

Minutes of the Colorado Commission on Higher Education (CCHE) Meeting
Legislative Services Building
April 10, 2015

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

Vice Chair Pacey, Commissioners John Anderson, Luis Colon, Jeanette Garcia, Vanecia Kerr, Regina Rodriguez and Paula Sandoval attended. Commission Hereford Percy attended via conference call. Also in attendance were CCHE Advisory Committee members Representative Jeni Arndt, Wayne Artis, Steve Kreidler and Melissa Wagner. Advisor Stacie Amaya attended the meeting via conference call.

Commissioner Anderson moved to approve the minutes of the March 13, 2015 CCHE meeting. The motion was seconded by Commissioner Sandoval and passed unanimously.

EXECUTIVE DIRECTOR REPORT

Lt. Governor Joe Garcia, Executive Director, advised the Commissioners of the 2015 fall CCHE meeting schedule. The October and November monthly meetings will be combined and held on October 29, 2015.

The Lt. Governor also announced the members of the two standing and one ad hoc CCHE sub-committees. The fiscal affairs and audits sub-committee members will be Commissioners Colon, Sandoval and Scott and be staffed by Diane Duffy. The student and academic affairs sub-committee members will be Commissioners Anderson, Garcia, Kerr and Moses and will be staffed by Rhonda Epper. The ad hoc committee members will be Commissioners Garcia, Kaufman, Moses and Scott. This committee will meet to discuss higher education funding development.

Lt. Governor Garcia reminded the Commissioners that there will be a press conference in Aurora on Wednesday, April 29. This is the official release of EdPays (formerly known as College Measures), which tracks earnings by major and by degree for graduates working in Colorado. This report tracks how much graduates earned from not just different institutions, but different programs within the institutions.

The Executive Director also mentioned press reports about the challenges being faced by some for profit higher education service providers. The University of Phoenix, the largest higher education provider in the country in terms of total enrollments, has seen their enrollment numbers drop and Jones International University, a well-respected institution, is closing their doors.

The Lt. Governor told the Commission that April 17th is College Friday when people are encouraged to wear their college gear to raise awareness of higher education institutions in the state. This initiative is through College in Colorado.

COMMISSIONERS AND ADVISOR REPORTS

Commissioner Anderson reported that he was invited to a dinner with the members of the Ft. Lewis College Board of Trustees. Among the topics discussed were college readiness, remedial education and supplemental academic instruction

Wayne Artis informed the Commissioners that there will be a two year/four year faculty conference on April 24th where revising the gtPathways matrix will be discussed.

Advisor Wagner reported that on May 15th there will be a Career Expo held for 8th graders, to look at post-secondary choices, including going to college, enrolling in trade schools or joining the military.

PUBLIC COMMENT

Frank Waterous, senior policy officer for the Bell Policy Center, reemphasized the Bell Policies' support for the HB1319 funding model but noted that the Center strongly disagrees with the changes made to the HB 1319 model by the Joint Budget Committee during this year's FY2015-16 budget appropriations process. Specifically, they oppose the removal of the Underrepresented Minority (URM) weights from both the Role & Mission and Performance components of the model. They believe that HB1319's purpose was to create a model that not only changes the way in which the funding is allocated to our public post-secondary institutions but also ensures that this funding results in increased access and success for all of our students. One of the strengths of the model adopted by the Commission was its intentional alignment with, and clear reflection of, the statewide goals articulated in the Master Plan.

The Bell Policy Center believes that if Colorado truly wishes to "increase the diversity of students on our campus to better reflect Colorado's current populations" as the Master Plan recommends, then it is imperative that the newly implemented outcomes-based funding allocation model explicitly include measures directly supporting and incentivizing increased underrepresented minority student access and success. The Center urges the Commission, department staff and the Funding Allocation Model Expert Team (FAMET) to work with the JBC to develop mutually acceptable URM-specific weights for inclusion in the model for future budget years.

CONSENT ITEMS

Recommend Approval of Bachelor of Fine Arts Degrees in Theatre Arts and Dance at Colorado Mesa University – Dr. Ian Macgillivray

Recommend Approval of Professional Science Master's in Environmental Geosciences at University of Northern Colorado – Dr. Ian Macgillivray

Recommend Reauthorization of Educator Preparation Unit at Colorado State University – Dr. Robert Mitchell

Two-Year Cash Funded Capital Program List Amendment – Colorado Mesa University – Andrew Rauch

Two-Year Cash Funded Capital Program List Amendment Colorado State University – Fort Collins – Andrew Rauch

Commissioner Rodriguez moved to approve the consent items A through E. The motion was seconded by Commissioner Colon and unanimously passed.

DISCUSSION ITEMS

FY 2015-16 Budget Update –Tonya Covarrubias, Lead Finance Officer, told the Commission that the Joint Budget Committee (JBC), based on the revenue forecast of March 18th allocated \$66.6 million for the operating budget to our public institutions. Of that amount, \$59.3 million ran through the HB 1319 model. \$4.8 million was used to get every institution up to 10 percent and there was an 11 percent increase for the local district colleges, the area vocational schools and the specialty programs at the University of Colorado and Colorado State University.

Additionally, she told the Commission there was \$15.2 million added to financial aid. The URM was removed from the model and the weights for Pell grants were increased to thirteen percent on the Role & Mission side with a \$1.6 million bonus on the completion side, raising the institutions levels close to the amount before the URM was removed.

Included in the budget was also a \$4 million allocation to the Colorado Opportunity Scholarship Initiative (COSI). Commissioner Garcia asked to be put in touch with the Deputy Director of COSI to discuss possible ways to raise more money for COSI.

Update on Cost Driver Study, Development of New Tuition Policies, and Funding Allocation Model 2.0 – Diane Duffy, Chief Financial Officer, explained the purpose of the cost driver study was to: 1) explain the costs of educating students in the context of overall institutional expenditures; and 2) explain the financing of the costs, including tuition pricing and strategies, putting both state financing and tuition revenues in the context of overall institutional revenues. The cost driver analysis team is structured in two parts: 1) reviewing and recommending necessary improvements to the primary sources of cost information; and 2) develop a “predictive” model of costs using analysis provided by the National Center for Higher education Management Systems (NCHEMS) to develop predicted costs for each institution and to compare the predicted to the actual costs. The cost driver analysis team has met four times and two of the deliverables from the team will be a report describing the principal cost drivers at different institutions and automating that budget report to make the data more usable.

Todd Haggerty, Lead Finance Analyst, explained that in HB 1319 there is a charge to the Commission to submit tuition policies that ensure both accessible and affordable higher education for residents by November 1, 2015. The agenda item provided background material of

how tuition has been studied in Colorado the past year. At the May CCHE meeting there will be a tuition policy white paper that looks at the policies that are in place and at practices from other states to provide the Commissioners a document that can inform and educate throughout the process all of the strategies, goals and plans that lead to a solid tuition policy that can then be accepted by the general assembly in the coming year.

Mr. Haggerty also told the Commission that CDHE and CCHE will again engage in an inclusive and collaborative process to discuss the development and implementation of any needed modifications. This will include the reformation of the Funding Allocation Model Expert Team (FAMET). This team will meet monthly and will work with the Fiscal Affairs and Audit Committee to discuss any recommended changes to the funding allocation model. The agenda item provided a calendar of all of the dates of these processes up to the November 1st deadline.

Legislative Update – Kachina Weaver, Chief Legislative Officer, provided an update on the 2015 Legislative Session. She told the Commission that there are many bills relating to academic standards and testing and provided the Commissioners with a copy of the report from the HB 1202 commission, as well as the summary of HB 1323 bill to read. Specifically, she discussed: HB 1294, one of the department’s priority bills, aligning state statutes with the federal law with regard to how veterans’ benefits are treated in Colorado and expands who is eligible under the GI benefits - this bill has passed in the House and is expected to pass in the Senate; SB 255 sweeps \$20 million out of the severance tax fund and puts it into the general fund which helps to prop up certain areas of the budget - this bill has passed both the House and the Senate; HB 1270, the Pathways in Technology Early College High School, establishes a fifth year program in which high school students can do an extra year and potentially a second extra year and receive, at a minimum, an associate’s degree and also potentially a certificate - this bill has passed the House and is in committee in the Senate; HB 1274 establishes new career pathways and enhances tools accessible to high school students to help them access information they need to identify a potential career, what the educational opportunities are, what the income potential is, and what the job opportunities are once they complete that program - this bill is still in House committee; HB 1275 expands what is allowable under the concurrent enrollment to also include apprenticeships and internships, which ties in with the prior learning assessments - this bill is also in House committee; HB 1027, the In State Tuition American Indian Tribes Ties, is still pending in the House while the sponsor works to bring the fiscal note down. Like the ASSET bill, there would be an influx of students in to our Colorado institutions that would negate some of the losses; HB 1314 is the K12’s version of the HB 1319. It is currently in House committee; HB 1264 would allow homeless people to “rest” in public places and public buildings. This is a concern for the public institutions of higher education and the safety of their students. This bill is in House committee; HB 1326 would prohibit the consideration of the accreditation status of a school district when evaluating first-time freshman students for admission. The department has asked the sponsor to narrow down this expansive bill, if possible.

Ms. Weaver told the Commission that the capital construction package provided approximately \$153 million for capital construction projects.

ACTION ITEM

FY2015-2016 Need-Based Financial Aid Model Adjustment – Celina Duran, Lead Finance Analyst, presented the Commission with a model for allocating financial aid to the institutions that included a minimum increase of 5 percent for every institution and a cap at 30 percent.

Ms. Duran reminded the Commission that the institutions do not necessarily spend the funding in the way that it is given to them. At the March 2015 CCHE meeting there was a question about should there be a greater reward amount for a senior versus a junior versus a freshman. The intent of this allocation model is to create incentives for institutions to retain and progress their Pell eligible population but the method of doing that is up to the institution. Ms. Duran said it could be through outreach or through financial aid. The department has determined that institutions have the best information to figure out what works for their students and this year will show how they approached this.

Lt Governor Garcia mentioned that schools have been accused of in the past is offering more generous packages to freshmen in order to enroll those students and then decreasing financial aid as they stay longer and the department thinks there is evidence that that decreases retention. He was sure the Commission does not want to see that happen.

Commissioner Garcia requested an analysis of the impact the new GED model that the Commission implemented in January 2014. The new GED falls under CDE oversight and the Commissioner asked if the reductions in Pell students was due solely to the economic recovery or in part due to the changes to the GED test itself could be correlated.

Commissioner Garcia moved to approve the financial aid allocation model. The motion was seconded by Commissioner Rodriguez and unanimously passed.

Commissioner Anderson moved to adjourn. The motion was seconded by Commissioner Rodriguez. The meeting was adjourned at 2:40pm.