

# STATE OF COLORADO

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DEPARTMENT OF HIGHER EDUCATION  
*Colorado Commission on Higher Education*



Bill Ritter, Jr.  
Governor

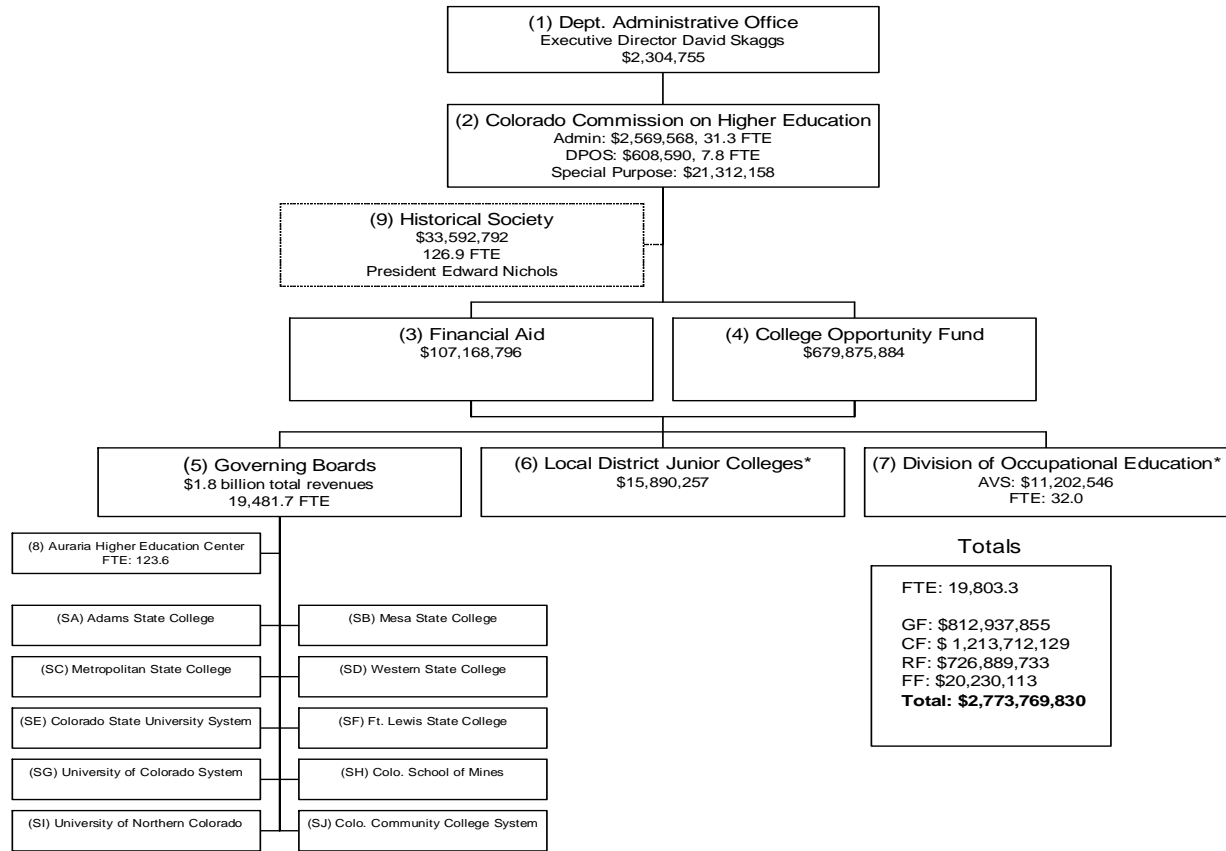
David E. Skaggs  
Executive Director

## DEPARTMENT OF HIGHER EDUCATION

### DEPARTMENT DESCRIPTION

# Organizational Chart

## Department of Higher Education June 2008



## **Background Information**

The Department of Higher Education (Department; DHE) includes eight divisions, the first three comprising the functions traditionally described as the Colorado Commission on Higher Education (CCHE; the Commission): Finance; Academic Affairs; Information & Research; Private Occupational Schools; GEAR UP (federally funded primarily through the Governor's Office); CollegeInvest; College Assist; and College in Colorado (formally a subdivision of College Assist). It is the administrative home of and provides staff support for the CCHE. The Department under its own authority and through the CCHE exercises oversight and coordinating responsibility for the ten higher education governing boards that in turn include 26 public institutions of higher education; in addition, the Department coordinates the state general fund budgeting for Local District Colleges and the Area Vocational Schools which receive funding primarily from other sources. The Department is the administrative home of, but has no operational authority over, the Colorado Historical Society.

The CCHE is the central policy and coordinating board for Colorado's system of public higher education. The CCHE serves as a bridge between the Governor, the General Assembly and the governing boards of the state-supported institutions of higher education. It oversees and approves core budgeting and financing matters for public institutions of higher education. The Commission spends much of its time and departmental staff support acting on policy and regulatory matters, reporting and audit requirements and actions on applications from private degree institutions for authority to do business.

As part of the financial changes instituted in FY06, the Department and Commission negotiated performance contracts with each governing board to address three key objectives of higher education: access; quality; and efficiency. In light of these contract requirements and other factors, the Department and Commission continue to reduce regulations and increase flexibility for the institutions in areas such as approval of academic programs, capital construction requests and tuition setting.

Other divisions within the Department deal with major responsibilities. The Division of Private Occupational Schools (DPOS), which is cash funded and has a separate regulatory board, monitors and oversees more private schools than ever before. CollegeInvest and College Assist maintain nationally recognized programs to assist families in saving for college and students in having access to affordable student loans to pay for college. College in Colorado is in the field statewide with a new website and other vigorous efforts to explain and promote college opportunities and planning for college to students and their families. College Assist, CollegeInvest and College in Colorado are enterprises that do not receive state funds. The Colorado Historical Society funds projects across Colorado through the state Historical Fund Preservation Grants Program.

## **Prior Year Legislation**

### **HB08-1205 (Riesberg, Windels) Capital Construction Review Threshold Increase**

This bill adjusted certain dollar thresholds that triggered various reviews and approvals in processing capital construction project requests for higher education institutions. The bill raised the threshold under which an institution can request a waiver from program planning for state-funded projects from \$500,000 to \$2 million. It also raised the threshold under which cash and 202 projects do not need approval from the Department of Higher Education, the CDC and the JBC from \$500,000 (cash) and \$1 million (202), respectively, to \$2 million (So-called 202 projects are those paid for with student fees, endowed gifts or other incoming revenue, such as from a parking garage or dormitories). Further, the legislation will help expedite the approval process for cash-funded projects by mirroring the 202 process, with approvals by the CDC and the JBC, but not requiring the projects to be included in the Long Bill, enabling construction to begin sooner and so avoiding the costs of delay.

### **SB08-018 (Windels, Massey) Higher Education Statutory Clean-up**

This bill streamlined and simplified various provisions in Title 23, C. R. S. It sought to eliminate outdated statutory provisions, clarified the organizational distinction between the functions of the Department and those of the Commission, removed sections that were not necessary or for good reason were not able to be implemented; and made other changes required by sound policy. These revisions to certain sections in Title 23 will enable the Department to operate more efficiently.

### **SB08-167 (Tupa, Massey) Degree Authorization Act**

SB 167 provided the Department with the authority to conduct a more thorough review of private colleges and universities before they begin operating in the state and allowed for improved protections for students against deceptive trade practices, as defined in the bill. The changes were precipitated by the regional accrediting agency for the state, the Higher Learning Commission, which advised against the prior practice of relying on their processes as a substitute for a substantive review prior to the state's preliminary authorization to do business.

### **SB08-212 (Penry & Romer, Scanlan & Witwer) Alignment of Preschool to Postsecondary Education**

This piece of legislation was one of Governor Bill Ritter Jr.'s signature education bills of the 2008 session. The bill will create, for the first time in Colorado, an aligned preschool-to-college educational system. It will establish new standards and new assessments so students have the skills and the knowledge to succeed in today's global economy. It will facilitate smoother transitions between Colorado's pre-K, K-12 and higher-education systems.

### **SB08-218 (Schwartz & Penry, Buescher & Balmer) Allocation of Federal Mineral Lease Revenue**

This legislation modified the allocation of the state's portion of federal mineral lease (FML) revenues in several ways. The bill created a new Higher Education FML Revenues Fund and a new Higher Education Maintenance and Reserve Fund. All FML revenue, other than bonus payments in excess of the transfers to locally impacted areas, will be required to be transferred, first to the Higher Education Federal Mineral Lease Revenues Fund, and then to the Higher Education Maintenance and Reserve Fund. Up to the first \$50 million annually will be transferred to the revenues fund, with the remainder of such money transferred to the maintenance and reserve fund. The bill specified that money in the revenues fund will be annually appropriated by the General Assembly to directly pay for or pay the costs of financing prioritized capital construction projects at state institutions of higher education per the provisions of SB 08-233.

### **SB08-233 (Windels & Williams, Riesberg & Marostica) Certificates of Participation**

This was a companion piece of legislation to SB08-218, see above, which details how higher education capital construction projects will be selected and prescribes how certificates of participation will be used to finance these projects receiving funding from federal mineral lease revenues.

### **SB08-245 (Windels, Buescher) Higher Education Intercept Act**

This bill required the state to make bond payments on debt held by institutions of higher education in the event that the institutions of higher education are unable to, resulting in higher credit ratings and more favorable borrowing terms with greater flexibility for institutions issuing bonds. The bill is expected to save institutions a considerable amount through reduced finance charges and lower interest expenses.

## **Hot Issues**

- The Department and the Commission are in the process of implementing for FY10 a revised budgeting approach for the ten governing boards and their institutions. The approach is derived from the 2006 study of higher education funding conducted by the National Center for Higher Education Management Systems (NCHEMS). That study analyzed the revenues provided each Colorado public institution in comparison to selected peer institutions nationally. The Department and Commission, working with NCHEMS and each of the institutions, have refined the peer analysis, and it serves as the basis for determining the total revenue needed for each institution to reach its national peer average. This “peer gap analysis,” after annual inflation adjustments, becomes the metric for a proportionate allocation of FY10 state operating funds, with each institution making incremental progress in closing its peer gap over a multi-year timeline. As required under existing law, the state general funds will, in turn, be administered through the College Opportunity Fund (COF) stipends and Fee for Service contracts with the governing boards.
- In March, Colorado was one of three states selected to participate in a new grant program from the Western Interstate Commission for Higher Education (WICHE) called *Non-traditional No More: Policy Solutions for Adult Learners*. Twelve states had applied for

the grants. Colorado, along with Arkansas and Nevada, were picked to work with WICHE for the next two years to guide policies and develop practices to assist “ready adults” – those who are short of having enough credits to obtain their college degree – graduate from college. The two-year grant totals \$65,000. The Department of Higher Education will use the funds and technical assistance from WICHE to develop and test new policies and practices targeting adult learners and the special challenges they face in going back to school – however briefly. The objective will be to create a way to make degree attainment practicable for this category of typically older students, figuring out how to find and communicate with the relevant population and tailoring student resources to better meet their needs.

- Colorado is one of eleven states selected (out of 35 that applied) to receive a planning grant of \$150,000 under the Lumina Foundation’s *Making Opportunity Affordable* program. This grant relates directly to the Governor’s goal of doubling degrees and certificates over ten years. It keys off the projected requirement that for Colorado to remain internationally competitive at least 55% of the state’s adult workforce will need to have an AA degree or higher by 2025. The \$150,000 planning grant will support DHE’s work for the year beginning in October 2008 to develop essentially a long-range strategic plan for higher education that will focus on the most efficient way to grow degree production and, in the process, address the aspect of the Colorado paradox that requires substantial improvement in access, retention and graduation for the state’s under-served population.
- The Department has recently signed a contract with WICHE to conduct an evaluation of the College Opportunity Fund program. Half of the \$79,000 cost of the study is being underwritten by a grant from the Donnell-Kay Foundation. The study should be completed by March, 2009, ahead of the statutory deadline of July 1, 2010, for an evaluation of the COF program. There should be ample time to translate any policy options recommended by the study into legislation in advance of the 2010 legislative session.
- Colorado Christian University (CCU) appealed the federal district court’s decision in favor of CCHE. CCU claims that CCHE’s refusal to allow CCU to participate in the state financial aid program on grounds CCU is “pervasively sectarian” under state constitutional and statutory provisions violated the 1<sup>st</sup> Amendment to the U. S. Constitution. The district court last year rejected that claim. CCU’s appeal was heard by a panel of the U. S. Court of Appeals for the 10<sup>th</sup> Circuit on May 14. A decision is expected later this year, and it is likely that whichever party loses will seek review by U. S. Supreme Court.
- There are two pending ballot initiatives for the November 2008 election which will significantly affect public institutions of higher education:
  - (1) *Severance Tax Reform & Colorado Promise Scholarships*: Increases severance tax revenues and uses the net proceeds mainly to fund the Colorado Promise Scholarships and also to fund energy efficiency and conservation programs, wildlife habitat preservation, transportation projects in impacted areas and water and waste water treatment projects. After holding harmless the

current recipients of severance taxes (the state severance tax trust fund and the local government severance tax trust fund) at 22% of revenues each, the proposal would allocate the balance of severance revenues as follows: 10% to a “perpetual base account” (until that fund and its accumulated interest equals 125% of the previous year’s severance tax revenues); and the remaining 90% to an “operational account.” The operational account would be further allocated: 60% to a new Colorado Promise Scholarship fund to be administered by CCHE under guidelines to be developed to account for several factors

(2) *Gaming/Community Colleges*: Provides for local elections in the cities where gaming is allowed (Central City, Black Hawk and Cripple Creek) that could approve extended hours of operation, new games (adding roulette or craps or both) and higher bet limits (up to \$100). The initiative would allocate net new revenues: 78% to community colleges and local district colleges in proportion to their FTE enrollment the previous year; and 22% to the county and city governments affected by gaming.

## Workload Indicators

<i>Division</i>	<i>Work Item</i>	<i>FY06-07</i>	<i>FY07-08</i>	<i>FY08-09 estimated</i>	<i>FY09-10 projected</i>
Finance	Tuition analyses from public institution surveys	N/A	10	10	10
	GF budget analyses for peer gap closure	N/A	10	10	10
	FTE analyses for COF projections	10	10	10	10
	Compile, analysis of budget data book submissions from public and local district schools	12	12	12	12
	Review financial aid audits to determine compliance with CCHE policy and guidelines	37	37	38	40
	Determine institutional financial aid allocations for each institution approved for participation	51	51	52	54
	Review new institutions' applications to participate in state-funded financial aid	1	2	2	1
	Coordinate financial aid advisory committee meetings	6	6	6	10
	Review applications for participation in federal LEAP and SLEAP financial aid programs	2	2	2	2
	Prepare annual financial aid report to the General Assembly	1	1	1	1
	Provide financial aid trainings for institutions and other appropriate state organizations.	3	4	4	8
	Evaluate capital construction requests and prioritize for CCHE/OSPB	45	65	70	60
	Report to CCHE on capital items	3	2	2	4
	Review institutional master plans	2	7	4	3
	Review/renew fee for service contracts	11	10	10	10



<i>Finance Division Objective</i>	<i>Work Item</i>	<i>FY06-07</i>	<i>FY07-087</i>	<i>FY08-09 estimated</i>	<i>FY09-10 projected</i>
Finance	Develop a funding model for higher education and gain consensus on this model	NA	NA	ALL	ALL
	Gain consensus on this funding model by December 07				
	Manage annual capital budget process	Yes	Yes	Yes	Yes
	Maintain governing board and commission consensus on the priority order of the capital projects	Yes-process Improved	Yes	ALL	ALL

Department Description  
 FY 2009-10 Operating Budget Request

<i>Division</i>	<i>Work Item</i>	<i>FY06-07</i>	<i>FY07-08</i>	<i>FY08-09 estimated</i>	<i>FY09-10 projected</i>
Academic Affairs	Student complaints received/resolved	100%	100%	100%	100%
	GT-pathways courses reviewed	336	400	300	200
	Develop assessment of GT pathways transfer policy and implement longitudinally	N/A	100%	100%	100%
	WICHE <sup>1</sup> WUE contracts	4003	4013	4023	4023
	WICHE PSEP contracts	226	233	240	240
	General Assembly reports/legislative requests	9	10	11	15
	Performance contract reviews	35	35	35	35
	Academic meetings staffed <sup>2</sup>	57	68	68	80
	NCLB professional development grants	6/\$807,444	7/\$1,000,000	5/\$750,000	5/\$750,000
	Schools of ed accreditation visits	0	2	8	4
	Private school authorizations	19	15	15	12
	Out-of-state program approvals	22	30	30	30
	CCHE reports	53	51	51	60
	CCHE action items	41	39	39	39
Information&Research <sup>3</sup>	SURDS records processed	7,677,212	7,940,508	8,203,804	8,340,900
	Reports submitted to the state	10	10	10	10
	SURDS reports with analysis	906	950	950	950
	Data files from <i>public</i> IHEs <sup>4</sup> reviewed and submitted to USDOE	378	378	378	378
	Data files from <i>private</i> IHEs reviewed	455	455	455	455
	RD&D DPOS data collection system	1(10% done)	1 (80%)	1 (100%)	
	Review, coordinate information security plans	N/A	13	13	13
	Coordinate with IHEs re reduction of information security breaches	4	as needed	as needed	as needed

<sup>1</sup> Western Interstate Commission for Higher Education

<sup>2</sup> Includes CAO, CIO, DAG, Extended Studies, Admissions, Student Services, HEAR, GE-25, NCLB.

<sup>3</sup> Much of the workload and outputs of the I&R Division feeds into items noted under Academic Affairs.

<sup>4</sup> Institutions of higher education

Department Description  
 FY 2009-10 Operating Budget Request

Division of Private Occupational Schools

<i>DPOS Objective</i>	<i>Key Measure: Outcomes</i>		<i>Benchmark/Actual</i>			
			<i>FY 06-07</i>	<i>FY 07-08</i>	<i>FY 08-09 Appropriated</i>	<i>FY 09-10 Request</i>
timely action on student complaints	complete investigations of complaints within 90-days of receipt <sup>5</sup>	<b>B</b>	100%	100%	100%	100%
		<b>A</b>	N/A	100%	100%	100%
eliminate unlicensed schools and diploma mills that come to the attention of DPOS	licensing completed or enforcement action taken against unlicensed schools within 120 days <sup>5</sup>	<b>B</b>	100%	100%	100%	100%
		<b>A</b>	100%	100%	100%	100%

<sup>5</sup> Goal should always be timely licensure and investigation of complaints and appropriate enforcement action taken against schools that violate the law.