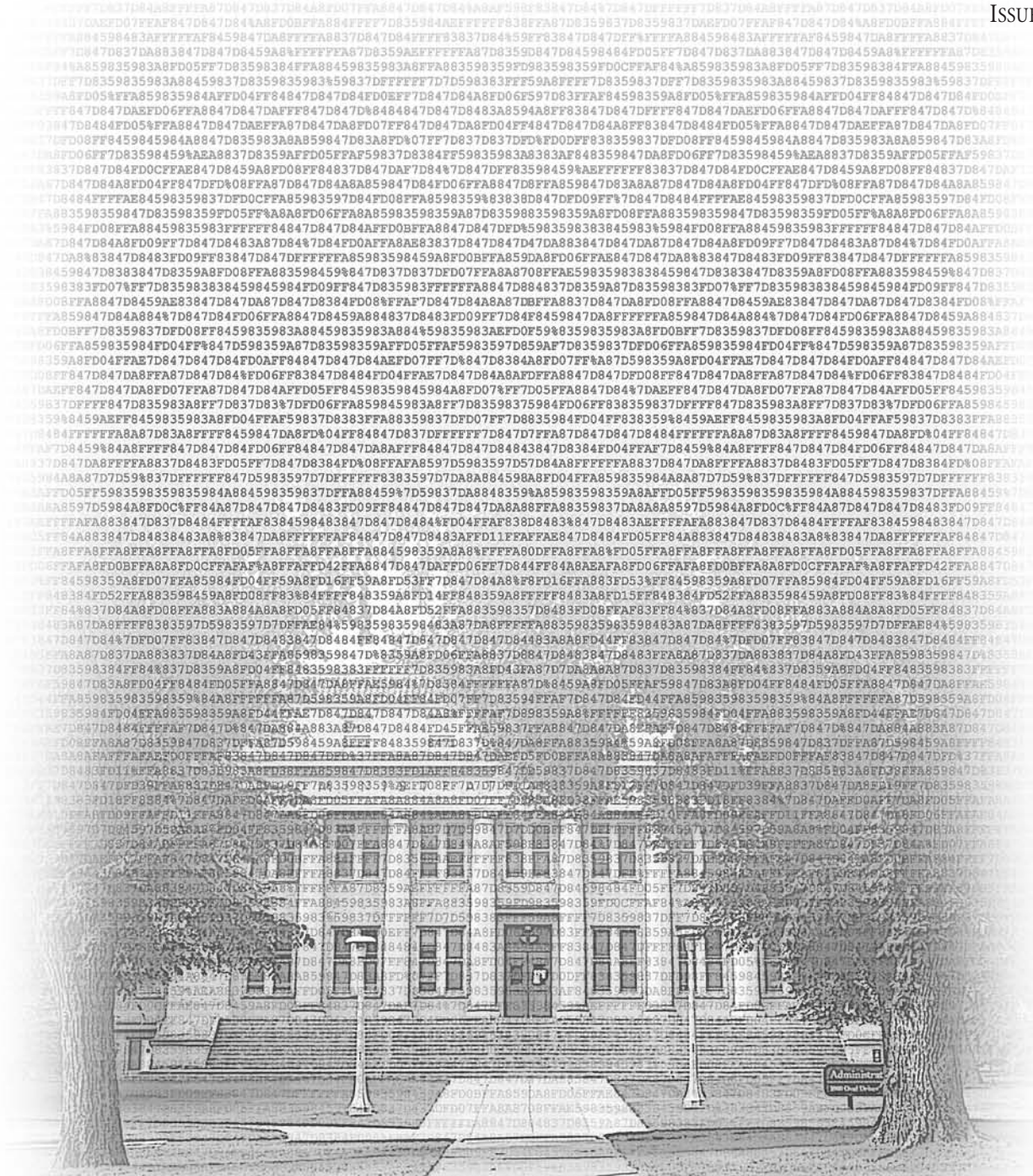


COMMENT Quarterly

Addressing the state, national, and global challenges affecting Colorado State University

JANUARY 2007

ISSUE 1, VOL. 1



By the Numbers: CSU's stretch goals tied to funding

Also Inside:

- Study has implications for state education funding allocations**
- Federal commission calls for higher education reform**

Colorado State University



Dear Colleagues:

Colorado State University is moving forward, and so is *Comment*.

Comment has been the faculty and staff newsletter at Colorado State University for decades, covering issues, events, and developments of interest to our campus. With advances in technology and the increasing use of the Internet as a communications tool, the University earlier this year introduced Today@Colorado State, a daily e-newsletter that provides consistent updates on news, activities, and individual achievements at CSU. With much of its longstanding mission filled by this new electronic publication, we were left with the question, “What happens to *Comment*?”

As president, I place high priority on keeping the campus community informed about issues that have the potential to impact our progress and focus as an institution. On a daily basis, CSU faculty, staff, and administrative leaders are confronting a range of issues – from accreditation and accountability to legislative negotiations and strategic planning – that invite somewhat deeper analysis than is practical in Today@Colorado State or likely to be covered in regional media. For that reason, and after consultation with Faculty Council leaders, we have created this new publication, *Comment Quarterly*. Published by the Office of the President and edited by Peg Kowalczyk, this new publication will review issues of concern to Colorado State and higher education and will offer some perspective on how the University is anticipating and responding to national and statewide developments.

Colorado State has an outstanding resource in its faculty, staff, and administrative leadership team of academic deans, Cabinet, and department and unit heads. Many of you are engaged at the state, national, and international levels in shaping the future and course of higher education and its components. *Comment Quarterly* provides a vehicle to share information on matters such as how our academic and student affairs divisions are collaborating to improve retention efforts; how admissions and academic affairs are working to more effectively market the University to prospective students – and then to manage that growth; how our Graduate School and International Programs office are forging groundbreaking partnerships with institutions in other nations; how our new structure for outreach and strategic partnerships is connecting with traditional and non-traditional constituencies; and how public affairs is reorganizing to better communicate the story of CSU’s achievements to our many stakeholders. These and many other issues will provide the substance of *Comment Quarterly*.

Your comments, questions, and submissions to this publication are welcome and encouraged. I and other members of the administration would also invite questions you would like to see addressed in future issues of *Comment Quarterly*. Our goal is to increase both accountability and transparency in the operations of Colorado State University, as well as to provide you with an effective vehicle for learning about and sharing in our University’s progress.

Best wishes,

Larry Edward Penley
President

► TALKING POINTS

New Comment addresses strategic issues

Comment has a new focus.

Formerly a weekly news publication for Colorado State University's faculty and staff, *Comment Quarterly* now reviews key strategic issues that affect Colorado State as a premier national research university.

Comment provides an in-depth, insider's look at the projects and priorities President Larry Edward Penley and his Cabinet are addressing throughout the state and nationally on behalf of the University.

The publication also addresses how Colorado State is making a difference as a model 21st-century land-grant university – solving problems, supporting economic vitality, educating people of skill and character, and targeting the global challenges of our time.

Continue to access Today@Colorado State at <http://today.colostate.edu/> for daily news, event listings, and announcements that affect the Colorado State University community. 

COMMENT **Quarterly**

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Comment Quarterly reviews key strategic issues that position Colorado State University as one of the nation's premier research universities.

Larry Edward Penley, President
Colorado State University System Chancellor

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Inspired by its land-grant heritage, Colorado State University is committed to excellence, setting the standard for public research universities in teaching, research, service, and extension for the benefit of the citizens of Colorado, the United States, and the world.

► TRANSFORMATIONS

President stresses economics, access and accountability in faculty address

Colorado State University is moving rapidly, with ambitious goals that only can be achieved through collaboration and a shared vision, President Larry Edward Penley said in a Nov. 8 report to faculty at the Lory Student Center. In the first of what will become a regular series of special reports to the academic faculty, Penley emphasized that economic development and prosperity, widespread educational access, and institutional accountability are necessary to advance the University and set the standard for the 21st century.

In his speech, the president emphasized building on the University's strengths and international reputation but urged that we change a reticent culture that accepts the status quo. "A mentality of scarcity and a debilitating humility have manifested in a hesitation to tell the CSU story and to position the University nationally and internationally," said Penley.

After multiple years of budget cuts, a lack of state emphasis on the value and role of higher education, a weakened academic decision-making structure, and the stifling influence of the TABOR Amendment, CSU had reached a point where it was reluctant to introduce change, which inhibited our ability to advance the University, Penley said. "This limited our hopes and dreams. Instead, our approach was characterized by a constant focus on limiting expenditures and managing the academic enterprise via financial constraints."

Even when the state is facing very real fiscal limitations, such an environment becomes debilitating over time when we allow it to dictate institutional direction and narrow our vision, Penley said. Good stewardship of public resources is essential for a public institution. But flexibility, growth, ambition, creativity, and vision also are essential, he added.

Penley outlined how support for higher education in Colorado today is significantly improved from what it was three years ago. Recently, the University has secured:

- another competitive faculty salary increase this past year and the largest employee benefits increase in 20 years;
- an increase to the salary floor for adjunct faculty this year – the second straight year for an increase, with last year's being the first time the floor was raised in more than a decade;
- the initial steps taken to enlarge our capacity to address the need for graduate education;
- additional funding for writing across the curriculum, biosafety, lab animal management, information technology security, the Honors program, and teaching and learning;
- continuation of a three-year expansion of student financial aid – a trend that has resulted in a 69 percent increase in merit-based aid and a 112 percent increase in need-based aid;
- continued investment in University library resources – \$1.6 million in the last three years of new base and one-time funds to support operations and acquisitions – a commitment CSU has maintained even during the most difficult fiscal crises the institution has ever faced;
- continued progress in strengthening the base of private support, exemplified by Ed Warner's \$30 million gift to the College of Natural Resources;
- and extraordinary success on the part of the faculty in obtaining research grants and contracts – for the first time in CSU history, annual research expenditures exceeded a quarter of a billion dollars, almost a 35 percent increase in the past three years.

He added that the 37 new faculty positions approved for funding over the last two years represent a 4 percent increase in the size of the faculty; by far the largest increase in the past 15 years.

But despite these successes, Penley said, there are challenges for higher education.

The full text of the speech and a video of the session are available on the President's Office Web site, www.president.colostate.edu/.

Making the case for higher education

Penley outlined how education leaders have attempted to justify the value of higher education with mistaken strategies, such as documenting decreased state support for higher education or using traditional economic impact statements. The result? States simply balance their budgets with cuts to higher education. And relying solely on economic impact statements that justify new business enterprises only depreciates the role and value of higher education, he said.

“Higher education is a public good that has the potential for considerable impact on our community’s quality of life and economic prosperity,” said Penley. The public benefits from the creative products of the university, including new ideas generated, new spin-off companies, new patents, new products, and ultimately new jobs.

Penley added that economists have recently made the case for higher education as a public good, supporting the relationship between economic prosperity and ideas and labor. He noted that economists, including Charles Jones of the University of California and Paul Romer of Stanford, have argued persuasively that higher education accounts for substantial variations in the economic prosperity of countries.

Economists at the Federal Reserve Bank of Kansas City have found that innovation – the key to economic prosperity – is significantly higher in regions that are home to doctorate-granting universities.

“If we live up to being the model 21st-century land-grant university, Colorado State must set the standard in making significant contributions to quality of life and economic prosperity through creativity, idea generation, and the creation of a well-educated labor force that makes the region and country more competitive globally,” urged Penley. In doing so, he said, Colorado State must be guided by the following principles:

- The overall quality of life of our state and region matter to us.
- The speed by which creativity and innovation are made available to society is an asset.
- We must be committed to design and launch multidisciplinary research and educational programs that address great global challenges.
- We must recognize that an advanced global network of partners and collaborators is essential to effectively address the great global challenges of our time.
- Interacting with the University should be easy and, potentially, profitable for industry.
- Assessing the market potential of the products of discovery should be an active, continuous process.
- The primary goal of commercialization of intellectual property is to benefit society.
- Faculty should be rewarded for technology development.

These principles have been the basis for the creation of the CSU Office of Economic Development and the development of the Supercluster concept, which – along with such actions as our joint appointment of a regional economist with the Northern Colorado Economic Development Corporation – will help us make the case for Colorado State University much more effectively in the future, Penley said.

Assuring widespread access with success

“Access without a reasonable probability of success is a fraud,” said Penley.

Many colleges and universities are driven to admit students without the background, capacity, and support to succeed. For too long, Penley said, higher education has not taken seriously its responsibility for increasing access and success for the growing number of talented minority and lower-income high-school students.

Changes necessary to advance Colorado State University and set the standard for the 21st century

- **Invest in faculty and our ability to compete at national and global level for far more of the very best scholarly talent**
- **Improve and increase facilities**
- **Significantly improve our success in private giving**
- **Operationalize the Supercluster concept**
- **Raise further accountability and transparency with regard to student success**
- **Further improve student success, including successful competition for prestigious scholarships like Rhodes, Marshall, Truman, and others**
- **Increase substantially our graduate programs and graduate students**
- **Adopt pricing changes necessary to afford access**
- **Assure that our faculty and our graduates look more like the changing population we serve**
- **Improve substantially the quality of the undergraduate educational experience**
- **Make absolutely fundamental our commitment to access with success**
- **Make real our recent reorganization for outreach and strategic partnerships**
- **Continue to pursue fundamental change to how Colorado funds higher education**
- **Tell our story through improved marketing of this institution and the extraordinary work being done here. CSU cannot, nor should it, remain the secret it has been.**

– From President Larry Edward Penley’s
November 8 Report to Faculty

Penley outlined some notable demographic statistics.

- Between 1980 and 2020 in the United States, the working-age white population will decline from 82 percent to 63 percent – a 19 percentage-point decline over 40 years.
- The minority segment is expected to increase from 18 percent in 1980 to 37 percent in 2020.
- The greatest increase in population is among the least well-educated.
- In 2000, whites between the ages of 25 and 64 were twice as likely as African-Americans and three times as likely as Hispanics to have a bachelor's degree.
- Almost 50 percent of Hispanic and African-American ninth-graders do not complete high school.

These issues of access and success for non-white students are further exacerbated by the impact of income on access to higher education, he said. The Education Trust provides a disappointing picture for those with low incomes: “By age 24, 75 percent of students from the top income quartile receive [a bachelor's degree].” For students growing up in low-income families, fewer than 9 percent earn a bachelor's degree by age 24.

Penley noted that the challenge is complicated by a shift away from need-based aid to merit-based aid. A Pell grant covers little more than a third of the average cost of a public university. Because low-income students have differential expectations about the labor market, they worry that their investment in higher education may not pay off as price rises. Thus, low-income students often choose not to attend the university. The effect is felt among non-white students who disproportionately make up the ranks of lower-income families.

Public colleges and universities need to create access for students, urged Penley. And this is not merely an issue of schools' shifting aid toward need. “More fundamental changes in pricing and paying for higher education are required if we are to alter our future labor supply and the education level of our citizens,” he said.

Penley outlined how CSU has taken some important steps during this past year to confront these issues head-on. The appointment of Robin Brown as vice president for enrollment and access, and the work of the Coordinating Committee on Undergraduate Student Success, co-chaired by Alan Lamborn and Blanche Hughes, will help CSU focus on improving retention and the overall quality of the undergraduate experience.

“But the issues of access, affordability, and student success must continue to be priorities for this institution and for higher education as a whole,” said Penley.

Establishing increased accountability


The challenges of accountability in higher education are complex, but eschewing the public's call for accountability is a mistake, he noted. The complexity and diversity of colleges and universities, widespread consumerism and high public expectations, and the growing partisanship in politics contribute to these beliefs.

He said we in higher education appear to eschew accountability by:

- viewing the educational experience as unique and therefore not warranting the same kind of accountability as other organizations;
- failing to adopt information systems and measures that allow meaningful, frequent reports – to our boards, our students, and the public;
- failing to embrace specific goals, particularly goals for improving retention and graduation; and
- not embracing improvements in productivity.

Penley noted that the recent Spellings Commission report, published by the Secretary of Education's Commission on the Future of Higher Education, addresses such accountability. The report calls for colleges and universities to document retention and graduation rates, campus learning-climate

statistics, and outcome measurements for problem-solving skills, written-communication skills, and quantitative-reasoning skills. “We can easily misunderstand these calls for increased accountability as challenges to the value of higher education, rather than demands for greater value,” said Penley.

Penley also highlighted a series of five-year “stretch goals” approved by the Board of Governors and designed to drive a much steeper level of achievement of the University’s strategic plan. The goals are achievable, but they will be a “stretch,” and they will demand enhanced investment, Penley said. “They will also demand a willingness on our part to change, adapt and open ourselves to new possibilities.” 

Transforming Colorado: Higher Education and the Future of Our State

The following piece, spearheaded by President Penley, appeared January 7, 2007, in *The Denver Post*.

Larry Edward Penley, Chancellor, Colorado State University System
Hank Brown, President, University of Colorado
Brad Bartel, President, Fort Lewis College
Tim Foster, President, Mesa State College
Nancy McCallin, President, Colorado Community College System
Kay Norton, President, University of Northern Colorado
M. W. Scoggins, President, Colorado School of Mines
Bob Spuhler, President, Colorado Mountain College
David P. Svaldi, President Adams State College

Colorado’s quality of life and economic prosperity depend on the transforming potential of its colleges and universities.

Colorado policymakers and the statewide business community embrace a long-term vision for our state as a place of opportunity – economically strong, culturally rich and environmentally healthy.

We, as leaders of Colorado colleges and universities, share this vision; its realization, however, depends on higher education’s ability to educate a skilled workforce, generate ideas that create and attract new industries and jobs, educate citizens who are fully enfranchised in the democratic process and nurture a population with the knowledge to sustain a healthy and progressive state for generations to come. States from Texas to North Carolina, Indiana to Washington have recognized that a strong system of higher education provides the most effective vehicle for addressing society’s most complex challenges while assuring economic competitiveness. Colorado, too, must begin to link its aspirations for the future with the transforming capacity of its colleges and universities.

Over the past two decades, circumstances have prevented Colorado from fully capitalizing on its historic investment in its colleges and universities. A recent study found Colorado higher-education funding trails peer states by more than \$832 million, \$520 million of this at our state’s research universities.

Colorado is well above average in most respects – from the beauty of its environment, to the education of its citizens, to the wealth and entrepreneurial spirit of its people. And yet, in this one area, we are significantly below average. It would require \$832 million simply to bring Colorado higher-education funding up to the average, assuming all other states make no additional investments until we catch up. We don’t believe this is a position most Coloradans find acceptable. Coloradans don’t see themselves as below average.

University Prepares for Supercluster Launch

In early February, Colorado State will publicly launch its Supercluster concept, an innovative model that combines science and business expertise to enable and substantially increase commercialization of intellectual property. At that time, the University also will announce the formation of the first academic Supercluster.

Senior Vice President/Provost Tony Frank and Vice President for Research Bill Farland will lead a campus open forum to discuss the Supercluster concept 3-5 p.m. Thursday Feb. 1 in the Cherokee Park Room. Watch [Today@Colorado State](mailto:Today@ColoradoState) for more information.

Future investment in higher education can lead to a Colorado like that we all envision. But a vibrant system of higher education demands a new public partnership among state government, institutions and citizens. As the basis of that partnership, we assert that:

- Colorado's economic vitality and overall quality of life are our main concerns, and they depend on the state's placing high priority on higher education.
- A spectrum of accessible community colleges, quality state colleges and universities, and globally competitive research universities is an asset to Colorado.
- The skills acquired through a college education are essential for nearly every job Colorado hopes to add to its economy.
- Our graduates must be prepared to compete in a global marketplace, and they must represent all sectors of Colorado society.
- Colorado is committed to preparing all its youth for its best universities and highest-skilled jobs, and higher education has primary responsibility for ensuring P-16 teachers and principals are prepared to educate the next generation.
- Robust support for university-based research and graduate education, workforce development and training, and career and technical education is essential for Colorado's knowledge-based economy.
- Re-education and continued education of working adults through flexible and accessible means is the responsibility of Colorado's public colleges and universities.
- Rapid commercialization of ideas and the products of research plays a critical role in advancing Colorado by means of jobs and global competitiveness.
- Colorado depends on its colleges and universities to retain and capitalize on its potential in the 21st century.

Operating from these principles, a blueprint for progress in the decade ahead may be constructed around higher education's capacity to deliver transformation in P-16 education, labor quality, creation of businesses and jobs, global competitiveness, re-education opportunities for working adults, economic prosperity and overall quality of life.

The Actions Ahead

Constructing and delivering on this design will require the state undertake progressive steps to counteract those forces that have historically limited higher education's capacity to transform Colorado. Working together, we must:


- achieve philosophical consensus among the Governor, Legislature, the business community and Colorado citizens on the importance of higher education to our economy and quality of life;
- address fiscal constraints that have left Colorado institutions significantly behind their peers in funding levels and ability to compete for faculty and staff;
- reform the statewide higher-education funding system to more fairly fund all of public higher education and its priorities, including economically important, high-cost programs in fields such as engineering, nursing, information technology, health care and the sciences;

- recognize we must provide access for all qualified Colorado students along with revenue that enables institutions to offer services that raise the promise of reasonable student success; and
- acknowledge the economic importance of graduate education and address the real costs of attracting and retaining graduate students and faculty.

A growing body of economic research makes a strong case for the transforming impact higher education can have on an economy, and this transforming effect has benefits for all citizens – not just the graduates of colleges and universities. Attracting new companies because of the overall quality of our labor – and creating new jobs as a result of the ideas generated from research – benefits everyone. Recent regional analysis from the Kansas City Federal Reserve identified especially the powerful role a doctoral degree-granting research university has on the prosperity of a region.

Postsecondary education is increasingly required for workers to earn a self-sustaining income. In Colorado, the average hourly wage for occupations requiring postsecondary training was \$25.58 – 80 percent higher than jobs not requiring such training. The state’s 20 highest-paying occupations all require a college degree. The Denver Metro Chamber of Commerce, in its 2006 “Business for a Competitive Colorado,” noted “. . . (T)here are 11 key industry sectors most critical to the expansion of our economy and job creation. . . Virtually all these sectors require high levels of technological competency and skill.” The number of Colorado high-school graduates is expected to increase 21% over the next decade – one of the five highest growth rates in the nation. And 79% of Colorado high-school students who go on to college will choose an institution here in our state. This provides an opportunity to raise further the quality of our labor force via college and university education, but the trend also presents a threat – the possibility of a growing under-educated workforce that limits future prosperity for all Colorado citizens.

With one of the most educated populations and the eighth highest per capita income in the nation, Colorado already has a sound basis for capitalizing on these emerging opportunities and investing in higher education as one of the state’s top priorities. Our public higher education system is diverse, with a strong network of community colleges, state colleges and universities, and four top-ranked research universities that all boast strengths in the sciences, technology, engineering and mathematics – an exceptional foundation on which to sustain future economic prosperity.

To capitalize on these strengths and better position Colorado for global competitiveness, we must begin to recognize higher education as a transforming force for our state. This will require the leadership of the Governor and Legislature, in cooperation with the business community, in placing the health and vitality of Colorado higher education at the forefront of the state’s agenda in the decade ahead. We are committed to working in partnership with our state’s leaders to ensure a future of long-term progress for Colorado higher education – and the great state of Colorado. 

► VISION AND STRATEGIES

**Colorado State University's
5-Year Stretch Goals**

- Add 450 new faculty members
- Expand undergraduate enrollment to 25,000 (an additional 6,000 students)
- Increase non-resident enrollment
- Increase graduate student enrollment to 5,000
- Make dramatic improvements to graduation rates for minority and low-income students
- Establish an intercollegiate athletics program that is as strong and competitive as the University's academic program
- Secure invested assets of \$500 million

CSU's 'stretch goals' tied to funding

Colorado State University has plans to pursue the extraordinary.

The Board of Governors in October unveiled a series of "stretch goals" to establish Colorado State University as a world-class comprehensive research university. Intended to systematically drive the institution to a new level of quality and rival the finest schools in the nation, the goals are designed to push the outer limits of the educational and administrative areas within the University and CSU System, requiring faculty and staff to stretch their abilities and go outside their usual comfort zones. These goals support the bold vision that state residents should be able to obtain a degree in Colorado from what will become one of the top 10 or 20 comprehensive research universities in the nation, said Penley.

The vision extends beyond the University walls. The goals will also help Colorado and the students in the P-12 pipeline receive a degree from a university that is valued around the world, support a synergy with the business community throughout the state and the nation, and prepare more students in high-demand disciplines so that Colorado and the country maintain their competitive edge, Penley said.

The president and the board contend it is time for the CSU System, as one of the state's two flagship university systems, to increase not only the capacity of higher-education programs, but also the perceived quality of the educational degree awarded upon graduation.

CSU remains committed to serving students on campus and throughout the state, playing a significant role as an economic-development catalyst for Colorado and conducting research aimed at addressing society's most pressing needs. In meeting its responsibilities to the state, the CSU System will focus on enhancing programmatic elements that serve Colorado most directly.

State funding

In 2003, the Colorado Commission on Higher Education introduced a new model to identify external costs faced by institutions. The model showed that each year because of state mandates and other inflationary increases most institutions needed a 3 percent to 5 percent increase in operating revenue. (Before the use of this model, the commission used an inflationary multiplier to calculate each institution's revenue needs.)

In his December budget presentation to the Joint Budget Committee, Penley noted that this new model expresses the needs of an institution based on external factors that drive additional operating costs but does not recognize new program initiatives or quality improvements needed by an institution. Penley advised the JBC that the CSU System needs \$22 million above and beyond mandated costs to meet its operational needs in the next fiscal year and to make important quality improvements at both campuses.

He noted, as well, that the CSU System is an important economic engine for the state of Colorado, educating a highly skilled labor force and creating and attracting new industries and jobs through its research strength. CSU System data indicate that the state general fund contributes an investment of \$123 million for academic programs within a system that generates revenues totaling more than \$782 million. The CSU System then leverages the total state investment into an estimated \$2 billion of direct and indirect economic activity in the state of Colorado each year. Maintaining a vibrant CSU System supports a strong economy for the state, contributes to a skilled workforce and increases the likelihood of business retention and relocation to Colorado.

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Colorado State University's Stretch Goals

Core	Strategic Plan Areas	Objectives	5-Year Stretch Goals	Responsibility
System Vision The Colorado State System will be the premier system of public higher education in the nation.	Teaching and Learning	Assure Excellence in Academic Programs	1. 450 New Faculty 2. 25,000 Total Undergraduate Enrollment 3. 8,000 Total Non-Resident Enrollment	1. Sr. VP & VP Faculty Affairs 2. Sr. VP & VP Enrollment and Access 3. Sr. VP & VP Enrollment and Access
		Create Distinctive Undergraduate Experiences	4. Undergraduate Population is representative of state demographics 5. Minority and Low Income Students Persistence rates are equal to non-minority students 6. Index Score of 115	4. Sr. VP & VP Student Affairs (with Director of Equal Opp./Diversity) 5. Sr. VP & VP Student Affairs (with Director of Equal Opp./Diversity), VP Undergraduate Affairs 6. Sr. VP & VP Enrollment and Access
CSU Mission Inspired by its land-grant heritage, Colorado State University is committed to excellence, setting the standard for public research universities in teaching, research, service and extension for the benefit of the citizens of Colorado, the United States, and the world.	Teaching and Learning	Expose Students to Diverse Culture		
		Enhance the Quality and Role of Graduate Education	1. 5,000 Graduate Enrollment	1. Sr. VP & VP Graduate Studies
Values Be accountable Promote civic responsibility Employ a customer focus Promote freedom of expression Demonstrate inclusiveness and diversity Encourage and reward innovation Act with integrity and mutual respect Provide opportunity and access Support excellence in teaching and research	Research and Discovery	Integrate Academic and Co-Curricular Experiences	1. #1 in the Directors Cup 2. Annual BCS inclusion 3. NCAA Men's and Women's Basketball – Tournament Participation	1. Director of Intercollegiate Athletics 2. Director of Intercollegiate Athletics 3. Director of Intercollegiate Athletics
		Foster Excellence in Research, Scholarship and Creative Artistry	1. 10 National Academy Members 2. \$500M in R&D Expenditures	1. Sr. VP & VP for Research (with VP for Faculty Affairs and VP for Outreach and Strategic Partnerships)
Service and Outreach	Service and Outreach	Engage Citizens through Community Involvement		
		Prepare and Empower Learners Outside the Campus Environment		
Resources and Support	Resources and Support	Expand Fundraising and Marketing		
		Build Necessary Infrastructures		
Resources and Support	Resources and Support	Nurturing Human Capital		
		Guarantee Financial Stability	1. \$500 million in Total Invested Assets 2. Preliminary Estimate of Total Additional Revenue = \$0.4B-\$0.5B	1. VP for Advancement and Strategic Initiatives, President of CSUF 2. President & Sr. VP
Resources and Support	Resources and Support	Monitor Plan Progress		
		Engage Citizens through Community Involvement		

The stretch goals and budget recommendations link directly to the University and CSU System's highest priorities:

Ensuring access. The University's goal is to ensure that all qualified students in Colorado, irrespective of family income or ethnicity, can attend, succeed and, meet their life goals through education at our schools. By increasing the support for need-based and merit scholarships, the best and brightest students from Colorado can take advantage of the unique educational opportunities offered through the CSU System.

Securing global competitiveness. Colorado State is a world leader in research and scholarship in areas ranging from infectious diseases, biomedical sciences, veterinary medicine, water, natural resources, and atmospheric sciences. CSU in Fort Collins last year had more than \$267 million in research expenditures for projects that may lead to such discoveries as cures for some forms of cancer, protection against pandemic diseases, and clean energy alternatives. The federal government recently awarded a new zoonotic diseases center to CSU (one of only three in the nation) to study the transmission of viruses from animals to humans. This is a major initiative by the Centers for Disease Control, the National Institutes of Health, and other federal agencies to find cures for diseases that threaten the population. The System's goal is to dedicate resources to these and other areas of excellence to ensure continued leadership and further drive economic activity and growth in the state.

Offering S.T.E.M. education. The CSU System provides more undergraduate and graduate credit hours of instruction – approximately 30 percent – in science, technology, engineering, and mathematics than any other school in the state. The System will continue to provide S.T.E.M. credit hours to increase the number of graduates in these vitally needed areas.

Engaging in world-class research. A great system is defined by the breadth, depth, and quality of its faculty. This year, because of the quality of its faculty, CSU set a record in research funding. Not only is research important to economic development in the state, but it also provides the products of tomorrow. CSU plans to add up to 270 research-related faculty in the next five years.

Increasing value of a CSU degree. The nature of global competitiveness and the increasing competition from educational systems in other countries mean that students will need a degree that is perceived to be invaluable. At the heart of the new stretch goals is the philosophy that a CSU degree will represent to employers a quality education. CSU will increase quality throughout the System to deliver a world-class education to students and provide a high return on investment to students, their families, and Colorado. An additional goal is to raise admission index scores to an average of 120 (CSU-Fort Collins is currently 101; CSU-Pueblo is currently 82).


Meeting traditional land-grant responsibilities. As Colorado's land-grant institution, Colorado State University in Fort Collins has a unique history, obligation, and opportunity to serve the citizens of the state. The System will continue to commit the institution's faculty, resources, and research and extension networks to serving the state, supporting the vital agricultural industry, preserving the natural environment, and driving economic development throughout Colorado.

Acquiring resources is necessary to achieve vision. The System has a goal of adding 450 new faculty members over the next five years. These additions, along with operating and office space additions and 6,000 new students, will create the need for almost \$175 million in additional operating needs and nearly \$200 million in infrastructure needs, according to the October 2006 Board of Governors Finance Committee report.

However, even with the passage of Referendum C in fall 2005, the state budget prospects and the limitations of the Bird-Arveschoug legislation point to continued difficulty for the state of Colorado to provide the resources necessary to support the role and mission of the Colorado State University System, the board has noted.

If current state revenue forecasts are correct, and absent a fundamental change in how Colorado funds higher education, the Legislature will be fortunate to have enough general fund money to increase stipends and fee-for-service contracts to cover externally mandated expense increases, the report states.

While funding for externally driven expenses is important, it only covers the increased costs of running a large university system, Penley said. It does not provide additional opportunities for new program development or internal initiatives that expand the quality of teaching or the ability for students to learn. It also ignores the need to remain competitive in the new national marketplace where Colorado institutions compete for students against schools in other states.

To increase competitiveness and improve the educational experience of CSU students, the System needs enough revenue to cover both external and internal quality-driven initiatives. 

► FINANCES

Study has implications for state education funding allocations

“It just validates what I and others have been saying,” said Larry Edward Penley, Colorado State University president, on the results of a state-mandated study that shows Colorado educational institutions lagging behind their national peer universities in state funding.

The study, commissioned by the Colorado Commission on Higher Education and released in November, quantifies how state colleges and universities compare with peer institutions throughout the country. The National Center for Higher Education Management Systems conducted the study using a revenue-driven model rather than the existing cost model to evaluate funding. NCHEMS assessed if institutions had adequate and equitable funding to support their unique missions and programs. The study established data, revenue, and cost benchmarks through a comparative institution analysis for each public higher education institution in Colorado. The individual benchmarks were then combined and analyzed by institution type. Peer institutions identified for Colorado State University included Iowa State, Kansas State, Oklahoma State, Purdue, Texas A&M, and Auburn.

The study found that Colorado higher education institutions receive approximately 63 percent of the average funding of their national peers and revealed inconsistencies in funding within the system itself. The state’s large research institutions – Colorado State University, the University of Colorado at Boulder, the University of Northern Colorado, and Colorado School of Mines – have been hit harder by state budget crunches than colleges and universities in other states. Almost \$522 million is needed for research institutions to catch up to national peers.

Policymakers will likely conduct future analyses to determine the best approach to establish state priorities. The NCHEMS study, which provides critical data on tuition revenues relative to general fund dollars, noted that the results will provide institutions greater predictability for budget planning purposes and help legislators better allocate state funds to the College Opportunity Fund stipend, fee-for-service contracts, and financial aid.

The CCHE used the information to ask for budget increases at a Dec. 7 session of the legislature’s Joint Budget Committee – likely a \$100 million increase request to the \$2.3 billion higher education budget for every year over the next five years. 

	State funding per student	Peer schools state funding per student	Tuition % of peer schools
Colorado State University	\$4,554	\$11,554	86%
University of Colorado	\$2,413	\$9,523	130%
Colorado School of Mines	\$5,172	\$10,179	124%
University of Northern Colorado	\$3,152	\$6,817	61%
Front Range Community College	\$1,936	\$5,620	141%

Source: *Colorado Commission on Higher Education*; <http://www.president.colostate.edu>

► ISSUES IN HIGHER EDUCATION

Responding to the call for accountability in higher education

Vice presidents Robin Brown and Blanche Hughes have been analyzing the recent calls for accountability in higher education and are developing an institutional plan of action for Colorado State. Read about their proposal in the next issue of *Comment Quarterly*.

Federal commission calls for higher education reform

Higher education is in need of reform and must recommit to a core public purpose, says Education Secretary Margaret Spellings.

Spellings' Commission on the Future of Higher Education released a report in September outlining the problems facing higher education and proposed a set of broad expectations for the nation's colleges and universities.

Where the United States once led the world in educational attainment, the nation now ranks 12th among major industrialized nations, reports the Organization for Economic Cooperation and Development. The United States had remained ahead of its competitors for so long, the report states, that it began to take its postsecondary superiority for granted.

The commission acknowledges that not everyone needs to go to college, but in a global environment where nearly two-thirds of all high-growth, high-wage jobs created in the next decade will require a college degree, and only one third of Americans have one, some form of postsecondary education is vital.

The commission's report calls for a world-class higher-education system that creates new knowledge, contributes to economic prosperity and global competitiveness, and empowers citizens. It encourages a system that is accessible to all Americans, throughout their lives. Postsecondary institutions are asked to provide high-quality instruction while improving their efficiency to be more affordable to students, taxpayers, and donors. The report also suggests revamping our higher-education system to give Americans the workplace skills they need to adapt to a rapidly changing economy – a world altered by technology, changing demographics, and globalization.

The commission proposed six recommendations to improve access, affordability, quality, and innovation in higher education:

1. Commit to an unprecedented effort to expand higher education access and success by improving student preparation and persistence, addressing nonacademic barriers, and providing significant increases in aid to low-income students.
2. Restructure the entire student financial aid system and establish new incentives to improve the measurement and management of costs and institutional productivity.
3. Change from a system of accountability based on reputation to one based on performance.
4. Embrace a culture of continuous innovation and quality improvement by developing new pedagogies, curricula and technologies to improve learning.
5. Develop a national strategy for lifelong learning that helps all citizens understand the importance of preparing and participating in higher education throughout their lives.
6. Increase federal investment in our nation's global competitiveness and a renewed commitment to attract the best and brightest minds from across the nation and around the world to lead the next wave of American innovation.

The nation would gain a heightened capacity to compete in the global marketplace. Individuals would gain full access to educational opportunities that allow them to be lifelong learners, productive workers, and engaged citizens, the report concludes.

In the spring, Spellings will host a summit to address these issues. 

Source: *A Test of Leadership: Charting the Future of U.S. Higher Education*, A Report of the Commission Appointed by Secretary of Education Margaret Spellings

Review the full report at: www.ed.gov/about/bdscomm/list/hiedfuture/reports/pre-pub-report.pdf

► NUMBERS

- The average state funding that Colorado colleges and educational institutions receive compared with their peers nationwide **63%**
- The amount CSU receives from the state, per student **\$4,554**
- The average amount that educational institutions comparable to CSU, such as Washington State, Kansas State, and Texas A&M, receive per student from their respective states **\$11,554**
- Percentage of students in U.S. public high schools who do not graduate **25%**
- Percentage of U.S. college students who take at least one remedial course **40%**
- The estimated cost to taxpayers for college remedial courses **\$1 billion**
- The average increase in tuition and fees nationally at public four-year institutions from 1995 to 2005 **51%**
- Projected new job openings in 2014 in health care, education, and computer and mathematical sciences **4 million**
- Average lifetime earnings of an individual with a bachelor's degree **\$2.1 million**

Sources: National Center for Higher Education Management Systems.
The Spellings Commission Report *A Test of Leadership*.

► QUOTABLE

“We’re a high-tuition state if you happen to be poor.”

– Larry Edward Penley, Colorado State University president, on the lack of state funding and the financial strain on low and middle income families in *The Denver Post*

“Colorado’s support of higher education is so low the state’s colleges and universities would need \$832 million just to meet average funding levels among their national peers.”

– *The Denver Post*, citing a study by the National Center for Higher Education Management Systems

“[A] lot of other countries have followed our lead, and they are now educating more of their citizens to more advanced levels than we are. Worse, they are passing us by at a time when education is more important to our collective prosperity than ever.”

– *On the state of higher education in the United States*, from *A Test of Leadership: Charting the Future of U.S. Higher Education*, A Report of the Commission Appointed by Secretary of Education Margaret Spellings

“Given the changing demographics of the nation’s workforce over the next two decades, the current educational disparities among racial/ethnic groups are projected to lead to a decline in the educational level of the U.S. workforce as a whole.”

– *The National Center for Public Policy and Higher Education*

► IN BRIEF

The Future of Agriculture. President Larry Penley, Vice Provost for Outreach and Strategic Partnerships Lou Swanson, faculty and administrators from the College of Agricultural Sciences, and the Board of Governors of the CSU System will meet in Sterling, Colo., in February for a discussion with agricultural producers and rural community leaders on the future of agriculture in the 21st century.

Graduate Education Costs. In his presentation to the Joint Budget Committee, President Penley discussed the need for a new statewide funding system for higher education that addresses the real costs of graduate education and high-cost programs. The JBC presentation and a white paper on this topic, “Investing for Economic Growth in Colorado,” are online at http://www.president.colostate.edu/content/investing_for_growth.pdf.

CSU-TV. CSU-TV is a non-commercial station carried on Comcast Cable Channel 11 in Fort Collins and reaching 33,000 households in the area. In addition to its educational role, CSU-TV Channel 11 serves as a community-based resource. “Insight Colorado,” a program spotlighting leading research at CSU, airs Mondays at 6 p.m. and Wednesdays and Saturdays at 6:30 p.m. “CSU One on One,” featuring interviews with President Penley and other campus leaders about current and emerging issues, airs on this channel Saturdays at 6 p.m. and repeats Wednesdays at 6 p.m. and 9 p.m.

Accountability in Education. The CSU President’s Cabinet has been discussing issues and systems related to accountability in light of a discussion paper issued last spring by the National Association of State Universities and Land-Grant Colleges, http://www.nasulgc.org/Accountability_DiscussionPaper_NASULGC.pdf.

Higher Education in Colorado. Governor-Elect Bill Ritter joined the Board of Governors at its December meeting to talk about where higher education fits in his agenda for the state. At that meeting, the board also released a position paper that defined the critical role of higher education in transforming Colorado’s economic prosperity and quality of life. The paper is available online at www.president.colostate.edu/.

Media Coverage. To track the latest media coverage and news commentary about issues involving Colorado State and Colorado higher education, go to <http://newsinfo.colostate.edu/>.



Colorado Governor Bill Ritter meets with the Board of Governors of the Colorado State University System at the Colorado State University Denver Center in December 2006.