



**Minutes of the Colorado Commission on Higher Education (CCHE) Meeting
Hybrid
October 26, 2023**

BUSINESS MEETING

Vice Chair Scott called the business meeting to order at 1:01 pm.

I. Opening Business

A. Attendance

Commissioners attending: Chair Hughes, Vice Chair Scott, Commissioners Abramson, Gonzales, Harber, Kostenbauer, Meyer, Tucker, Walmer, and Wilson, Executive Director Paccione

Advisors attending: Sen. Zenzinger, Mark Cavanaugh, Michael Lightner, Melinda Piket-May, Mark Superka, Colleen O'Neil. Jamie Viefhaus-Zak, Leilani Domingo

B. Approval of the Minutes for the September 7, 2023 Commission Meeting

Commissioner Kostenbauer moved to approve the September 7th minutes. Seconded by Commissioner Gonzales. The motion was approved.

C. Reports

1. Chair - Chair Hughes thanked everyone who participated in the recent session that CTN held, noting that many from this group participated and that the Governor spoke at the end. She mentioned a speaker shared about the role of trustees to incent for reforms and develop key relationships as a board with their presidents to move strategic visions. She also thanked Vice Chair Scott for facilitating the meeting.
2. Vice Chair - Vice Chair Scott thanked everyone who joined the working session and shared that he appreciates the opportunity to understand what's going on with members of the business community anticipating collaboration with our post-secondary institutions. He also appreciated the opportunities to help address the fundamental challenge that we have as a state which is how can we better educate our own homegrown talent, especially at the time when we see that our higher ed institutions are serving fewer and fewer Coloradans.
3. Commission Standing Committees
 - a. Student Success & Workforce Alignment - Commissioner Abramson reported that this group has started the work on the ad hoc committee on credit transfer



and transfer credit acceptance. They held their first two meetings where they started doing some level setting on what the current environment is. The first meeting began with a presentation by Dr. Kim Poast on what the policy environment is. Their goal is to find out how much of it is a policy, how much of it is a practice and how much is it a knowledge and awareness. This group will be meeting a couple times a month through January, and they are looking forward to sharing that work back out with this group. Commissioner Abramson also reported on the SSWA committee. They had a brief meeting this week but unfortunately did not have a quorum so there are some things that they were not able to officially move to put on the agenda today. He mentioned that the Department staff has been doing some great work trying to find a balance and solution for two of our IHEs working together on a nursing program. This group is inclined to push the IHEs to find the solution, but this will be discussed as they go forward.

- b. Finance, Performance & Accountability - Commissioner Tucker reported that the FPA committee has met twice since the last CCHE meeting. In the September meeting, they discussed some of the timelines coming up on the funding formula updates, capital and financial aid. They also discussed a couple of cash spending authorities that are on the agenda today. He reported that this group spent the majority of their time looking at the funding formula presentation that Lauren is going to bring to the Commission today.
- c. HB22-1349 Technical Workgroup Update – Vice Chair Scott thanked Emily and the Education Strategy Group for their leadership and great work. He went on to thank everyone that participated in the monthly meetings and the check-ins that are held in between the meetings. This group is making strong progress and enjoying the collaboration that is producing thoughtful and improved approaches and results. He also highlighted that one of the great perspectives that emerged from some of the institution representation in the technical working group is to consider the counterfactual. They believe it is important that we recognize that each of our institutions across the state serves different populations and therefore having a singular counterfactual population for all our institutions may skew the results. They have done the additional work necessary to have distinct counterfactual populations that represent each of the respective institutions throughout the state. Vice Chair Scott also mentioned that the team at the Department has taken leadership on how we bring this group’s work to life. They are putting together a robust roadmap for how that initial iteration gets shared with our institutions so it becomes actionable and leads to progress. Meanwhile, the technical working group is working on other measures that are important considerations in the robust set of measures that give us a sense of how our post-secondary ecosystem is performing. This group will continue these discussions into next year as well as the discussion on the longitudinal data system that’s called for in House Bill 22-1349.

4. Commissioners.

- a. **Commissioner Gonzales** shared that she had the recent honor and privilege to travel to DC and participate on a higher education policy panel for the Institute of Higher Education Policy on behalf of Madam Chair Hughes. She was able to gain insights from other states that are also looking at value metrics on their end and share a little about the progress here in Colorado. She also reported that in Adams County the K-12 school districts have been gathering to discuss CTE



programming and they have a list of challenges from a policy and system perspective. They are looking for guidance and support on how to bring this information to decision makers so they are informed with what's happening on the ground with our educational leaders and students. Finally, she encouraged our agency and/or institutions to participate in the RFP. She is happy to share if anyone wants more information.

- b. **Commissioner Kostenbauer** shared that last month she was invited by the Women of Color Collective to a networking event on the MSU campus. She valued the opportunity to talk with the women and hear what their challenges are. She then mentioned the higher 30,000 initiative. She believes it is important to hear from those that are supporting our diverse learners. She was inspired and was able to gain more insight on how she can support them as a commissioner. She reported that she had the opportunity to participate in CDHE's lunch and learn with high school counselors and sports staff. It was just a great opportunity to see all of the folks who were engaged and that the Department is really offering strategic support for the CASPA changes that are coming.
- c. **Commissioner Wilson** shared that he has been a commissioner for a couple of years and his question to this group is "what are we doing as a commission?" He talked to the group about the many issues we have to tackle as a commission, and he does not see the work being done to make the changes. He believes this Commission can do better about making change happen for our students so they can be successful learners. He would like us to have a sense of urgency for changing academic programs that are not working to make them work! He used CU Football for an example to the group. They made major changes that were not easy to make a program that wasn't working work! He believes that if the IHEs put that type of emphasis on the academic programs, it could make a huge difference. Vice Chair Scott thanked the commissioner for his remarks and agreed that we can't keep doing the same thing and expect different results. He mentioned that as a Commission we are limited in the scope of what we are able to actually do so he encouraged the Commission to inspire change and call for change and not accept the situations that are creating the status quo that we are in today. Commissioner Harber also commented that he is in agreement with Commissioner Wilson. He encouraged Commissioner Wilson to consider putting issues on the table for the Commission. Commissioner Harber noted that given Commissioner Wilson's experience it would be wonderful to have him posit some of the key issues he thinks we should be discussing or looking at that we are not now.

5. Advisors

- a. **Advisor Cavanaugh** reported that last month they actually brought in their first Latino president at Regis, Dr. Salvador Aceves, who was the CFO there for the last 10 years and a terrific guy. He also celebrated that Regis University has become the first non-profit private school in Colorado to be designated as a Hispanic serving institution. The second announcement is around federal regulation. Every institution in America is going to have to report down to the six-digit zip code on certificates, undergraduate degrees and graduate degrees. He encouraged the Commission to look into this so that we know the good work that we are doing here in Colorado is in alignment with what the federal government has done by rule and regulation. He mentioned that he would be happy to go into detail with anyone who has questions offline. Vice Chair Scott thanked Advisor



Cavanaugh and let him know that our intention is to do a deep dive on gainful employment in a future work session. He invited the Advisor to participate in that conversation. Commissioner Harber asked “When you say dig in, what would you like to see us do?” Advisor Cavanaugh responded, with respect to things like reporting, if we can stay in alignment so that Colorado fits neatly within that framework and rubric that the federal government controls that is extremely helpful to all of us as institutions.

- b. **Advisor Picket-May** wanted to publicly thank Dr. Kim Poast for coming and giving a talk about higher education to the Colorado and Wyoming Network of Women Leaders. It was a fantastic talk and she really inspired folks about who are going to be the leaders in higher education.

D. Executive Director Report

Deputy Executive Director, Dr. Tricia Johnson reported on behalf of Dr. Paccione Executive Director Paccione sends her regards for not being here today. She is not here because there is a signing of a Bridge to Bachelor’s transfer agreement between Coppin State University which is a historically black college and university in Baltimore, Maryland with the Colorado Community College system.

Dr. Johnson announced our new Chief Educational Equity Officer, Dr. Gillian McKnight-Tutein who is also at the signing and not here with us. But Dr. G as she goes by, joined us on October 16th and comes with a broad background in higher ed on both the student affairs and the academic affairs side of the house along the Front Range but also out on the Western Slope. She brings a very unique perspective of having been in private industry and in higher education. Dr. G proudly shares that her home is the Island of Trinidad and her experiences on the island inform her approach to work, focusing on who she is serving and investing in communities and with this the Department senior staff is complete which we are very thrilled about.

Additionally, Dr. Johnson mentioned that the Governor’s budget is being released next Wednesday and so the Department will be having conversations with stakeholders around the impact of the budget.

She also mentioned that we just wrapped up the Colorado Free Application days and we are really looking forward to calculating those numbers and then providing information on the dollars that were saved by Coloradoans as they start their journey on higher education.

Finally, Dr. Johnson announced that Colorado was selected as one of four states recognized as an emerging site with a strong start to finish program. We were recognized alongside Louisiana, Michigan and Tennessee. And this is part of our ongoing work for the redevelopment or the redesign of developmental education. And really improving those forces for learners. Through a \$230,000 grant over 30 months CDHE will be evaluating our multiple measures and placement practices that are in place at institutions. The goal is to get students into those credit bearing classes as quickly as possible because we know for a fact zero level classes impacts students’ success rates drastically. The program is also focused on increasing capacity for corequisite courses at Hispanic serving institutions in the state.

E. Legislative Update –



Senator Zenzinger reported that the Governor's budget does go in on November 1st and the Joint Budget Committee will start meeting on November 16th. At that time we will have a passing of the gavel. Senator Zenzinger will become the Vice Chair and Representative Bird who is the current Vice Chair will become the Chair. The budget will start in the House this year and we will be off and running. The first two months in advance of the legislature we will be digging into the governor's budget requests. We will have nonpartisan staff that will give briefings on the different budget requests and the different departmental budget items. The departments will join the budget hearing in late December and early January and then we will take a big pause when the legislature comes into session. At that time, we will dig into supplemental budget requests. At the end of February, we will start crunching the numbers for next year's budget.

She also let the group know that Ms. Amanda Bickle, the JBC analyst for higher education is currently dealing with a personal tragedy. She has a brother who was involved in a very bad accident and is currently hospitalized in Grand Junction. Ms. Bickle will be out for the foreseeable future. She advised anyone who needs to get in touch with Ms. Bickle please do reach out to Craig Harper who is the new JBC director for the Joint Budget Committee. Mr. Harper was hired over the summer to fill Carolyn Cantman's position. Director Cantman retired this fall. Mr. Harper is putting together a plan for how we might deal with our higher education budget analysis in Amanda's absence.

F. Public Comment – No public comment

II. Consent Items

- A. Renewal of Full Authorization for Colorado Technical University – *Heather DeLange, Director of Office of Private Postsecondary Education*
- B. Renewal of Provisional Authorization for Grand Canyon University – *Heather DeLange, Director of Office of Private Postsecondary Education*
- C. Capital IT Supplemental Request for Colorado School of Mines Re-envisioning Mines ERP Project – *Lauren Gilliland, Deputy Chief Financial Officer/Budget Director*
- D. Cash Spending Authority for Community College of Denver Clear Creek Building Renovation Project – *Lauren Gilliland, Deputy Chief Financial Officer/Budget Director*
- E. Non-monetary Supplemental for Community College of Aurora Improving Student Access to Technology Project – *Lauren Gilliland, Deputy Chief Financial Officer/Budget Director*
- F. Program Plans for Fiscal Year 2024-25 Capital Submissions – *Crystal L. Collins, Chief Financial Officer*

Commissioner Harber moved to approve the consent items. Seconded by Commissioner Walmer. The motion was approved.

III. Action Items

- A. CCHE Funding Formula Recommendation – *Lauren Gilliland, Deputy Chief Financial Officer/Budget Director*

Lauren Gilliland, Deputy Chief Financial Officer for the Colorado Department of Higher Education, introduced the purpose of the action item as voting on a Commission recommendation on the Fiscal Year 2024-25 higher education funding formula. Ms. Gilliland began a PowerPoint



presentation providing context for commissioners. This included Colorado's position as the 7th lowest in the country in per student FTE funding, 6th highest in tuition as a percentage of total revenue, and a little higher than average state financial aid.

Ms. Gilliland displayed a graph tracking Colorado's per FTE funding versus the U.S. average over time, noting the two have generally kept similar patterns, and while still well below the U.S. average, Colorado has been making progress over the past five years. Senator Zenzinger, member of the Joint Budget Committee (JBC), noted that JBC has made significant investments in higher education in the previous three years, making some real progress. Vice Chair Scott stated that one of the things that helps us make progress on this chart is serving fewer Coloradans. Senator Zenzinger disagreed.

Ms. Gilliland displayed a graph of the state operating funding for the 10 public governing boards over the past six years, which shows significant growth. Ms. Gilliland displayed a chart showing the varying extent to which institutions rely on General Fund versus tuition revenue to cover education and general expenses. Vice Chair Scott noted the history that going back 20 years, two-thirds of funding came from the state and one-third came from tuition, and now that is flipped. Commissioner Harber asked whether the graphic included fees, which Ms. Gilliland replied it did not. Commissioners requested Ms. Gilliland send the tuition and fee report to the Commission when it is available this year.

Ms. Gilliland reviewed Fiscal Year 2024-25 core minimum cost calculations. She noted that the institutions have successfully lobbied using the argument that increasing their state funding by their core minimum cost increases amounts to a cut. She stated that this is the argument of the institutions, not necessarily the executive branch. Ms. Gilliland shared that the calculation, which totals \$140 million, includes a 3% salary increase consistent with COWINS across the board increase, a 5% increase in benefits, and a 4.7% inflationary increase in all other education and general costs. Ms. Gilliland speculated that the institutions will argue a higher figure which includes COWINS step increases for both classified and non-classified employees. Commissioner Harber asked if the Department has an idea of that number. Ms. Gilliland deferred to the Commission's institutional CFO advisor, Mark Superka of the Colorado Community College System. Mr. Superka stated that preliminary analysis points to a 12.8% increase for the classified employees at his institutions. He reiterated the importance of treating classified and non-classified employees equally to avoid negative consequences.

Commission Harber asked whether institutions usually get together with each other and make their own singular recommendation. Ms. Gilliland stated that the Department usually collaborates with the institutions on core minimum costs, though that disappointingly did not happen this year. She stated that the institutions always lobby individual and groups of legislators for additional funds than what is in the Governor's request.

Commissioner Harber noted that the Commission made a recommendation on funding two years ago, but not last year. He asked if the \$140 million was the formal recommendation, to which multiple commissioners replied it is not. He clarified he meant is it the Department's



recommendation. Ms. Gilliland stated that as an executive branch agency, the Department's recommendation is the same as the Governor's, which was confidential at that time. She reminded commissioners that two years ago, they wrote a strong letter of support for higher education funding but did not include a number. She noted that the letter did include reference to core minimum costs. Last year, there was no letter. Ms. Gilliland noted that the minimum statutory obligations of the Commission are to make a recommendation on the weightings of performance metrics in Step 2 of the formula, and the portion of funding going through Step 1, Step 2, and Step 3. No funding level recommendation or statements are required.

Vice Chair Scott stated that the Governor almost certainly does not use core minimum costs as a way to think about recommendations. Commissioner Walmer asked about what the other costs in the core minimum cost calculations are. Advisor Superka responded that they are any other operating costs other than personnel, including IT, office supplies, etc. Commissioner Walmer asked if the Department does an analysis of these other costs across institutions. Ms. Gilliland discussed the functional categories in the budget data books like instruction, academic support, operation of maintenance and plant, etc. She noted that the differentiation is more likely in non-education and general expenses like auxiliary.

Commissioner Harber asked if the core minimum cost was a collaboration with the Governor's Office. Ms. Gilliland stated that it is not, but that this information is requested by the Governor's Office of State Planning and Budgeting along with many other data requests like tuition and fees, enrollment, etc. Ms. Gilliland reiterated this is not the Department's recommendation.

Commissioner Scott stated that the core minimum costs do not align with the Governor's recommendations in previous years but do align with what the institutions lobby. Ms. Gilliland noted that last year, the Governor's request was such that the increase in state operating funding plus the increase in tuition spending authority should cover core minimum costs.

Senator Zenzinger stated that this year is going to be different than other years because the COWINS agreement step system, the cost of which was not yet known and that this would be in addition to the ordinary core minimum cost increases. She shared that the preliminary discussions indicated to her that it will cost an additional \$139 million. Commissioner Tucker noted that core minimum cost calculations do not consider enrollment changes. Commissioner Harber stated that just because enrollment declines 10 percent, does not mean costs decrease 10 percent, because so many of an institution's costs are fixed. Chair Hughes stated that the core minimum cost calculation implies that such costs are stagnant or fixed. She also stated that she would like to see acknowledgment that there are adjustments institutions can make if their customers and revenue decline. She stated that she does not agree with the core minimum cost argument showing such a direct line between tuition increases and state funding without looking at other factors.

Advisor Kavanaugh added that core minimum cost was not a concept that was around ten years ago, and he applauded that the institutions have come up with a way to communicate their increases in costs and put themselves on a level playing field with other state agencies. He noted it was good to, at least, have that information out there for decision makers when higher education



is so often seen as a balancing tool. He stated that the idea of base funding is that an institution can do exactly what it was doing before.

Vice Chair Scott interceded with an independent slide show presentation. He reviewed the mission and vision of the Commission. He then showed a visual of the 18 percent enrollment loss at the public institutions of higher education from 2010-11 to 2021-22. The visual noted a 37 percent increase at the area technical colleges, a 15 percent increase at the local district colleges, a four percent increase across the University of Colorado, the Colorado School of Mines, Colorado Mesa University, and Western Colorado University, and a 29 percent reduction across all other governing boards. Next, he reviewed a chart showing an increase in inflation adjusted state funding per FTE of 35% over the same time period.

Vice Chair Scott stated he was not necessarily saying institutions are adequately funded but found the core minimum cost argument to be institution-centric rather than student-centric and subsidizing the status quo. He argued that the concept incentivizes institutions to serve fewer students. He voiced his support for funding for higher education if it comes from a student-centric lens.

Vice Chair Scott put a motion on the table to consider requesting the Department put aside their “core minimum costs” analysis and instead develop a new, learner-centric approach to guiding funding requests which flow into Step 1 or Step 2 of the existing funding formula which aligns overall IHE funding levels with meeting the needs of Colorado learners. Chair Hughes made the motion. Commissioner Harber seconded the motion. Commissioner Kostenbauer asked for an example of a student-centric lens. Vice Chair Scott stated that such a lens would be saying institutions can get more dollars for serving more students. He gave another example of focusing on student populations that require extra attention or intervention by rewarding the success of programs investing in these populations. Chair Hughes noted that when they met with the presidents, they affirmed that they didn’t speak on behalf of the entire Commission, but that there are lots of them who are aligned with wanting to advocate for more higher education funding, but in a way that advances the Strategic Plan.

Chad Marturano, Chief Financial Officer of University of Colorado System, was recognized. He shared the perspective that higher education has to deal with the same fixed costs that occur at every other state agency. He provided the example that when COWINS negotiates an increase in salary or there is an increase in health, life and dental insurance premiums, the state builds in increases for the other state agencies through the common policy process. He stated that it is not possible to build this in for institutions of higher education in the current Long Bill structure. Therefore, he argued that core minimum costs seek to convey the common policy costs for institutions of higher education to the legislature and decision makers. He stated that the \$140 million core minimum cost increase presented by the Department does not incorporate the step increases in COWINS, and their preliminary estimate is that will cost more than \$140 million itself. He noted that the institutions are working with DPA to come up with a final number.



Mr. Marturano asserted that institutions are inherently student-centric, and that every dollar the state invests in higher education helps keep tuition in check for Colorado resident students. He submitted that the way to frame this is that when institutions get state dollars, they are indeed targeting them directly toward affordability for Colorado resident students. He disagreed with the notion that the current concept is institution based rather than student based and stated that at the very least, any dollar the state advocates for helps keep college more affordable for Colorado residents, regardless of how the ultimate dollar amount is calculated.

Commissioner Harber noted that from a business perspective, he understood it is hard for the institutions to do multi-year budgetary planning. But he also thought there are issues in terms of effectiveness and efficiency of how state dollars are spent. He shared that he thinks the key point Vice Chair Scott and Chair Hughes are trying to make in the resolution is how do we create accountability and reward success as opposed to simply continuing the year to year status quo. He then reiterated the need for stability from a business perspective and recommends the institutions look into if there is a mechanism to be folded into the normal common policy increases. He returned to the motion, asserting that enrollment decreasing as the state population increases is unacceptable.

Vice Chair Scott called to see if there are any objections to the motion, heard none, and the motion passed. He noted that this motion is distinct from the overarching agenda item's purpose. He acknowledged that the motion represents what the Commission would like to see from the Department, and the Department has its own reporting structure.

Ms. Gilliland reviewed the statutory requirements of the Commission with regard to the Fiscal Year 2024-25 funding formula. This included recommending a weight structure for performance metrics in Step Two of the formula and recommending the proportion of the funding to go through Step One, Step Two and Step Three of the formula. She noted that the weighting of Step Two metrics has remained constant since the inception of the current funding formula excluding the first year when the formula was suspended due to COVID related budgetary considerations. She noted that recommending a funding level and/or drafting a statement was optional.

Commissioner Tucker noted that in the Finance, Performance and Accountability subcommittee meeting, the thought was to keep weightings in Step Two the same as in previous years since there has not been enough analysis on the impact of the current formula yet. Second, the subcommittee discussed putting all funding through Step Two in absence of more analysis on the impact of Step One funding. Further, he noted that without a different framework, the recommendation is for everything to go through Step Two until core minimum costs are met, then anything additional would go through Step One.

Vice Chair Scott motioned to keep the weightings of variables in Step Two of the formula consistent with previous years (10% Resident FTE Enrollment, 5% Credential Production, 20% Pell Eligible Enrollment, 20% Race/Ethnicity Enrollment, 20% Retention Rate, 10% Graduation Rate in 100% of Time, 10% Graduation Rate in 150% of Time, and 5% First Generation Enrollment), and



recommend all funding flow through Step Two of the formula. Commissioner Tucker seconded the motion. There were no objections and the motion passed unanimously.

Meeting adjourned at 2:50 pm.

