

Minutes of the Colorado Commission on Higher Education (CCHE) Meeting  
University of Colorado Boulder  
June 5 2014

Chairman Dick Kaufman called the meeting to order at 1:10pm.

Chairman Dick Kaufman, Vice Chair Patty Pacey, Commissioners John Anderson, Luis Colon, Happy Haynes, Monte Moses, Hereford Percy, James Polsfut and BJ Scott attended. Commissioner Jeanette Garcia attended via conference call. Also in attendance were CCHE Advisory Committee members Wayne Artis, Dr. Keith Owen, Frank Novotny, Mark Superka and Melissa Wagner. Advisor Frank Novotny attended via conference call.

University of Colorado Boulder's Provost, Dr. Russ Moore, welcomed the Commissioners, on behalf of Chancellor Philip DiStefano and himself, to the Boulder campus. Provost Moore told the Commissioners that the chancellor recently re-challenged faculty and staff to commit to student success and to provide a high quality education and an affordable education to the students on the Boulder campus.

Commissioner Percy moved to approve the minutes of the May 9, 2014 CCHE meeting. The motion was seconded by Commissioner Haynes and passed unanimously.

#### **CHAIR AND COMMISSIONERS REPORTS**

Chairman Kaufman presented Colorado State Flags and read tributes to outgoing Commissioners Happy Haynes and Jim Polsfut. The Commissioners thanked them for their many years of dedicated service and wished them well in their future endeavors.

#### **EXECUTIVE DIRECTOR REPORT**

Lt. Governor Joe Garcia informed the Commission of Department staff changes:

- Rhonda Epper, new Chief of Student Success and Academic Affairs
- Mary Kanaly, new Compliance Officer for DPOS
- Kachina Weaver, new Project Manager for the HB14-1319 Implementation
- Chad Marturano is leaving the Department to take a finance position at CU
- Julia Ramsey left the Department to be a full time mother
- Tamara White left the Department and will be the Dean of Student Services at Community College of Aurora

He also informed the Commission that the Governor signed HB14-1384, the Colorado Opportunity Scholarship Initiative, last week. Scott Wasserman, the Lt. Governor's Chief of Staff is working with DHE as well as CDE and the Colorado Workforce Development Council to develop a 1-year implementation plan.

The Lt. Governor also reported that Commissioner Percy requested Jeannie Ritter present an update on campus mental health issues to CCHE: Mrs. Ritter will be presenting at the October Commission meeting

## **PUBLIC COMMENT**

Mr. George Walker of Denver told the CCHE that he testified against HB14-1319. He also expressed his disappointment in his alma mater's (CU Boulder) lack of leadership on finances and diversity.

## **CONSENT ITEM**

### **Approval of gtPathways Courses**

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

## **ACTION ITEMS**

**Degree Authorization Act: Revision of Fees** – Heather DeLange, Academic Policy Officer, told the Commissioners that in the previous month's agenda item regarding fees, it was stated that Department of Higher Education has collected only about half of the spending authority awarded by the legislature.

The proposed fee schedule took Commissioner Colon's suggestion last month to eliminate Tier 5 which reflected a larger enrollment level and then thus a higher fee. The fee schedule has been adjusted down to four tiers.

The revised draft of proposed changes has been reviewed by the institutions and resistance to the changes has not been reported.

Commissioner Moses moved to approve the proposed fee schedule. The motion was seconded by Commissioner Colon and unanimously passed.

**Division of Private Occupational Schools (DPOS) Revision of Fees** – Lorna Candler, Director of DPOS, explained that DPOS has a seven governor appointed member board and has the authority to administer the Private Occupational Act of 1981. The DPOS Board has exclusive rule making power with one exception contained in C.R.S.12-59-116(3)(b) and this was recently brought to the Division's attention. The exception is that DPOS needs the Commission's approval to adjust their fees.

The Division is required to adjust its fees on a regular basis. This year legislation was passed, HB 14-1136, that exempted all of the continuing education classes or continuing education classes programs and schools that offer maintenance of license and renewal of license programs. With this exemption, the Division now has an \$110,000 shortfall.

Ms. Candler also asked for the Commissioner's consideration to remove the provision in C.R.S.12-59-116(3)(b), as having approval from the DPOS Board and the CCHE is redundant and inefficient.

Commissioners Haynes, Kaufman and Moses all suggested the provision be changed legislatively.

Commissioner Percy moved to approve the proposed fee schedule. The motion was seconded by Commissioner Haynes and unanimously passed.

**Fiscal Year 2015 Financial Aid /Allocations/Policy Update** – Celina Duran, Director of Financial Aid, presented this item reflecting the allocation methods approved by this body in March for the additional \$40 million as well as the existing \$93 million base funds and includes a policy update to reflect new merit aid. For undergraduate need based funds all public and private institutions will receive a minimum of 20 percent growth which reflects the new dollars and a 50 percent cap to help support predictability in the out years.

The Work Study financial aid includes the new \$5 million and was allocated by FTE, both full time and part time students and trues up the base funding \$16 million that we currently have.

Merit aid had \$5 million restored and is allocated by FTE. The merit section of the financial aid policy has been updated to reflect the changes in statute around flexibility.

Commissioner Haynes moved to approve the proposed financial aid allocations and the policy update. The motion was seconded by Commissioner Percy and unanimously passed.

## **DISCUSSION ITEM**

**HB 14-1319 Project Update** – Kachina Weaver, Project Manager for HB14-1319, updated the Commission on the progress of the bill's implementation. HB14-1319 requires the Commission to develop a new funding formula to allocate state general fund dollars among the State's public institutions in a transparent way, within certain parameters. The bill charges the Commission to engage in a facilitated process with interested parties and ultimately adopt and weight funding factors into a new base funding allocation that includes role and mission factors and performance metrics.

Ms. Weaver told the Commission that the legislative mandate was as follows:

- January 1, 2015 - repeal the current fee for service contract funding and replaces it with the new model.
- November 1, 2015 - submit to the legislature new tuition policies that also ensure both accessible and affordable higher education for Colorado residents.

- July 1, 2016 – and annually until 2020, the Department and the Commission submit a written report to the legislature on the implementation of this project and provide any status updates that are needed along with any recommendations for legislative changes.

She then explained the project's infrastructure:

- Project Manager – Kachina Weaver
- DHE Project Team – Jennifer Sobanet, Scott Wasserman, Mark Cavanaugh, and Beth Bean
- Colorado Commission on Higher Education – The ultimate decision makers responsible for the final product
- Executive Advisory Group (EAG) – Group of interested parties who can bring their diverse expertise and a broad perspective to the project; will serve as thought partners with CCHE; and look at the overall of the impact of higher education on our state and economy.
- Subject Matter Expert Teams – for the three pieces of the project: Facilitation, Funding Modeling and Cost Driver Analysis. These individuals will work with the vendors brought on and bring their expertise and perspectives to the discussion to ensure a comprehensive and thorough examination of options and ideas.

The Department will hire three FTE, two in the finance division and one in the data division. Ms. Weaver is a temporary employee, whose contract ends at the end of 2014. There will be three vendors brought on, one for each aspect of the project.

Commissioner Percy asked if any of the Department and Commission's previous work on funding had been integrated into the project. Chad Marturano, Director of Legislative Affairs, responded that the Department is working with the data advisory group and the CFO groups at the institutions to start to figure out work that already done on SB11-052 that can inform HB14-1319.

Commissioner Moses asked what Department staff anticipate will be the most difficult stumbling block in terms of the funding model. Mark Cavanaugh, Chief Financial Officer, responded that he personally thinks the most challenging aspect of the entire project is going to be around time and making sure that the layering process of the project happens in a way that works together and comes together in a way that is envisioned by the legislation.

Mr. Marturano gave the Commissioners a copy of HB14-1319 and suggested that they read the bill, "own" the bill and in preparation for the July CCHE Retreat/ HB14-1319 Kick-off, take the next 30 days prior to the retreat to start to think about what principles or goals they want to advocate for. Mr. Cavanaugh told the Commissioners that in reading the bill the Commissioners will see that in almost every case it says the Commission shall, the Commission may, so it is not

just about what they can do. It's about what they can't do or what is prescribed and defining that area that is not prescribed in the law and deciding what they want to do with it.

Commissioner Scott asked what may be the roles for individual Commissioners. Lt. Governor responded that staff may be reaching out to individual Commissioners based on what some of the strengths and expertise and then asking them to serve on certain RFP committees or some of the committees that Kachina has described.

## **WRITTEN REPORT**

**2013 Legislative Report on Remedial Education** – Dr. Beth Bean, Chief Research Officer, was asked by Commissioner Percy why the persistence of the remedial participants was higher than the non-remedial. Dr. Bean responded that for the first time the retention rate for students attending the 2 year institutions, who were remedial students, have a higher retention than those who were not remedial students. Her team are going to look into that deeper and parcel out what's happening there as this is a very interesting finding.

Commissioner Colon and Anderson both commented that although the numbers were lower this year, 38% of students needing remediation statewide is still too high a number.

Commissioner Percy moved to adjourn. The motion was seconded by Commissioner Moses. The meeting was adjourned at 3:00pm.