in turn helped other participants in the process understand the outreach work and results.

The outreach process consisted of three components:

- **Key Stakeholder Interviews:** One-on-one discussions with community leaders to inform the design and execution of the community meetings;
- **Community Meetings:** Town hall-style meetings held across the state to engage communities and stakeholders and solicit their input into the project;
- **Online Outreach:** An online tool employed to gather feedback from interested parties who were unable to attend the Community Meetings.

Key Stakeholder Interviews

As a first step in the outreach process, Keystone and Engaged Public identified 25 individuals across the

state who had some knowledge about higher education and who represent the constituencies that the outreach process was tasked with reaching. That is, the stakeholders included local government officials, business leaders, higher education leaders, advocacy groups, policy makers and parents and students. Keystone and Engaged Public conducted one-on-one phone or in-person interviews with these individuals to identify opportunities and concerns and provide a baseline understanding of perspectives about higher education funding and the goals of 1319 in order to better inform the design of the subsequent community meetings. These interviews were approximately 30-45 minutes in length. The interview questions and a summary of responses can be found in Appendix A.

Community Outreach Meetings

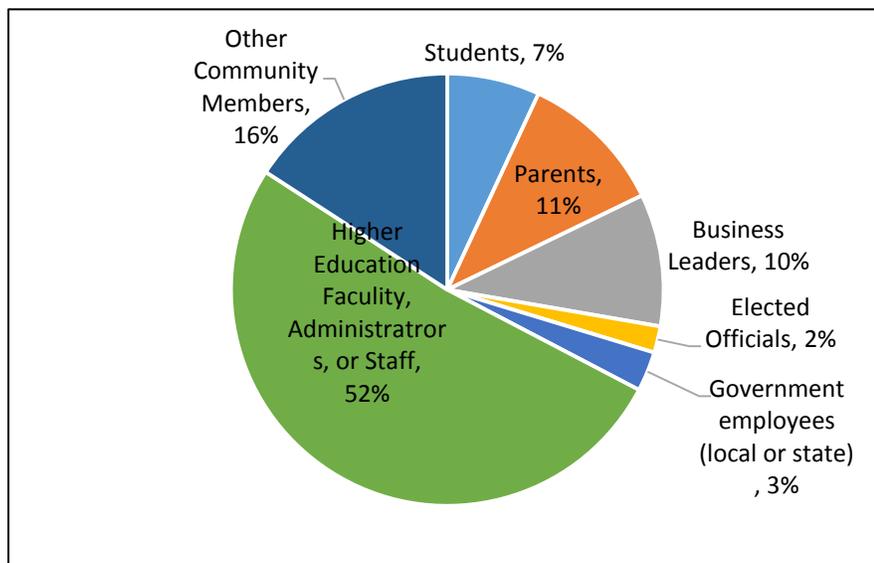
As outlined in the legislation, HB14-1319 required the DHE to seek input across the state from a variety of stakeholders. To meet this requirement, Keystone and Engaged Public held 16 community meetings around the state between September 17, 2014 and October 15, 2014. The goals for these outreach meetings were to:

- understand how stakeholders across the state prioritize the role(s) of higher education; and
- educate the public about the importance of higher education to our state and our economy.

The meetings were held at institutions as well as community locations to ensure a diversity of voices and sectors. Meetings were held in:

- Alamosa
- Denver
- Aurora
- Boulder
- Colorado Springs
- Craig
- Durango
- Fort Collins
- Glenwood Springs
- Golden
- Grand Junction
- Greeley
- Gunnison
- Pueblo
- Sterling
- Trinidad

The chart below illustrates the demographic breakdown of the meeting participants.

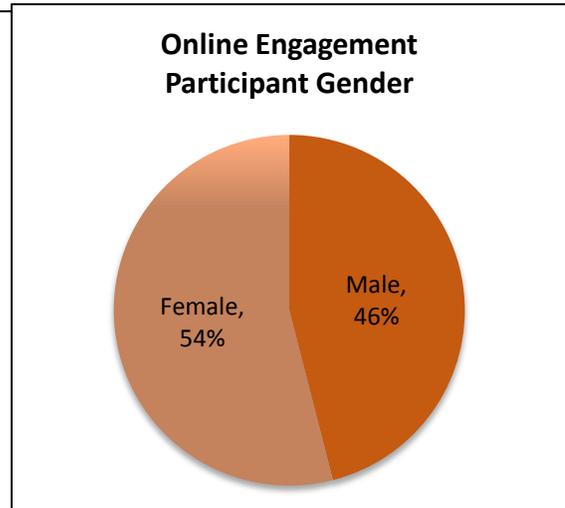
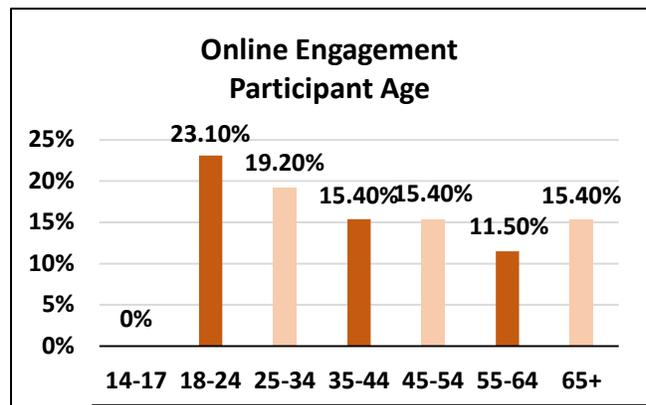


The community meetings each lasted 1.5 to 2 hours and utilized keypad polling technology and small group discussions. All meetings followed the same structure and format to ensure comparability of data and information. Keystone and Engaged Public used the following agenda at each community meeting:

- I. Higher education funding 101 (PowerPoint presentation on background of HB14-1319, timeline, process overview, current state funding of higher education, number of institutions of public higher education, and economic impacts of higher education)
- II. Individual polling around specific questions to gauge priorities and values
- III. Small Group Discussion (value of higher education in community and the State, what is higher education doing right, where can it be improved, and potential funding factors)
- IV. Individual Priorities related to factors and funding

Online Engagement

To complement the in-person community meetings and engage a younger audience, Keystone and Engaged Public used Mindmixer - an online collaboration tool - to gather additional feedback from individuals who were unable to attend any of the in-person meetings. This effort resulted in 135 responses primarily from students. The site asked participants two polling questions and three opened ended response questions. The two graphs illustrate the demographics of the respondents on the Mindmixer site.



III. FINDINGS

Overarching Themes and Priorities

While the outreach process—including key stakeholder interviews, community meetings, and online engagement—resulted in a broad spectrum of views and perspectives, several common themes emerged from all discussions:

- Higher education has value as a public good
- Higher education provides opportunities to individuals
- Higher education creates and trains the future workforce
- Higher education spurs innovation

And when asked to identify and rank priority issues for higher education, overwhelmingly the following responses were identified as priorities:

- **Affordability**
- **Serving low income, first generation and underserved students**
- **Degree or certificate completion**
- **Continued access in all geographic locations of the state**

In addition to these priorities, participants in rural areas emphasized the importance of the location of the institution and participants in urban areas emphasized economic development and innovation.

Additional Findings

Key Stakeholder Interviews

Keystone and Engaged Public used the results of the Key Stakeholder Interviews, as noted above, to inform the design and content of the community meetings and did not formally relay the results to the CCHE or its advisory committees. The information is nonetheless relevant and summarized here. In short, the majority of Key Stakeholders conceptually agreed on the following issues:

- An educated workforce is critical to Colorado's present and future economic prosperity.
- Higher education provides a better quality of life, creates opportunity, and improves the standard of living.
- Colorado offers residents a wide variety of schools with unique missions ensuring students access to higher education.
- Higher education in Colorado is not funded adequately by the state.
- Concurrent enrollment demonstrates successful collaboration between the K-12 system and higher education; automatic transfer of credit hours demonstrates successful collaboration between two and four year institutions.
- Underserved populations need access and support services.
- Priorities for the new funding formula should primarily consider:
 - Completion
 - Access
 - Affordability

Community Meetings

Responses and comments at the community meetings showed a remarkable level of common concerns and priorities, though some differences are evident between rural and urban communities as noted above and, for example, those served by large research universities versus smaller institutions.

The following themes emerged in response to a question about the value of higher education in Colorado:

- **Training and Educating the Workforce.** For a majority of the public meeting attendees, higher education plays a critical role in training and educating the workforce. Stakeholders of two-year colleges perceive their role as preparing students for the workforce. For the larger, four-year schools, training and educating the workforce is an important role of higher education, however other skills such as critical thinking and problem solving were mentioned as well.
- **Economic Development and Innovation.** Both rural and urban communities recognize the importance of higher education's impact on the state and local economies.
- **Creating Life-Long Learners.** Individuals change jobs and vocations often throughout their lives creating a need for continuing education and skill development. This includes short-term certificate programs, additional degrees, or specific classes that address current workforce needs.
- **Creating Good Stewards/Citizens of our State.** A role of higher education institutions is to create good stewards and citizens of Colorado.

A majority of participants (89%) indicated that the state does not appropriately fund higher education to meet Colorado's goals and needs.

Small Group Discussion

Small group discussions during the community meetings allowed participants to have a more focused and in-depth discussion of the topics. Following are key themes from these small group discussions organized by question:

Question 1: What value does higher education provide to your community and the State?

Key themes of the value of higher education (in no particular order) included:

- Higher education transforms lives - gives Coloradans new options.
- Creates opportunities and mobility.
- Provides opportunities for non-traditional and underserved students.
- Provides access to local students.
- Economic drivers/ attracts economic development throughout the State.
- Creates new talent and pipeline to workforce/ workforce development throughout the State.
- Creates cultural and social opportunities in communities and brings the community together.
- Attracts business and spurs innovation through high quality research.
- Cultivates life-long learners.

Question 2: What is higher education doing right and what can we improve?

Key themes of what higher education is doing right included:

- Providing high quality education.
- Diversity of programs and institutions.
- New research has spill-over effects into the economy.
- Increased online educational opportunities and uses of technology.

- Providing access to diverse populations including urban and rural parts of the state.
- Connecting communities.
- Institutions have done well coming up with creative ways to fund different programs.
- Broadens learning so not just focused on degrees.
- Concurrent enrollment.

Key themes in what higher education can improve on included:

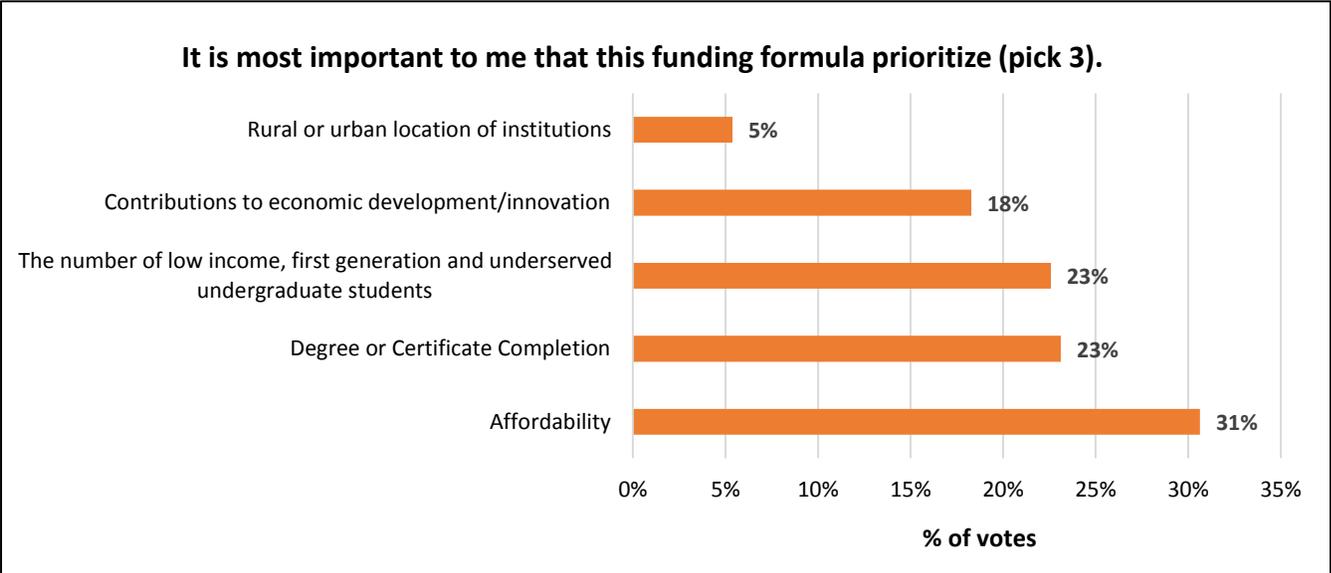
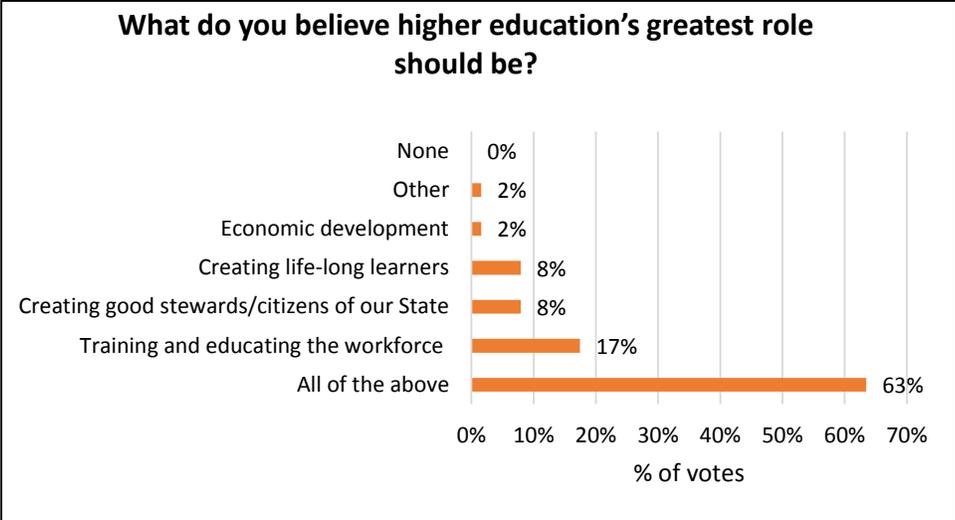
- Remediation.
- Need to be more student-focused.
- Room for improvement on the transfer of credits from college-to-college
- Improve student debt loads, financial literacy, and affordability.
- Tuition needs to be predictable and students need to understand the full cost (including fees) earlier.
- Improve support programs and services for underserved and non-traditional students.
- Higher education, in general, is slow to adapt to changing workforce needs.
- Improve business partnerships, workforce development, and training programs.
- Illustrate the value of research and innovation (on a local and national level).
- Increase funding and investment from the state.
- Better communicate higher education value to local communities and the State.
- Improve rate at which Colorado institutions recruit in-state students and businesses hire Colorado graduates.
- Improve achievement gap of minority students in Colorado.
- Improve our understanding of why students succeed or fail.

Question 3: Which of the following should Colorado's funding of higher education consider and/or emphasize and why?

The most agreed upon factors were those of affordability, serving low income/ underserved undergraduate students, and degree or certificate completion. Other issues were identified in the discussions, though not as frequently, were the rural or urban location of an institution and higher education's contributions to economic development and innovation.

Online Engagement

Overall, the responses and feedback obtained through the Mindmixer online engagement tool mirrored the results if the face-to-face meetings. The charts below provide some additional information and additional quotes can be found in Appendix B.



IV. CONCLUSION

Throughout the outreach process, Keystone and Engaged Public shared input and results from the key stakeholder interviews and outreach meetings with the Public Education & Outreach Team, the Funding Allocation Model Team, the Executive Advisory Group and the Colorado Commission on Higher Education to help inform the development of the funding formula. With the conclusion of the community meetings and online engagement, Keystone and Engaged Public were able to report that stakeholders across the state were fairly united in the priorities for higher education, namely, as already reported:

- **Affordability**
- **Serving low income, first generation and underserved students**
- **Degree or certificate completion**

- **Continued access in all geographic locations of the state**

We are pleased to have been part of this important process and look forward to implementation of the new funding model for higher education in Colorado.

Appendix A: Key Stakeholder Interview Questions and Summarized Responses

Below are summary findings of the interviews broken down by interview question. These findings highlight the areas of agreement among interviewees, additional points raised during the interviews and illustrative quotes from the interviews.

Question 1: In your opinion, what is the value to the State of higher education? What are the primary ways in which higher education contributes to Colorado and its citizens?

This question was designed as a conversation starter; responses showed a general agreement among those interviewed that higher education needs to be a priority for the state. A few interviewees expressed concern that the state is overly focused on workforce development and STEM, and does not place as much value on traditional liberal arts education.

Points of agreement included:

- Ensuring an educated workforce/ prepares future workforce;
- Improving quality of life for the individual;
- Increasing individual earning potential;
- Contributing to the state's economic future,
- Higher Education plays a role in the community in which the institution is located

Areas of concern included:

- Higher education should not just be about workforce preparation, it also provides opportunities for young people to grow and experience opportunities in the world

Question 2: What is higher education doing right?

Points of agreement included:

- Colorado, as opposed to other states, provides students a wide variety of choice and opportunities for higher education.
- Collaboration between high schools, two, and four year institutions is improving in certain areas such as concurrent enrollment and the automatic transfer of core curriculum credit hours.
- Community Colleges are doing well serving underserved populations because they are more accessible
- Higher education provides much needed skill sets and training.
- The quality of education is very good at all the institutions across the state.
- Community Colleges are doing a good job with remediation.

Question 3: What are areas for improvement in higher education? What should institutions be doing differently?

Almost all interviewees expressed the need for higher education to receive more support from the state as well as a concern about the rising cost of higher education for Colorado students. The other issue

mentioned consistently was a need for increased collaboration, both between two and four year institutions as well as with business and industry.

Points of agreement included:

- Work with industry as a partner to increase collaboration.
- Improve transitions between institutions and remediation.
- Find a way to ensure all have an opportunity to access higher education if want to.
- Nimbleness of institutions to adapt to change.

Question 4: How well does higher education serve the people you work with or care about?

Representatives and advocates from both four year institutions and community colleges passionately described the impact and importance these institutions play in the lives of students and the community. Rural community college presidents in particular stressed that community colleges are the economic, intellectual and cultural drivers for rural Colorado, yet acknowledged the pressure and appropriateness of the colleges being the main economic driver.

Points of agreement included:

- The delivery of higher education is evolving and higher education needs to become more nimble and creative.
- Institutions are important for rural America/Colorado.

Question 5: Are you familiar with how higher education is currently funded in Colorado? Do you have any concerns?

The majority of respondents expressed familiarity with how higher education is currently funded. There was some agreement that the lack of state funding demonstrates that higher education is not perceived as a public good in Colorado.

Points of agreement included:

- Colorado needs to invest more in higher education.
- Affordability of higher education is concerning.

Areas of concern:

- Alignment of higher education with the workforce component: What is the value of a degree in the job market?
- Desire to see state funding based on data and meeting policy goals.
- Need creative approaches for funding higher education such as private/public partnerships.

Question 6: Are you familiar with HB14-1319, the effort to revise funding formulas for higher education? What priorities should higher education focus on?

- ***Completion of degree or certificate program?***
- ***Retention?***

- ***Number of students being served?***
- ***Affordability?***
- ***Are there other factors that are important to you?***
- ***Which of these are most important to you? Why?***
- ***Other?***

Conversations with respondents identified three top priorities:

- Completion of degree or certificate program.
- Access for economically disadvantaged and other underserved students.
- Affordability.

Although there was broad agreement on these priorities in general, there were still questions about the definition of these priorities and how they would be implemented.

Areas of concern included:

- Customized training for business/training does not always lead to degree completion.
- Completion is important but not at the expense of access.
- Colorado's workforce will eventually suffer if higher education remains unaffordable. Even with grants and scholarships, higher education will remain out of reach for a large segment of Colorado's youth and adults.

Appendix B: Mindmixer Open-Ended Question Responses

Question 1: What is Higher Education Doing Right?

“Higher education is opening minds, elevating dialogue on key issues, solving community problems, promoting the value of education, and sparking innovation on all realms. Higher education could be more efficient, less turf-oriented, more collaborative, more connected to the real world.”

“I believe that Colorado institutions of higher education are doing an exceptional job at training students to be well-prepared to not only find employment opportunities, but also to maintain those jobs. First-hand experience with the ASE Tech. program has shown me the dedication that instructors have to ensuring their students have a solid education to enable the highest-paying, most enjoyable occupation.”

Question 2: What is the community Impact of Higher Education?

“Citizens capable of providing for and supporting themselves, less need for government assistance programs. Citizens more capable of and willing to participate in democracy. Higher overall quality of living. In my opinion, education is the best investment the state can make in itself.”

“Education makes every individual more active and thoughtful, not only of themselves, but the people surrounding them.”

Question 3: What is the Value of Higher Education?

“Higher education should be much higher in budget priorities. Funding should go to those universities that are the most successful in having students complete their degrees.”

“We as a state and citizens need to support all efforts that can provide better opportunities for the number of low income, first generation and under-served undergraduate students who want to go to college, need affordability to do so and will attempt to complete a degree. Economic development can only be enhanced by promoting higher education and creating new graduates to compete and fill future Colorado job opportunities...”