

# STATE OF COLORADO

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DEPARTMENT OF HIGHER EDUCATION  
*Colorado Commission on Higher Education*



Bill Ritter, Jr.  
Governor

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Executive Director

## DEPARTMENT OF HIGHER EDUCATION

### STRATEGIC PLAN

### FY 2010 BUDGET REQUEST

## **Introduction & Organization Chart**

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 CollegeAssist. 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.

The Department and the Commission are in the process of implementing for FY10 a new 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 will serve as the basis for determining the total revenue needed for each institution to reach its national peer average. This "peer gap analysis" will be the basis for a proportionate allocation of FY10 state operating funds and tuition revenues, enabling each institution to close 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.

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 continues to fund projects across Colorado through the state Historical Fund Preservation Grants Program. This division will highlight their accomplishments and needs in their separate budget submission.

The Department is unique in Colorado state government in many ways. Especially for purposes of preparing and implementing a strategic plan, it is important to recognize that the resources under its immediate control and available for its core mission are quite limited – the 26.5 FTE and less than \$2 million to carry out the functions historically described as those of the CCHE. The real mission of the Department is in the hands of the ten governing boards<sup>1</sup> and the 26 institutions that admit students, hire faculty and staff, carry out instructional programs, conduct research, raise institutional resources, and build and manage physical plants. They will have some \$1.8 billion and 19,000 staff and faculty FTE for FY09 to accomplish those functions, serving an estimated 160,000 FTE students (and a “head count” of approximately 213,000<sup>2</sup> individual students).

That is where the higher education “action” is and will be, and that action is subject to only the indirect control and influence of the Department through its coordinating role in budgeting for state’s financial support to the institutions and in mediating and occasionally regulating various aspects of the institutions’ academic programs. Or, put the other way around, the ten governing boards have the primary, hands-on legal and practical responsibility for managing their institutions, and those boards are understandably and appropriately intent on preserving their authority to do so. This reality is underscored by the necessity three years ago of moving all the governing boards into “enterprise” status under TABOR (i.e., “under 10% of annual revenues in grants from all state and local governments, combined.”).

This indirect role and limited influence of the Department could serve to rationalize a limited set of stated objectives, focused on outcomes within its direct control. However, both the General Assembly and the public look to the Department to be responsible for the performance of the overall “system” of state post-secondary education. So, at the risk of aspiring to meet objectives which are in practice mainly dependent on the work of others, the Department believes it is more useful to the General Assembly and the public if it defines its mission and objectives more broadly, to encompass the well-being and productivity of the higher education system. Thus, the success of this strategic plan depends as much on the ability of the Department to develop and maintain a cooperative commitment with and among the institutions to accomplish our shared objectives, as on its limited direction and control over the governing boards.

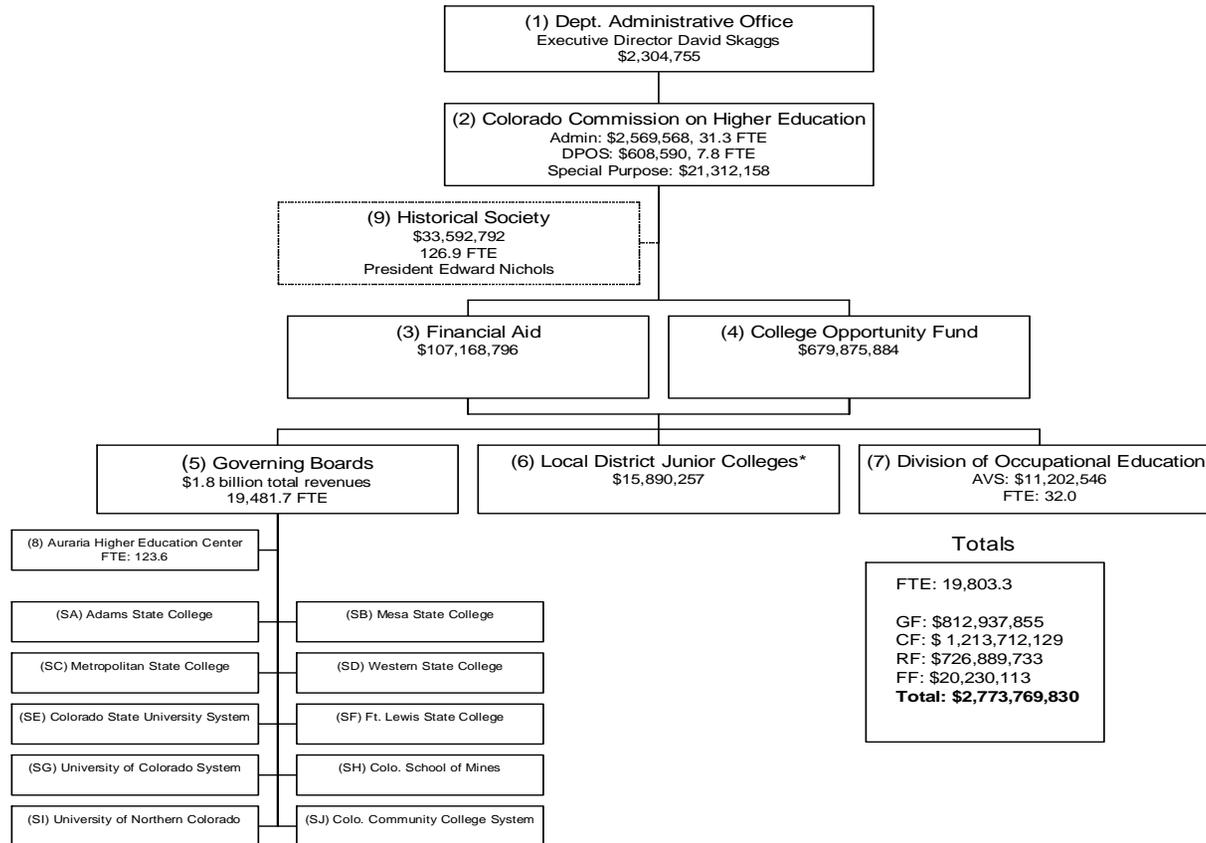
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<sup>1</sup> These are: the University of Colorado Board of Regents, the boards of trustees for Adams State College, Colorado School of Mines, Colorado State University, Ft. Lewis College, Mesa State College, Metro State College of Denver, University of Northern Colorado, Western State College, and the State Board for Community Colleges and Occupational Education. In addition, DHE has limited funding and programmatic authority for two two-year local district colleges (Aims Community College and Colorado Mountain College) and for four area vocational schools (Delta-Montrose Area Vocational-Technical Center, Emily Griffith Opportunity School, Pickens Technical Center, San Juan Basin Technical College).

<sup>2</sup> Includes approximately 9,800 students at Aims Community College and Colorado Mountain College.

Organizational Chart

Department of Higher Education  
June 2008



\*(6) LDJC and (7) AVS do not receive funds through COF; they receive direct appropriations from the General Fund.

## **Mission Statement**

The mission of the Department of Higher Education is to improve the quality of, ensure the affordability of, and promote access to, post-secondary education for the people of Colorado. In pursuing its mission, the Department of Higher Education acts as an advocate for the students and institutions of post-secondary education and in concert with the Colorado Commission on Higher Education coordinates and, as needed, regulates the activities of the state's post-secondary education institutions. The Department carries out its responsibilities with the highest standards of efficiency and quality service to the people of the state. As most new jobs in the state will require postsecondary education, access for all students capable of postsecondary work is needed to ensure that Colorado remains a competitive state.

## **Vision Statement**

Higher education must fulfill its essential role in creating the conditions for a healthy state economy, a productive society, an effective representative democracy and a high quality of life for the people of the state. While serving these greater societal needs, the Department and the state's institutions understand that their main purpose is the rigorous intellectual development and instruction of students. The Department, working together with the state's institutions, seeks a future for Colorado in which its institutions are adequately funded, have the capacity to meet the post-secondary educational needs of the state, and make continued improvement in quality, efficiency and student achievement.

## **Departmental Objectives**

1. In collaboration with the General Assembly and governing boards, restore over the next several years adequate revenues to state institutions of post-secondary education – in general funds, financial aid and tuition – so that the institutions have the physical and instructional capacity to meet the state's growing demand for affordable and high-quality post-secondary education, accessible to all students with the requisite desire and ability.
2. Work with institutions of higher education to ensure a coordinated and coherent system of post-secondary education with transparent and understandable measures of performance and outcomes, including doubling of degrees and certificates by 2018.
3. Ensure that, in accordance with statute, private occupational schools and private degree-granting institutions are appropriately licensed and authorized, monitored and regulated, and provide the instruction contracted for.
4. Work with the Department of Education to improve alignment between K-12 and post-secondary education and to ensure that schools of education are providing high quality training and professional development for the state's teachers.

5. Develop and implement coordination and programmatic cooperation with other state and federal government departments and agencies, with the private sector and with nongovernmental organizations to maximize the contribution that higher education can make to shared goals, e.g., workforce development and private sector support, reduced recidivism, and new energy economy.
6. Promote post-secondary education to potential students (especially, grades 7-12) and inform them and their families of the availability of the variety of post-secondary resources available and of the means to pay for them.
7. Provide secure and efficient financial support services to families and students to assist them in saving and paying for post-secondary education; administer the College Opportunity Fund stipends efficiently and accurately.
8. Identify, protect, interpret and promote essential and significant state historic places and resources.

*[Note: Objectives 6, 7 and 8 are included for the sake of a complete statement of departmental objectives, but they fall, respectively, under the jurisdiction of College in Colorado and GEAR UP (6), CollegeInvest and College Assist (7), and the Colorado Historical Society (8). College in Colorado, CollegeInvest and College Assist are enterprises that do not receive state funds. GEAR UP is entirely federally funded. The Colorado Historical Society prepares its own budget submission. Therefore, the Department's strategic plan will address further only objectives 1 through 5.]*

**Performance Measures: Department of Higher Education**

Selecting only one key measure of outcomes for each major departmental objective greatly oversimplifies the picture of the challenges facing DHE and excludes many salient measures of its work. The measures below indicate accountability for some of the more daunting responsibilities the Department faces with its colleagues at post-secondary institutions. Please bear in mind that success in achieving these objectives as shown by these measures depends on the efforts of the institutions as much as the effort of the Department. In each case, the “actual” numbers for FY 07-08 are necessarily estimates, and for FY 08-09 are projected goals.

<i>DHE 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>
Achieve adequate funding for higher education over the next several years based upon the NCHEMS Peer Gap Analysis	Reach peer revenue parity in an agreed upon timeframe	<b>B</b>	100%	100%	100%	100%
		<b>A</b>	-	TBD		
coordinated and coherent system; measures of performance and outcomes	double degrees and certificates <sup>3</sup>	<b>B</b>	N/A	75,000	75,000	75,000
		<b>A</b>	40,300	40,482		
align K-12 and higher ed; teachers training, professional development	double science & math teacher candidates	<b>B</b>	N/A	1600	1600	1600
		<b>A</b>	818	875		
shared objectives: cooperation other gov't departments, agencies, private sector, NGOs	collaborations with other agencies, private sector, & NGOs <sup>4</sup>	<b>B</b>	N/A	5	5	5
		<b>A</b>	N/A	1		

<sup>3</sup> Governor Ritter’s *Colorado Promise* establishes a new goal for DHE and the post-secondary system.

<sup>4</sup>Collaborations with other departments and with the private sector and NGOs are a new objective, reflecting a new operating philosophy for DHE. The most important element is working with the Colorado Department of Education on such issues as implementation of admission requirements and teacher education programs. DHE also will seek business community participation in better aligning the state’s economic development and education goals, leading toward improved worker preparedness and job placement. Efforts with the Department of Corrections (DOC) are focused to increasing education opportunities within DOC to contribute toward the goal of reducing recidivism.

**Academic Affairs Division**

<i>Academic Affairs 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>
guaranteed transfer opportunities for all students	Meet goal “2” <sup>5</sup> of the gov. bd. performance contracts which requires all institutions to have their general education courses approved by the GE-25 council so that students taking courses at one institution can transfer these courses without question to another institution in the state. All institutions are supposed to have the process completed by 2008.	<b>B</b>	100%	100%	100%	100%
		<b>A</b>	90%	100%		
improved quality, access, and affordability	Increase statewide completion rates. Completion rates are the graduation rates of students over three years at community colleges and six years at four year institutions.	<b>B</b>	N/A	66%	66%	66%
		<b>A</b>	56%	57%		

<sup>5</sup> All general education courses at a given institution approved for transfer credit.

**Information & Research Division**

<i>I&amp;R 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>
support higher education's "more for more" initiative	Develop, reach consensus on and implement set of performance indicators for institutions	<b>B</b>	N/A	100% developed	100% implemented	75% implemented
		<b>A</b>	N/A	TBD		
good public information	key reports out within 30 days of data received	<b>B</b>	50%	75%	100%	100%
		<b>A</b>	50%	TBD		

### **Division of Private Occupational Schools**

DPOS provides standards for and offers services to foster and improve private occupational schools and their educational services and to protect the public against fraudulent or substandard schools through licensure, compliance monitoring, school inspections, investigating student complaints and various other statutory requirements. DPOS does not largely have the ability to control any of the contributing factors to carrying out its duties beyond the staff's response to these factors. As such, the DPOS services the public interest and provides these regulatory services to the State regardless of workload due to statutory mandates. For this division workload indicators have been included to indicate how much has been done on a year-to-year basis. Through these workload indicators DPOS supports the Department in achieving part of its strategic objective to improve the quality of postsecondary education for citizens of Colorado.

### **Finance Division**

The Financial Division provides budgetary and financial leadership to the Department in meeting its strategic objectives and facilitates a supportive role in achieving both the Department wide and Division wide performance measures provided in this Strategic Plan.

## 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

<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>6</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>7</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>8</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>9</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>6</sup> Western Interstate Commission for Higher Education

<sup>7</sup> Includes CAO, CIO, DAG, Extended Studies, Admissions, Student Services, HEAR, GE-25, NCLB.

<sup>8</sup> Much of the workload and outputs of the I&R Division feeds into items noted under Academic Affairs.

<sup>9</sup> Institutions of higher education

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>10</sup>	<b>B</b>	100%	100%	100%	100%
		<b>A</b>	N/A	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>10</sup>	<b>B</b>	100%	100%	100%	100%
		<b>A</b>	100%	100%		

<sup>10</sup> Goal should always be timely licensure and investigation of complaints and appropriate enforcement action taken against schools that violate the law.

## **Key Trends; Background & Context**

The larger political and economic environments have major effects on the workload and resources of the Department of Higher Education. Hopefully, Colorado may be coming to a timely and needed recognition of the critical role higher education must play for the state to enjoy a healthy economic future. A large majority of the expected new jobs created in the state over the next 15-20 years will require post-secondary education. While the state has been very successful in importing college-educated workers for decades, there is no guarantee that phenomenon will continue indefinitely.

Large segments of the state population – defined both geographically and ethnically – participate proportionately much less than white and urban/suburban populations in higher education. So, for both economic and social equity reasons, Colorado higher education needs to reach people who have not historically taken advantage of post-secondary opportunities.

The interdependence of P/K-12 and post-secondary education is better appreciated by both DHE and higher educational institutions, on the one hand, and our colleagues at the Department of Education and the P/K-12 schools and school districts, on the other, and we are determined to work together to address both the college remediation and teacher education challenges we both face. We share major responsibilities with the Department of Education and the State Board of Education in the implementation of SB 08-212.

We have to remedy the recent severe under-funding of the state's public institutions. For several years, they have been doing more with less – doing heroic work with extremely limited resources. They now need to do more with more. For this to happen, the public will require evidence that the institutions are working together and providing the kind of value and educational outcomes that justify additional public investment. The institutions are willing to pursue a pathway to fiscal health in which they all participate in equitable proportion. This was the fundamental goal at the June 2007 higher education summit.