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Report to the Colorado General Assembly:

HIGHER EDUCATION



**Report of the
Higher Education Committee
established pursuant to
H.B. 1360, 1984 Session**

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HIGHER EDUCATION COMMITTEE

Report to the
Colorado General Assembly
Submitted Pursuant to House Bill 1360,
1984 Session

Colorado Legislative Council
Research Publication No. 293
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Report to the Colorado
General Assembly

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LEGISLATIVE COUNCIL

ROOM 46 STATE CAPITOL
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866-3521
AREA CODE 303

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January 15, 1985

To Members of the Fifty-fifth Colorado General Assembly:

Pursuant to House Bill 1360, 1984 session, the Higher Education Committee was appointed to analyze and assess higher education in Colorado and make recommendations to the General Assembly regarding:

- increasing efficiency, accountability, quality, diversity and availability of publicly supported higher education, within the limits of current state resources;
- the most effective means of organizing the governance of higher education;
- any changes in the role and mission of each governing board;
- the utilization of the system;
- any changes in the role and mission of each institution;
- final responsibility for coordination among governing boards including, but not limited to, academic program initiation and closure, operating and capital budget requests, admission and graduate studies approval, and personnel decisions.

House Bill 1360 provided that the chairman of the Colorado Commission on Higher Education would chair this committee (Mr. Moore) and that the other members were to be appointed as follows: the Speaker of House of Representatives, three appointees (Mr. McCarty, Mr. Punke, and Representative Schauer); the President of the Senate,

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three members (Mr. Bosley, Mr. Carlson, and Mr. Grimshaw); and the Governor, two appointees (Mr. Freese and Mr. Miller).

House Bill 1360 provided that the committee was to be assisted by the staff of the Legislative Council, in consultation with the staff of the Colorado Commission on Higher Education.

Submitted herewith is the final report and recommendations of the Higher Education Committee.

Respectfully submitted,

A handwritten signature in cursive script, reading "Michael R. Moore".

Michael R. Moore
Chairman
Higher Education Committee

MRM/pj

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HIGHER EDUCATION COMMITTEE

Members of the Committee

Mr. Michael R. Moore,
Chairman

Mr. Steven K. Bosley
Mr. Craig A. Carlson
Mr. L. Richard Freese
Mr. Thomas T. Grimshaw

Mr. John T. McCarty
Mr. David J. Miller
Mr. Dean Punke
Representative Paul D. Schauer

Committee Staff

Stanley Elofson
Principal Analyst

Jim Hill
Research Associate

Barbara Lawrence
Research Assistant
Colorado Legislative Council

Dr. Charles W. Manning
Deputy Executive Director
Colorado Commission on
Higher Education

Patrick Boyle
Senior Attorney
Legislative Drafting Office

REPORT OF THE HIGHER EDUCATION COMMITTEE

EXECUTIVE SUMMARY

Since the Higher Education Committee was created by H.B. 1360, we have met twenty-one times and received extensive testimony from higher education boards, institutional leaders, interested faculty, students, individual citizens, community representatives and legislators. We have visited many campuses across the state, including rural, urban, area vocational, local district and state system community colleges, baccalaureate institutions and university centers. We have received many proposals for changes in the existing system.

Through this process, we have gained an understanding and appreciation for the importance and considerable strengths of Colorado's system of higher education. Colorado higher education is an essential engine for achieving the quality of life and economic opportunities desired by the citizens of Colorado. The goals of the state and of its higher education system are permanently connected. Our competitiveness in the nation depends more than ever on a quality higher education system within the state.

There are, however, storm clouds over Colorado. Too much energy is being spent in self-defeating competition for students and for resources. The turf-wars of Colorado higher education are being fought in the legislature and chronicled in the national press. Without change, our system will fail to attract educational leaders, higher quality faculty and, inevitably, will fail in its essential task of education. We are experiencing a spiral of decline in the public confidence necessary to support excellence in higher education.

Our unanimous conclusion is that the General Assembly must act decisively in 1985 to correct serious organizational, management and financing weaknesses in Colorado higher education.

I. FINDINGS

Colorado's system of higher education is overbuilt for the current demand. There is little prospect for substantial gains in enrollment for the next five to ten years. The system is badly fragmented in its organization. Its governance is complex and confusing.

Colorado does not have a statewide policy board with implementation authority for higher education. The Colorado Commission on Higher Education (CCHE) does not have strong powers to prevent duplication and proliferation of academic programs. There is too little ownership of the problems and too little accountability for the results of the system. Resolution of the issues is too frequently delegated up to the General Assembly.

Through the actions of independent governing boards, and often with support of the General Assembly, the roles and missions of institutions have expanded. Fueled in part by FTE-driven financing, institutions engage in the competition for students, while criticizing one another for proliferating academic program offerings and reducing academic standards in their quest for students.

No less than seven campuses on the front range now claim university status. Several of these aspire to expand their high cost graduate degree programming. Either these aspirations must be curtailed or funding of the system must be greatly expanded.

There is evidence that the funding base of Colorado higher education has declined to a level that threatens quality. Compensation levels handicap the system in its competition for higher quality faculty. Although efficiency can be significantly improved by greater clarity and differentiation in roles and missions of institutions, and by a simplified governance structure, greater funding efforts are needed to support quality.

Regrettably, individual governing boards seem unable to compromise their interests for the betterment of the statewide result. While understanding the responsibilities of boards to advocate the interests of their institutions, we found most of their proposals to be largely self-serving, protective of the status-quo, or advocating expansion of their present turf. It is essential that the future organization of the system provide the capacity to mediate the excessive competition and conflict among institutions.

II. GOALS

The Committee's full report contains a large number of recommendations on organization, roles and missions of institutions, and funding for higher education. Four major goals for legislative action drive our recommendations:

Clear Purpose Management

Success in any endeavor requires clear purpose. Quality, efficiency and accountability are best served by having an explicit purpose. Institutions must have distinct, differentiated roles and missions. They do not have clear statements of purpose today, neither in their overall roles and missions, nor in identified centers of excellence within their program offerings.

Access and diversity, given limited resources, require differentiation of institutional purpose. Having clear purpose management will result in:

- Identified centers of educational excellence
- Duplication only where required for reasonable access

Efficiency of a system is best achieved by doing the right things well ... rather than being efficient in doing duplicated or unfocused things.

Strong Statewide Policy Leadership

A system of the size and complexity of Colorado higher education cannot expect to resolve its statewide policy issues one-by-one in the halls of the General Assembly. There are essentially two options for improved educational leadership and governance:

- A single statewide governing board and system
- A much strengthened coordinating board, with multiple governing boards for institutions

Under either arrangement, implementation capacity must be linked to state policy making or the policies will have no effect. Accountability is served only by having clear statewide policy authority. Absent a change in governance, we hold little hope for improvements in the present quality, access, diversity, efficiency and accountability of the system.

It is essential to resolve conflict and to make hard decisions as much as possible within, rather than outside, the educational system. These decisions are largely academic and management issues for a large and complex service enterprise. The higher education system needs a more unified voice in making the case for its support, and being accountable for its results, with the General Assembly.

Decentralized Institutional Management

Education, like other personal service enterprises, must be managed and conducted close to the client, to the students and communities served. The system needs high quality faculties, strong institutional leaders, and able management boards to be effective.

The goal of a statewide governing board is to provide for policy making and conflict resolution, not to aggregate all institutional management within a remote bureaucracy. The statewide governing board should be responsible for and should support a highly decentralized management system under its policy direction.

The strengths of decentralized management cannot be preserved apart from a coherent system for resolving competing interests. Without a strong center, the internal conflicts of a decentralized system will consume it, through self-destructive warfare for students

and funding. With a strong center, decentralized leadership can flourish.

A Commitment to Funding for Quality

Colorado citizens must make a greater commitment to funding for quality in their higher education system. They can reasonably expect, in return, a contract for quality, access, diversity, efficiency and accountability from the leaders of the educational enterprise.

Funding allocations should be based on the nature of programs provided and the fixed-variable behavior of costs in relation to enrollment levels. Some portion of statewide funding should be set aside to finance incentives for quality and innovation within the system.

III. RECOMMENDATIONS

Our recommendations are grouped into four areas: (1) Public Policy Objectives, (2) Governance, (3) Role and Mission, and (4) Financing of the System of Higher Education. In brief, our recommendations are as follows:

Public Policy Objectives

Pages 21 to 30 of the report contain statements of the Committee's views on the essential elements of quality, access, diversity, efficiency and accountability, which must be present for Colorado to achieve excellence in its higher education system. We comment there, as well, on the current performance of the system and on the improvements needed to achieve excellence in Colorado higher education.

The comments made on pages 21 to 30, and those made in the Appendix (pages 49-52) describing the importance of higher education to the goals of the state, are intended to communicate the reasons which underly our concerns and our recommendations for legislative action. We believe that these comments will be useful to those who are given the responsibility by the General Assembly for implementing the actions taken on our recommendations.

Governance

The Committee recommends a single state-wide governing board with responsibility for higher education policy and for management direction of Colorado higher education. An organization chart illustrating the proposed alignment is shown on page 47. Statewide staff functions, now performed through the CCHE would be organized through the office of the President of the system. Management functions for institutional administration would also be organized

under this office. Each institution would have its own five member management board, appointed by the Governor on a local, statewide or national basis, depending on the service area and role and mission of each institution.

We believe that the reorganization should proceed without delay, and recommend that the existing constitutional powers of the Board of Regents of the University of Colorado be utilized to implement a statewide governing board. Control of the entire system should, if possible, be allocated to the new governing board on July 1, 1985, with the existing boards and staffs functioning as managing boards during the transition until their dissolution on or before July 1, 1986.

The unified, statewide governing board offers considerable potential for gain in the criteria for improvement specified in H.B. 1360.

- Quality is enhanced by providing a clear and decisive process for resolving issues of role and mission, educational program approval, and institutional performance. Institutions will have a much clearer sense of their educational priorities.
- Access is enhanced by enabling processes to maintain differentiation in the roles and missions of institutions, programs offered, admissions standards and student transfer agreements.
- Diversity is enhanced by differentiated roles and missions, including designated centers of excellence in specialized academic areas.
- Efficiency is enhanced by clear educational purpose, again as indicated in role and mission assignments, and by establishing clear authority for resolving issues of duplication.
- Accountability is clearly established both for policy making and for meeting system performance expectations.

The potential for gain in all five attributes of an excellent system of higher education is clear and impressive, when compared to the diffuse and conflicting organization in place today.

Role and Mission

We believe that the statewide governing board must have the responsibility and authority to fix roles and missions of institutions, within statutory guidance, and to change these statements over time in response to changing needs of the state.

The importance of role and mission statements is that they can assist separate campuses and the entire system in reaching specified

objectives. For example, we recommend that there be greater differentiation of the roles and missions of the baccalaureate institutions. Further, it is important that centers of excellence be established at various institutions, which would represent programs unique to the state or region. We recommend that there be duplication of programs only where required to balance the need for access for Colorado citizens. Clearly understood role and mission statements will assist in reaching these objectives.

Our recommendations on role and mission, in summary, are as follows:

- Area vocational schools should retain their current mission of technical and vocational training at the certificate level, but should not offer academic degrees.
- Community colleges, junior colleges and local district colleges should continue their mission to serve local educational and vocational training needs at the two-year level, but linked more closely to other system components in serving as an alternative for the first two years of baccalaureate study.
- Greater differentiation among baccalaureate institutions will be served by adopting the specific role and mission changes suggested in our full report: changes in the two-year missions of some schools; reduced emphasis for baccalaureate degrees in the field of education; graduate program offerings limited to master-level degrees which are professionally oriented rather than research oriented.
- Universities would be essentially unchanged, except for the University of Northern Colorado, where greater focus should be given to becoming the state's center of excellence for graduate programming in education.

The recommended role and mission statements for each institution are found on pages 39 to 44.

Financing

Financing recommendations are concerned with both the level of funding and the methods of allocation among institutions and programs. In summary:

- Greater financial effort is indicated. The cooperative effort by the educational community to examine the financial base of support for higher education is expected to develop a useful basis for determining funding levels which will be competitive.
- Statutes should encourage state system community colleges to become local district colleges with locally elected boards, if a tax district is created. State financial support of this option should be assured in some manner.

- The FTE funding formula should more nearly reflect the actual behavior of costs. A fixed-variable cost formula should be substituted for the present FTE formula, which treats all costs as variable with enrollments.
- Enrollment levels used in funding should be less sensitive to annual changes. Consideration should be given to using a rolling average of, for example, three years, as the enrollment level to be included in the funding.
- The essential principles of the Memorandum of Understanding should be continued with the statewide governing board and should be converted to statutory language.

IV. CONCLUSION

The Committee is most encouraged by the high interest shown in this study by individual citizens, members of the educational community, community leaders and members of the General Assembly. It is clear that Coloradans are concerned about the condition of higher education. Many diverse views were thoughtfully and forcefully presented to the Committee. We also received able and energetic assistance from the staffs of Legislative Council and the Colorado Commission on Higher Education.

Our conclusions will not be unanimously acclaimed. We viewed our responsibilities to listen, to inform ourselves, and then to give our best advice to the General Assembly in its responsibility to make the difficult choices from competing options.

Our recommendations are driven by educational and management judgments, rather than what might be politically most feasible. We have no doubt that implementation of our recommendations will substantially improve the current situation. We urge that our recommendations and all competing options be evaluated against the four major goals we sought to achieve:

- The proposal must improve the clear purpose of educational institutions through differentiated roles and missions.
- The proposal must provide clear responsibility for developing statewide policy, linked with the necessary authority and accountability for implementing that policy.
- The proposal must enable and encourage decentralized management of education by providing a decisive process for resolving conflict, based on sound educational and management criteria.
- The proposal must provide for mutuality in the commitment by the educational community to quality, access, diversity, efficiency and accountability, in exchange for commitment by the citizens of Colorado to adequate funding.

Many important issues brought before the Committee are not directly addressed in our recommendations because we believe them to be beyond the scope of the task we were assigned, and we did not have the time to consider them fully. We have listed these issues on pages 52 and 53 of our report for consideration by the General Assembly, or for reference to educational policy makers and managers within the current system of higher education in the state.

V. RECOMMENDATIONS TO THE GENERAL ASSEMBLY

Governance

1. A single statewide governing board should be established, with responsibility for higher education policy and for management direction of Colorado higher education. (page 33)
2. The existing constitutional powers of the Board of Regents of the University of Colorado should be utilized to implement the statewide governing board. (page 33)
3. Statewide staff functions, now performed by CCHE, should be organized under a system president. Management functions for institutional administration would be organized through the office of the president. (page 33)
4. Added to the Department of Higher Education should be a gubernatorially appointed board with confirmation by the Senate to oversee the distribution of federal and state vocational money. Current regulatory authority of the State Board of Community Colleges and Occupational Education in the proprietary school area should be transferred to this board. (page 33)
5. Managing boards would be established for each institution. The Regents would delegate specific powers to the institutional boards for local decisions, while retaining system-wide responsibilities. (page 34)
6. The new governance structure should take effect on July 1, 1985, with the existing boards and staffs functioning as managing boards until their dissolution on or before July 1, 1986. (page 33)
7. A constitutional amendment should be referred to the voters in November, 1986 to amend Article IX, Section 12, of the State Constitution, to provide that the Regents be appointed by the Governor and confirmed by the Senate for terms of six years. (page 33)

Role and Mission

1. The broad roles and missions of institutions should be incorporated in statute, with more detailed specifics determined by the statewide governing board. This board should have the power to change roles and missions over time, to meet the needs of the state. (page 39)
2. Area vocational schools should retain their current mission of technical and vocational training at the certificate level, but should not offer academic degrees. (page 40)

3. Community colleges, junior colleges and local district colleges should continue their mission to serve local educational and vocational training needs at the two-year level, but should be linked more closely to other system components in serving as an alternative for the first two years of baccalaureate study. (page 40)
4. Baccalaureate institutions should focus on high quality undergraduate programs, with selected specialization. (page 41)

Specific changes should be made in the two-year missions of selected institutions:

- Adams State College should have an explicit two-year mission to serve the San Luis Valley in academic program areas. (page 41)
- Ft. Lewis College should phase out its two-year programs. (page 41)
- Mesa College should have an explicit two-year mission to serve western slope areas. (page 42)
- University of Southern Colorado should phase out its two-year programs. (page 42)
- Western State College should offer no two-year programs. (page 42)

Reduced emphasis for baccalaureate degrees in education are recommended:

- Ft. Lewis College should place greater emphasis on the humanities. (page 41)
- Western State College should deemphasize elementary education as a major, with students majoring in academic disciplines and receiving teacher certification. (page 42)
- University of Northern Colorado should deemphasize baccalaureate level programs in education. (page 44)

Explicit criteria should be developed to determine where graduate programs should exist beyond the major graduate campuses of Colorado State University and the University of Colorado-Boulder, and the specialized graduate programs at the Colorado School of Mines, the University of Colorado-Colorado Springs, the University of Colorado-Denver, the University of Colorado-Health Sciences Center and the University of Northern Colorado. Specific criteria are suggested on page 39.

Combination of graduate programs to avoid duplication and competition should occur at:

- The University of Northern Colorado, University of Colorado and Colorado State University should combine or otherwise coordinate their graduate schools of education. (page 44)

Financing

1. The funding mechanism should reflect the distinct role and mission of each institution and the actual cost behaviors of specific program categories, be simple to operate and provide reasonable stability and predictability from year to year to facilitate planning. A fixed-variable cost formula should be substituted for the present FTE formula, which treats all costs as variable with enrollment levels. (page 45)
2. Statutes should allow state system community colleges to become local district colleges with locally elected boards, if a tax district is created. Institutions should be encouraged to pursue this direction through some assurance of continued State support of the local district model. (page 45)
3. The essential principles of the Memorandum of Understanding should be converted to statutory language, including board responsibility and flexibility for expenditure levels, tuition levels, cash rollforward authority, and the principal elements of a fixed/variable funding formula. (page 45)
4. An enrichment funding mechanism should be established to permit special project funding for exemplary programs, collaborative projects, experimentation, innovation and other initiatives which identifiably contribute to improved quality, access, diversity and efficiency in the higher education system. (page 46)
5. Enrollment levels used in funding should be less sensitive to annual changes. Consideration should be given to using a rolling average of for example three years, as the enrollment level to be included in the funding formula. (page 45)

VI. RECOMMENDATIONS TO THE STATEWIDE GOVERNING BOARD

Recommendations are included for action by the statewide governing board which address the five public policy objectives contained in House Bill 1360:

Quality

1. An improved funding mechanism is needed to provide incentives for quality within the system, proper maintenance of equipment and facilities, and recruitment of high quality faculty and institutional leaders. (page 23)

2. High quality institutional managing boards should be established to provide valuable advice and support on issues of quality, diversity, access, and responsiveness of the institution to the needs of the community. (page 23)
3. Statewide policies for faculty performance reviews and academic program reviews should be strengthened. (page 23)
4. Admission standards should be more explicitly defined in the role and mission statements for each institution. (page 23)
5. There should be more explicit evaluation of student progress in academic achievement. (page 23)
6. Quality of existing graduate programs should be carefully examined to require more rigorous standards of faculty selection and student admission. Graduate programs, at other than the major and specialized graduate campuses, should be limited to selected master-level degrees which are professionally rather than research oriented. (page 23)

Access

1. The state cannot afford extensive geographic access to high-cost graduate programs. In supporting access, Colorado should give highest priority to two-year and baccalaureate academic programs. (page 25)
2. Any institutional enrollment limits should be the result of establishing systemwide academic admission standards, institutional physical capacity, and planning for reasonable academic program size within each institution. (page 25)
3. Transfer programs between two-year and four-year institutions should be strengthened through statewide policies. (page 25)
4. Access to two-year colleges should be encouraged by modifying current financial policies, broadening student financial aid to provide assistance not currently available to part-time students, and evaluating outreach systems, including electronically based delivery of instruction. (page 25)
5. No new educational centers should be constructed until enrollment demand sharply increases. (page 25)
6. Institutions should be encouraged to work together in areas of electronically based delivery of instruction and establishment of partnership arrangements with nearby two-year institutions to strengthen and broaden program offerings. (page 25)
7. Access should be preserved, where possible, through institutional merger or through other administrative consolidations. (page 26)

8. Affirmative action programs should be pursued and monitored to stimulate minority enrollments and progress in higher education institutions. (page 26)

Diversity

1. Augmented academic program review procedures need to be implemented to strengthen selected graduate programs and reduce similarity of graduate offerings. (page 26)
2. Baccalaureate level programs in elementary education should require students to major in an academic discipline, while pursuing education as a dual major or by obtaining teacher certification. (page 26)
3. A systemwide study of the need for and the quality of business and education programs at the baccalaureate level should be conducted by the statewide governing board. (page 27)
4. The statewide governing board should annually report on the results of its reviews and actions in connection with the presently established procedures for annual institutional program review. (page 27)
5. One or more institutions should have a strong, singular emphasis at the baccalaureate level in the liberal arts and sciences. (page 27)
6. The state should be open to greater assistance to students opting for private institutions within the state and to consideration of limited financial support of programs at these institutions. (page 27)

Efficiency

1. Redefinition of role and mission will have an important bearing on efficiency as greater clarity of purpose will enable institutions to concentrate their resources on excellence in selected programs. (page 28)
2. The statewide governing board would have authority to approve role and mission changes within statutory descriptions, review and terminate academic programs, and facilitate student transfer arrangements. There should be closer management of high cost graduate programs by the statewide governing board. (page 28)
3. Recommended changes in financing will improve efficiency by providing incentives for excellence in teaching, research and innovation. (page 28)

4. There should be better utilization of the existing plant, without major additions. (page 28)

Accountability

1. There should be more explicit evaluation of student progress and achievement and such evaluation should be subject to public scrutiny. (page 29)
2. Colorado higher education should strive for greater outreach in service to the state, and be sensitive to the changing character of its student population. (page 29)
3. Educational institutions should actively seek ways of involving the community in the higher education system. (page 30)
4. Public-private partnerships should be established between educational institutions and individuals or community organizations to strengthen quality and relevance of education programs, and to increase the commitment of the community to their educational institutions. (page 30)
5. Higher education should be more active in communicating its contributions to the culture and economic quality of life in the state. Higher education should also be open to advice from constituencies on how to improve their services. (page 30)

Financing

With the 1970's came intense competition for general tax funds. Higher education's share of Colorado's general fund has shrunk, compared to other programs. In recent years, compared to other states, Colorado has dropped sharply in the level of public funding per student. Significantly more of the cost of education has been shifted to the user through tuition.

Incentives and Disincentives

Some assert that the problem in higher education is predominantly a funding one, that the system is massively underfunded. In the competition for high-performance people, education is unable to attract the leaders and teachers it needs. Learning support systems: libraries, equipment, labs and buildings, are inadequate and deteriorating. These problems cannot be addressed without adequate funding.

Skeptics justify the current level of funding with the assertion that educational leaders do not and will not manage financial resources effectively, that they are not focused on the essentials to achieving a quality educational result. They argue that education, as other segments of society, must become more productive in its use of limited resources. Creative financing methods are needed to provide incentives to focus on the essentials.

FTE-Driven Financing

It is clear that FTE-driven financing fuels the competition for students with whatever weapons are at the institution's disposal: costly recruitment programs, lowered admission standards and diverse, duplicative academic programs which chase the latest specialization in vogue. The result is rationalized as necessary to get the money required to maintain quality in the system. But the exercise may be a self-destructive spiral as educational leaders dilute the quality of their educational standards in the competition for students.

Educational Leadership

The state must maintain and improve its educational leadership at every level: in the quality of institutional boards and in the selection of presidents for its educational institutions. Improvement requires high standards for selection, high expectations for performance results, innovative and sustained development, and support for the freedom of action necessary to get results.

State Policy

The state does not have a strong policy board for higher education. The CCHE has relatively limited powers to determine the roles and missions of educational institutions, to implement comprehensive master planning, or to prevent undesired duplication of academic programs. It relies principally on persuasion with the legislature, but often is not as influential as are the governing boards and institutions with legislators from their geographic areas.

Educational Management

Some assert that the problem is in institutional leadership: presidents and board members. They argue that reorganization of the system may prove to be a false hope. Merely shuffling the chairs will not cause people to behave differently. Rather, they assert that improvement requires stronger leaders who, among other qualities, will make hard decisions, be accountable, be more persuasive with legislators, and be willing to clean house internally where necessary.

II. PUBLIC POLICY OBJECTIVES

Overview

Education is a principal driving force for achieving the objectives of the state of Colorado. The state's economy has grown from its primary roots in agriculture, mining and recreation to greater dominance by high technology, financial services and distribution. Since World War II, Colorado has heavily imported educated human capital, largely because of its quality of life and growing economic opportunities. The luxury of being able to import educated human talent will not last indefinitely.

Future competitiveness in economic development will depend more than ever on a high quality education system within the state. Colorado must offer its resident and prospective citizens high quality educational opportunities to support the intellectual, cultural and economic quality of life necessary for it to maintain a leadership position in the nation. Higher education is a fundamental ingredient for the economic strength of the state and is critical for society and individual well being.

The condition of higher education in Colorado is not adequate for the state's future needs. Our system spends too much of its energy in self-defeating competition for resources and for students. Its turf-wars are fought in the halls of the legislature and are chronicled in the national education press. Continuation of the present situation will cripple the competitiveness of the system in attracting educational leaders and high quality faculty. We risk, as well, a spiral of decline through loss of public confidence in the system.

In the Appendix to this report, we suggest state policy goals for Colorado's system of higher education. The goals for the system are expressed, not in terms of education for its own sake, but rather for education as an essential engine for development of the society: its survival, its cultural advancement, its economic and political well-being and its moral and ethical integrity.

The essential goal of higher education is to assist the learner in acquiring advanced learning skills, knowledge and values which are useful for living a life and earning a living. This goal for Colorado and its system of higher education drives the recommendations in this report. Colorado's higher education system needs the urgent attention of the General Assembly. The current situation is serious, but manageable. The current trend is not acceptable if we are to have any reasonable expectation of achieving the state's public policy objectives.

Five policy objectives were identified in HB 1360 as priorities to be maintained in our recommendations on governance, role and mission and financing of the system of higher education. We summarize our views on these five policy objectives as follows:

Quality

Policy Objectives

Quality is the number one objective of the educational system. Without it, access, diversity and the other objectives are meaningless. The following elements are essential to quality in the system of higher education:

Faculty with high academic or occupational achievement, who have the ability to facilitate learning.

- Compensation sufficient to attract and retain high performance people in teaching careers.
- Differentiation of superior teaching performance in recognition and rewards.
- Academic freedom within high performance standards of excellence for facilitating learning.

Institutional leaders acting decisively within the framework of a coherent educational philosophy.

- Vigorous leadership in setting high expectations for performance of faculty and students.
- Persuasive communications with the public and the legislature, assuring that institutions meet the goals of the state and earn continued support.

Students with the ability, preparation, interest and motivation to learn.

- Admission and graduation standards which establish high performance expectations for the learner.

Curricula with rigor, including degree programs with a sound base in the liberal arts and sciences.

- Degree program content which assures competence in a core body of knowledge, acquisition of learning skills and appreciation of societal values.

Learning support systems, including libraries, learning technologies and facilities, in sufficient number and quality.

- Acquisition and maintenance of physical plant and equipment which enhance learning.

Evaluation of curricula, students, teachers and administrators, with the objective of continuous growth and improvement.

- Maintenance of high performance expectations and the means of continuing development of skill levels.

Financing adequate to assure excellence for these elements.

Committee Conclusions

The foundations for quality, the number one priority of any education system, are eroding at an alarming rate. Our conclusions concerning the quality of higher education in Colorado are as follows:

1. The financing base for higher education limits the ability of Colorado's institutions in competing for high quality faculty and institutional leaders. There are serious problems, as well, in maintaining equipment and facilities to enable up-to-date technology in instruction. An improved funding mechanism is needed to provide incentives for quality within the system.
2. Institutional boards should be strengthened. Each institution would benefit from a high-quality lay board with such policy authority as may be delegated by the recommended statewide governing board for the system. Boards should be able to provide valuable advice and support to institutional presidents on issues of quality, diversity, access, and responsiveness of the institution to the needs of the community. Guidelines for board member selection should be communicated, and aggressive efforts made to recruit community leaders to serve in these roles.
3. The quality of teaching and learning depends on the qualifications of faculty and on a coherent, sequential curriculum which develops student knowledge and understanding. Statewide policies for faculty performance reviews and academic program reviews should be strengthened.
4. Admission standards should be more explicitly defined in role and mission statements for each institution, contributing to planned differentiation among baccalaureate institutions. Some institutions should have highly selective admission standards; others should emphasize access through open admissions.
5. There should be more explicit evaluation of student progress in academic achievement. Such evaluations are the responsibility of each institution, but should be subject to public scrutiny.
6. Quality graduate programs require more rigorous standards of faculty selection and student admission than may be generally prevalent within the state. Given the wide distribution of small programs among institutions, quality of existing programs should be carefully examined. Free-standing graduate programs, at other than the major and specialized graduate campuses, should be limited to selected masters-level degrees which are

professionally rather than research oriented. Institutions should be encouraged to work together in the implementation of academic programs.

Access

Policy Objectives

Another objective of great importance is access -- equal opportunity to acquire the skills needed to achieve one's individual potential. Individuals do not have equal potential nor do they have equal preparation for entering higher education. The goal of the education system is to facilitate access and development of individual potential, without artificial constraint. These objectives include:

Financial access by management of financial limitations to access through work-study, loans, grants and other means of financial assistance.

- Tuition policy which provides public support of, for instance, 80% of program costs for two-year programs, 75% at the baccalaureate level and 65% at higher levels.
- Student loans, and need-based and merit-based grants, sufficient to enable access by all qualified and motivated students.

Geographic access through availability of general education programs, offered by a variety of delivery mechanisms, in reasonable proximity to the home. Availability of more specialized programs in fewer locations.

- High local access to vocational and community college programs.
- Moderate local access to baccalaureate programs, through placement in population centers and in regional centers to service rural areas.
- Limited geographic placement of graduate and specialized programs.

Minority access by providing opportunities for participation by minorities to enter and progress through the higher education system.

Remedial access through services to students who are inadequately prepared by reason of family, cultural, language, physical or other circumstances.

- Open enrollment at community colleges.
- Remedial programs sufficient to gain admission to baccalaureate programs should be available in community colleges.

Committee Conclusions

Access has been given a relatively high priority in the evolution of Colorado's higher education system, with some tradeoffs in efficiency, through duplication, and possibly in the quality of some undersized programs. Our conclusions on access to higher education in Colorado are as follows:

1. Graduate programs not under the direction and support of the major and specialized graduate campuses should be limited to selected masters-level, professional degrees. The state cannot afford extensive geographic access to high-cost graduate programs. Rather, it should give highest priority, in supporting access, to two-year and baccalaureate academic programs.
2. The issue of "caps" on in-state enrollment at the University of Colorado and at Colorado State University would be resolved by the recommended organizational change and by greater clarity in differentiated admissions standards. Any enrollment limits should be the result of establishing systemwide academic admission standards, institutional physical capacity, and planning for reasonable academic program size within each institution.
3. Transfer programs between two-year and four-year institutions should be strengthened through statewide policies which assure that students with satisfactory achievement are able to transfer without excessive additional cost or delay in program completion.
4. The policy objective of access to two-year colleges should be encouraged by modifying current financing policies. A goal of lower tuition, 20 percent of costs for example, might be established for two-year programs. Further, student financial aid might be broadened to provide assistance not currently available to part-time students.
5. Some citizens lack commuting access to two-year programs. An outreach system, including electronically based delivery of instruction, should be evaluated.
6. No new educational centers should be constructed until enrollment demand sharply increases.
7. More emphasis should be given to cooperation among institutions including electronically based delivery of instruction in serving the several geographic regions of the state. Selected baccalaureate institutions should take the lead in establishing partnership arrangements with nearby two-year institutions to strengthen and broaden program offerings, and to assure smooth transfers for students planning to advance to upper division programs.

8. Access should be preserved, where possible, through institutional merger or through other administrative consolidations by the statewide governing board, where such arrangements are necessary to maintain quality. Through these means, it may be possible to achieve an acceptable balance among the goals of quality, access and efficiency without closing campuses and incurring the significant negative results that such closures would have on the cultural and economic life of the communities affected.
9. Affirmative action programs should be actively pursued and monitored to stimulate minority enrollments and progress in higher education institutions.

Diversity

Policy Objectives

The third objective is to provide a diversity of educational opportunities. The state's system of education will strive to maintain institutions of differing types to meet the diverse needs of its citizens. Components of this objective include:

- Role and mission of institutions, differentiated in their academic programs, research, public service, residential or community orientation, admission standards or size.
- Educational programs through opportunities for general, professional and vocational studies, at varying levels of academic competitiveness, and through a variety of educational methods and experiences.
- Private education by encouragement and preservation of private and proprietary institutions, in addition to publicly supported institutions.

Committee Conclusions

Our conclusions concerning the diversity available in Colorado higher education are as follows:

1. Based in part on the low financial base for public higher education in the state, there is too much sameness in graduate programs. Recommended changes in role and mission should reduce the present proliferation. Augmented academic program review procedures should strengthen selected programs.
2. Majoring in education at the baccalaureate level is increasingly being questioned by authoritative academic sources. The national trend, which we support, is for baccalaureate level students to major in an academic discipline, while pursuing education either

as a dual major or by obtaining teacher certification. Baccalaureate level programs in elementary education should develop in this direction.

3. There is too much duplication of education and business programming at the baccalaureate level. A systemwide study of the need for and quality of business and education programs at the baccalaureate level should be conducted by the state policy board.
4. Authority to terminate academic programs, following systematic review, should be given to the state policy board. The board should report on the results of its reviews and actions annually, in connection with the presently established procedures for annual program review at each institution.
5. There is no campus with a strong, singular emphasis at the baccalaureate level in the liberal arts and sciences. One or more institutions, possibly Ft. Lewis College and Western State College, should have this mission as their focus and should have most of their students graduating from these programs.
6. Private higher education in Colorado is also experiencing the pressures of rising costs and enrollment declines. It is most desirable that the option of private higher education within the state remain for Coloradans. The state should be open to greater assistance to students opting for private institutions within the state and to considering limited financial support of programs of these institutions.

Efficiency

Policy Objectives

The higher education system must seek quality, access and diversity within the resources made available by the General Assembly. The level of support for higher education is not fixed but, rather, is influenced by citizens' perceptions of its quality, relevance to state policy goals, achievement of educational objectives, and its productivity in using the resources allocated to it.

Clarity in organizational purpose and management.

- Statewide policy and coordination which minimizes duplication and inefficient competition.
- An institutional governance structure which promotes quality within differentiated role and mission boundaries.
- Restraint in the diversification of educational degree programs and courses.

- Avoidance of undesirable duplication, especially in programs beyond the core curriculum.
- Productive use of available resources.
 - Institutional organization which emphasizes educational delivery over administration and control systems.
 - Application of modern technologies which enhance learning.
 - Support for faculty through use of highly qualified business and community professionals.
 - Faculty utilization which emphasizes superior teaching and gives priority to faculty-student contact.
- Equitable sharing of cost between society and the direct consumer of the educational service.

Committee Conclusions

The efficiency of Colorado higher education can be improved without compromise of its quality. Our conclusions concerning efficiency in Colorado's higher education system are as follows:

1. Efficiency requires clarity of purpose for an educational institution. Our most significant recommendations having a bearing on efficiency are those concerning redefinition of role and mission. Greater clarity and focus will enable institutions to concentrate their resources on excellence in selected programs.
2. Efficiency will be achieved through competition for students among the institutions as a result of greater differentiation in role and mission. The closer management of high cost graduate and doctoral programs by fewer institutions will improve both the quality and efficiency of these important programs.
3. Efficiency should be better assured in the future through the statewide governing board, especially in its authority to approve role and mission changes, review and terminate academic programs, and oversee student transfer arrangements.
4. Efficiency can be improved by recommendations for the financing of higher education. Recommended changes call for funding the fixed base fully, with only marginal rewards for growth. The financing of higher education should provide incentives for excellence in teaching, research and innovation, which will provide significant economic return to the state.
5. Efficiency can be improved through better utilization of existing plant, without major additions.

Accountability

Policy Objectives

Publicly supported institutions in Colorado are accountable for their actions and policies to students, parents and the elected representatives of Colorado citizens who provide the needed support of the enterprise. Accountability provides the opportunity to engage the citizen in the task of providing the highest possible quality, access and diversity of education they will support. The elements of these objectives include:

- Program review through regular and systematic assessment of the performance of each academic and support program.
- Management review by regular review of the performance of board members and chief executives in relation to institutional goals.
- Personnel review through regular review of personnel policies and of performance of individual faculty members and administrators.
- Financial review by regular and systematic assessment of financial and resource needs, allocations and results.

Committee Conclusions

Our conclusions concerning the accountability of Colorado public higher education are as follows:

1. Our recommendations on quality call for more accountability by public institutions of the results of educational programs. There should be more explicit evaluation of student progress and achievement. Such evaluations should be subject to public scrutiny.
2. Greater financial accountability does not appear to be a major issue. Adequate reporting systems and review authorities exist to provide for public accountability of spending in Colorado public higher education.
3. Colorado higher education should strive for greater outreach in service to the state. There is considerable mutuality in the educational needs of working adults, in a rapidly changing world, and the needs of higher education for financial support of the enterprise. Higher education should be affirmatively sensitive to the changing character of its learning populations: the new majority of women in schools, the opportunities being sought by minority group students and the needs of part-time learners. The best public relations program for higher education is one earned through service to the public.

4. Educational institutions should actively recruit community leaders for service on policy-making bodies, advisory committees, ad-hoc study groups, as executives-in-residence, as classroom teachers, to provide faculty work-internship programs and in other ways of involving the community in educating the young and continuing the education of the working person.
5. Educational institutions should draw on the strengths of individuals and organizations within their communities to provide learning opportunities for their students and to contribute to the management and delivery of educational services on campus. Public-private partnerships will strengthen the quality and relevance of education programs, and will increase the commitment of the community to their educational institutions.
6. Higher education should be more active in communicating its contributions to the cultural and economic quality of life in the state. Its considerable value in the continuing development of the state should be communicated through its constituencies: students and their parents, graduates, and leaders of the communities which they serve. Higher education should also be open to advice from these constituencies on how to improve their services.

III. ORGANIZATION

We recommend that a single statewide governing board be established, with responsibility for higher education policy and for management direction of Colorado higher education.

There are a number of organizational structures for Colorado public higher education that will work. Probably no plan is entirely satisfactory. Nevertheless the committee is convinced that its recommendation represents the best system for Colorado. We have concluded that the problems being encountered are systemic and that the governance needs to be changed. Its fragmentation contributes to destructive and inefficient competition for students and money. Governing boards have proliferated and duplicated their program offerings in their quest for students. The boards criticize one another for encroaching on claimed geographic service areas and for failing to maintain standards in admissions practices.

Statewide Governing Board

There is an imperative need for a strong statewide governing board for higher education in Colorado. The goal is not to consolidate institutional management to the statewide level, but rather that an even more decentralized institutional management be implemented within a coherent statewide plan and policy. The statewide governing board would concentrate on major policy matters and strategic decisions affecting the entire state, but would not have direct management concerns at individual campuses.

The Colorado Commission on Higher Education is structurally too weak to provide the leadership, policy direction and coordination needed by a system of multiple institutional governing boards. The CCHE does not have the constituency available to the educational institutions of the state. Either the statewide coordinating agency must be granted strong constitutional or statutory powers, or governance should be vested in a unitary structure, under a statewide governing board. For statewide policy to be effective, the board must have the authority to implement its policies.

Regardless of its form, the state board should have the following powers:

- Authority to specify role and mission for all campuses of the higher education system, subject to change by statute.
- Authority to approve, review and terminate any degree program within any campus of the higher education system, based on review processes which take into account the goals of quality, access, diversity and efficiency.
- Authority to establish and enforce student transfer agreements.

- Authority to approve capital construction decisions for any state supported higher education institution, subject to funding by the General Assembly.
- Authority to establish or prohibit off-campus sites for the delivery of instruction by institutions.
- Authority to close campuses and institutions, subject to the legislative override.
- Responsibility to make funding recommendations concerning institutions to the General Assembly and the Governor.
- Authority to shift General Fund appropriations from one institution to another.
- Authority to allocate student financial aid as it deems appropriate, subject to reversal by the General Assembly and the Governor.
- Responsibility and authority to collect and report data by institution.
- Responsibility to report on institutional performance and on the system's responsiveness to statewide objectives.

The major advantages of a statewide governing board are: (1) to develop and maintain statewide performance objectives, (2) to provide a single, coherent voice to the legislature for advice and accountability in higher education, (3) to focus each institution on achievement of excellence within its defined role and mission and (4) to achieve efficiency in the delivery of high quality educational services.

Following reorganization of the system of higher education, and the development of clear role and mission statements for educational institutions, the statewide governing board should immediately initiate a thorough and detailed assessment of educational programs. The purposes of the review would be to assure the integrity of assigned roles and missions and to terminate programs which are inconsistent with roles and missions or are otherwise unnecessarily duplicative.

Within the context of newly defined roles and missions, the statewide governing board and each institution should evaluate programs against the eight criteria suggested to our committee by the president of the University of Northern Colorado:

- Need/demand for the program
- Quality of the program
- Size of the program
- Productivity of the program
- Cost of the program

Availability of personnel to deliver the program
Maturity of the program
Benefits of the program

The detailed program review should be conducted within the context of the redefined roles and missions for educational institutions within the state.

Institutional Governance Structure

Several alternatives were considered by the Committee on Higher Education. The structure recommended greatly simplifies the organization of higher education in the state and provides for a strong statewide governing board with implementation authority, while preserving significant, decentralized management of individual institutions.

In addition, the structure improves the focus of governance of institutions on their roles and missions, provides effective coordination of high cost graduate education programs and safeguards against unnecessary duplication of programs at this level.

We recommend that control of the entire system be allocated to the new statewide governing board on July 1, 1985, with the existing boards functioning as managing boards, with existing staff positions, during the transition, until their dissolution on or before July 1, 1986.

Further, a constitutional amendment should be referred to the voters in November, 1986 to amend Article IX, Section 12, of the State Constitution, to provide that the Regents be appointed by the Governor and confirmed by the Senate for terms of six years. Terms would be nonrenewable for members who have served a full term. Not more than five members could be members of the same political party.

The governing structure recommended is shown in the chart on page 45 and is further described as follows:

1. There should be established in Colorado a single statewide governing board to oversee all the public system of postsecondary education. This single governing board should be implemented by using the existing constitutional powers of the Board of Regents of the University of Colorado.
2. The current Department of Higher Education should be retained with the President of the system of higher education serving as the Executive Director of the Department.
3. Added to the Department of Higher Education should be a gubernatorially appointed board with confirmation by the Senate to oversee the distribution of federal and state vocational money within the Colorado educational system. Board members would

serve four-year staggered terms and would be representative of various aspects of vocational education within the state. Current regulatory authority of the State Board of Community Colleges and Occupational Education (SBCCOE) in the proprietary school area should be transferred to this board. The vocational educational advisory board, required by federal law, would be continued.

4. There would be a separate managing board for each institution within the system with certain duties delegated to these boards and other responsibilities retained by the Regents. It is expected that the division of responsibility would occur as outlined below:

FISCAL

Board of Regents

Managing Boards

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Prepare and submit to the General Assembly the maintenance and capital construction budget request as one appropriation item. 2. Submit funding recommendations concerning institutions to the General Assembly and the Governor. 3. Approve capital construction decisions for institutions, subject to funding by the General Assembly. 4. Shift General Fund monies from an institution, up to two percent of the budget. 5. Receive and allocate state appropriations. 6. Establish tuition and fee policy. 7. Receive and distribute federal funds. 8. Seek, receive, and disburse grants, gifts, trusts for statewide or multi-institutional purposes. 9. Own all property, real and personal. 10. Administer post-audit procedures. | <ol style="list-style-type: none"> 1. Prepare and submit to the Board of Regents institutional maintenance and capital construction budgets. 2. Transfer funds among subsidiary accounts. 3. Establish tuition and fees. 4. Seek, receive, and administer grants, gifts, trusts for institutional purposes, programmatic purposes, and faculty research. 5. Manage and keep in repair all property, real and personal. 6. Make purchases. |
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ACADEMIC AFFAIRS

Board of Regents

1. Confer degree-granting authority on the managing boards.
2. Approve new programs and degrees.
3. Consolidate, discontinue, and transfer education activities, programs, and divisions.
4. Establish and enforce student transfer agreements.
5. Establish policies for off-campus instruction.
6. Establish policies for admission and program standards.

Managing Boards

1. Approve awarding of degrees consistent with institutional degree authority and mission.
2. Make recommendations to Board of Regents on new programs.
3. Review and evaluate ongoing programs and make recommendations to Board of Regents on program termination or consolidation.
4. Conduct summer, evening and off-campus instruction.
5. Set admission standards of instructional programs.

PLANNING

Board of Regents

1. Analyze the present and future goals, needs, and requirements of the public and private higher education system.
2. Specify role and mission for all campuses, subject to change by statute.
3. Establish plans for five-year intervals.
4. Prepare detailed annual report related to the master plan.
5. Establish program of cooperation and collaboration between institutions; resolve conflicts.
6. Establish or prohibit delivery of off-campus instruction by institutions.
7. Collect and report data from institutions.
8. Reorganize or close campuses and institutions, subject to reversal by the General Assembly.

Managing Boards

1. Submit to Board of Regents for review and approval campus plans for five-year intervals.
2. Recommend role and mission for the institution to the statewide governing board.

ADMINISTRATION AND PERSONNEL

Board of Regents

1. Appoint and remove the system President and Regents staff.
2. Set policies for determining resident status within statutory guidelines.
3. Set enrollment levels.
4. Employ consultants.
5. Establish personnel policies.
6. Establish statewide affirmative action policies.
7. Establish accounting system in conformity with standards established by the State Auditor and the Division of Accounts and Control.
8. Appoint the chief executive officers of institutions, considering the recommendation of the managing board.
9. Remove chief executive officers of institutions (requires two-thirds vote).

Managing Boards

1. Elect board chairman.
2. Recommend to the Board of Regents appointment and removal of campus chief executive officer.
3. Set compensation of chief executive officer, subject to approval of President of the system.
4. Appoint, transfer, dismiss, compensate, and promote faculty, and award faculty tenure.
5. Implement and evaluate affirmative action policies.
6. Establish, implement, and evaluate student services.
7. Make rules and regulations for the operation of the campus, including control of vehicles and parking.

FINANCIAL AID

Board of Regents

1. Set policy on aid and scholarship programs and allocate funds to managing boards.

Managing Boards

1. Administer the institutional programs within the policy and financial allocation of Board of Regents.

5. The Board of Regents would have the authority to dissolve managing boards, and to create managing boards over multiple campuses and /or institutions.
6. The managing boards would consist of five members who would be appointed by the Governor, confirmed by the Senate, and who would serve four-year staggered terms. No employee of the public system of higher education could be appointed to a managing board.
7. The President of the system would establish the administrative system.
8. Implementation should take place on July 1, 1985. The current administrative structures for the system and for the CCHE should remain in existence for a one-year transition period, under the administrative direction of the president of the system. During this transition period, the Board of Regents would establish managing boards for each campus. The four campuses of the present University of Colorado would have their managing boards established as soon as possible to avoid the situation of the Regents serving as both a governing board and as a managing board.
9. The Regents would have the obligation to report to the General Assembly and the Governor on or before November 1 of each year on the previous year's activities.
10. The local district colleges and the area vocational schools would not be governed by the Board of Regents. The Regents would assume authority over the following aspects of these institutions: (a) distribution of state funds; (b) role and mission; (c) establish and close academic and vocational programs; (d) site of delivery of educational activity; and (e) capital construction.

IV. ROLE AND MISSION

Overview

The role and mission of educational institutions is a matter of statewide policy. Statewide education policy is not equal to the sum of the aspirations of its educational institutions. Rather, it is essential that the goals of quality, access and diversity be maintained, at acceptable cost, through the judicious division of labor among the state's educational institutions.

Neither can role and mission be determined by institutional boards which have less than the statewide responsibility. Rather, it is the principal role of institutional boards to assure excellence within the roles and missions allocated to their institutions. The current set of largely self-determined purposes for institutions is duplicative and overlapping. Their sameness has contributed to the competition, uncooperativeness and acrimony which is seen too often among governing boards and institutional leaders.

Of particular concern is the tendency of institutions to expand into graduate instruction. There are currently seven campuses with the name university and with aspirations of expanded development of their graduate mission. Two additional campuses without the university title offer graduate programs.

The committee recommends to the statewide governing board that explicit criteria be developed to determine where graduate programs should exist beyond the major graduate campus of Colorado State University and the University of Colorado-Boulder and the specialized graduate programs at the Colorado School of Mines, the University of Colorado-Colorado Springs, the University of Colorado-Denver, the University of Colorado Health Sciences Center, and the University of Northern Colorado.

The committee recommends that the major and specialized graduate institutions be the primary source of graduate education throughout the state, offering these programs either through independent off-campus instruction or in cooperation with other institutions in the geographic area to be served. We suggest the following criteria be used for determining types of graduate programs which might be located independently on campuses, other than those of the major or specialized graduate institutions.

1. The programs must be professionally oriented where little or no research component is typically expected, based on the prevailing practice in the discipline. As an example, a Master in Business Administration would clearly meet this criterion.
2. There should be a high demand for the program, based on student interest and demonstrated willingness to enroll and on sufficient professional opportunities for graduates. Programs with limited

student or employment demand and few graduates would not meet these criteria.

3. Where professional accreditation exists for the field or discipline, accreditation must be sought and obtained for the program.
4. The per-student operating costs and the specialized facilities costs should be relatively low and consistent with prevailing practice in the discipline.
5. The program must be consistent with the institution's role and mission and must have a disciplinary connection with one or more of the existing undergraduate curricula of demonstrable high quality.

The committee recommends that the broad roles and missions of institutions be incorporated in statute, with more detailed specifics determined by the statewide governing board. The board should have the power to change roles and missions over time to meet the changing needs of the state. Following are suggested roles and missions of each institution or type of institution within the system today:

Area Vocational Schools

Area vocational schools should retain their current mission of technical and vocational training at the certificate level. These institutions should not expand into general education programs. Access to vocational programs should be expanded, where possible, through electronic delivery modes.

Community and Junior Colleges

The state's two-year institutions should continue their mission to serve local vocational and general education training needs for students, regardless of their academic background. Existing primarily to serve local communities, many of the two-year programs of these schools will be the same in the different communities served. The system of two-year colleges should be linked more closely to other system components in serving as an alternate for the first two years of baccalaureate study, and should facilitate opportunities for students to advance to the upper division of four-year institutions.

The state's two-year colleges, however, should not be developed as the primary means for implementing the first two years of baccalaureate education. Such redirection would require enormous change in the culture, values, personnel and location of two-year colleges within the state.

Baccalaureate and Limited Graduate Degree Institutions

Colorado's baccalaureate institutions should focus on high quality undergraduate programs, with selected specialization. Graduate program offerings, in some instances, may be offered as approved by the statewide governing board.

The admission standards are a particularly important distinguishing feature among the roles and missions of the baccalaureate, limited graduate institutions and universities. The following terms are used: modified open -- requirement for a minimum of a high school diploma; moderately selective -- requirement for at least average scores for admitted freshmen in grade point average, class rank, and standardized test scores; high -- high percentage of students in the top quartile, as measured by grade point average, class rank, and standardized test scores.

Adams State College

- Adams State College should continue its baccalaureate level mission as a small campus with liberal arts and sciences programs and a limited selection of professional and graduate level programs. At the baccalaureate level, Adams State should be a modified open admissions institution. Adams State also should have an explicit two-year mission to serve the San Luis Valley in academic program areas. State funding should be provided for remedial education and off-campus courses serving this two-year college function. Vocational education should continue to be provided by the valley's area vocational school. Adams State should strengthen its programs in Hispanic studies.

Ft. Lewis College

- Ft. Lewis College should continue its development as the state's small liberal arts and sciences campus at the baccalaureate level. The school should place greater emphasis on the humanities and less on education as a major. Certificate programs in education should be retained for students who major in academic disciplines. The school should not expand beyond its present physical size, controlling enrollment through the gradual increase of admission standards to a moderately selective level. It should not offer graduate degrees and should not expand its programs beyond those typical of a small liberal arts and sciences college. Ft. Lewis should phase out its two-year programs.

Mesa College

- Mesa College should retain its liberal arts and sciences baccalaureate mission and two-year academic and vocational mission, with a modified open admission policy. It should have an explicit two-year mission to serve western slope areas. The two-year mission would require some state financing for off campus work and for remedial education. As part of its two-year mission, it should have an open admission policy. Mesa College should not offer graduate programs.

Metropolitan State College

- Metropolitan State College should continue its unique role as a modified-open admissions, urban and comprehensive baccalaureate institution with a variety of arts and sciences and technological degrees. It should not offer graduate degrees, but should focus its attention on quality baccalaureate education for the Denver area. Its role and mission should be preserved under any governance arrangement concluded for institutions on the Auraria campus.

University of Southern Colorado

- The University of Southern Colorado should continue to develop its mission as an engineering technology (polytechnic) institution. It should also continue as a modified open admissions institution serving southeastern Colorado, but should strive, over time, to achieve a moderately selective admissions standard and a greater statewide mission in engineering technology. Its two year programming should be phased out, allowing Pueblo Community College to serve that role. The University of Southern Colorado should continue to offer limited independent graduate programming compatible with its polytechnic mission.

Western State College

- Western State College should have a statewide modified open admissions emphasis, serving as a small liberal arts and sciences institution with strength in business and education programs. Elementary education, as a major, should be deemphasized, with students majoring in academic disciplines and receiving teacher certification. The business program should seek accreditation by the American Assembly of Collegiate Schools of Business (AACSB). Western State College should offer no two-year programs.

Universities

The greatest risks of high-cost duplication and erosion in quality are among the state's universities. No less than seven campuses between Fort Collins and Pueblo now claim the name "University" and each exhibits tendencies to become more comprehensive and more alike than different. Recommended changes in role and mission are intended (1) to minimize the present and prospective duplication, (2) to permit concentration on high quality programs on selected campuses, and (3) to provide access to high-demand, masters-level graduate programs with assistance as required from the major graduate and specialized graduate institutions.

University of Colorado - Boulder

- The University of Colorado-Boulder should retain its mission as a comprehensive university with high admissions standards. It should differentiate its programs at the graduate level from Colorado State University as much as possible. It should provide access to programs for students with high academic ability who desire to transfer from two and four year institutions within the state.

University of Colorado - Denver

- The University of Colorado - Denver should continue its mission at the baccalaureate level, with moderately selective admissions, as a liberal arts and sciences institution with selected professional and graduate programs. Its role and mission should be preserved under any governance arrangement concluded for institutions on the Auraria campus.

University of Colorado - Colorado Springs

- The University of Colorado - Colorado Springs should be a regional institution with moderately selective admissions offering liberal arts and sciences, engineering and selected professional programs. It should offer graduate programming limited to engineering and professional fields.

University of Colorado - Health Sciences Center

- The University of Colorado - Health Sciences Center should continue to offer a wide array of graduate health related programs and a few selective health related baccalaureate level programs.

Colorado State University

- Colorado State University should retain its mission as a comprehensive graduate institution with high admission standards. It should differentiate its programs at the graduate level from the University of Colorado-Boulder as much as possible. It should provide access to programs for students with high academic ability who desire to transfer from two and four year institutions within the state.

University of Northern Colorado

- The University of Northern Colorado should retain its current mission, emphasizing graduate education and education-related disciplines. It should not duplicate graduate programs in traditional arts and sciences where such programs exist at the University of Colorado or at Colorado State University. Rather, it should develop as a center of excellence in teacher education. The graduate schools of education at the University of Colorado and Colorado State University should be combined and/or coordinated at the University of Northern Colorado to avoid program duplication and competition. It should be responsible to provide continuing education at the graduate level for teachers throughout the state. Some state support should be provided for off-campus delivery of this service.
- At the baccalaureate level, the University of Northern Colorado should continue its tradition as a moderately selective admissions institution with a variety of arts, science and professional programs. Baccalaureate level programs in education should be de-emphasized, encouraging students to major in an academic discipline and obtain teacher certification or a dual major in education. The business program should seek accreditation from the American Association of Collegiate Schools of Business (AACSB).

The Colorado School of Mines

- The Colorado School of Mines should continue as a professional and specialized teaching and research institution of engineering offering programs at the baccalaureate and graduate level in energy, mineral and associated environmental fields at the baccalaureate and graduate levels. CSM should retain its high admission standards and remain approximately at its present size. No other institution in the state should provide programs at the baccalaureate or graduate levels in the energy and mineral fields.

V. FINANCING

FTE Funding

The funding mechanism for higher education should reflect the distinct role and mission of each institution and should, as well, reflect the actual cost behaviors of specific program categories. It should be simple to operate, and provide reasonable stability and predictability from year to year to facilitate planning.

The current FTE funding mechanism is too sensitive to annual changes in enrollment, rewarding the acquisition of students, sometimes at the expense of quality and undesired duplication in academic programs. Although the Memorandum of Understanding (MOU) has greatly benefited the management of higher education in the state, the current FTE pricing formula, included in the Memorandum of Understanding, should be revised. We recommend the following:

- The pricing formula should more nearly reflect the actual behavior of costs relative to student enrollments. A fixed-variable cost formula should be substituted for the present FTE computations, which treat all costs as variable with enrollments.
- Enrollment levels used in funding should be less sensitive to annual changes. Consideration should be given to using a rolling average, for example three years, as the enrollment level to be included in the funding formulas.
- Statutes should allow state system community colleges to become local district colleges, with locally elected boards, if a tax district is created. Institutions should be encouraged to pursue this direction through some assurance of continued state support of the local district model.
- The essential principles of the MOU should be converted to statutory language, including board responsibility and flexibility for expenditure levels, tuition levels, cash roll forward authority, and the principal elements of a fixed/variable FTE funding formula.

There is evidence to indicate that Colorado's financing base for higher education is significantly below the national average of all the states. By relating funding levels to role and mission, to the costs of specific programs, and in a manner that reflects actual cost behavior, the state will be better able to determine what is required to fund higher education adequately.

The educational community, with the coordination of CCHE, is completing a detailed reexamination of the funding base for higher education. This process includes the development of a budget based on 100% funding of all the current formulae and, for professional

salaries, based on an analytically derived group of "peer" institutions for each Colorado institution. This analysis holds much promise for a reasoned assessment of the funding necessary to adequately support the goals of Colorado higher education. We urge careful consideration of the results of this study, as it is clear that the present level of funding is not adequate to support quality.

Under the recommended governance structure, the General Assembly could utilize a single memorandum of understanding with the statewide governing board. The amount of money to be appropriated for higher education would be determined by the General Assembly and that amount could be a lump sum amount which the board would allocate to each institution. Allocations should be based on the fixed-variable formula. The managing board of each institution would be free to use its share of the appropriation in the manner it would choose, subject to veto, in extraordinary circumstances, by the statewide governing board.

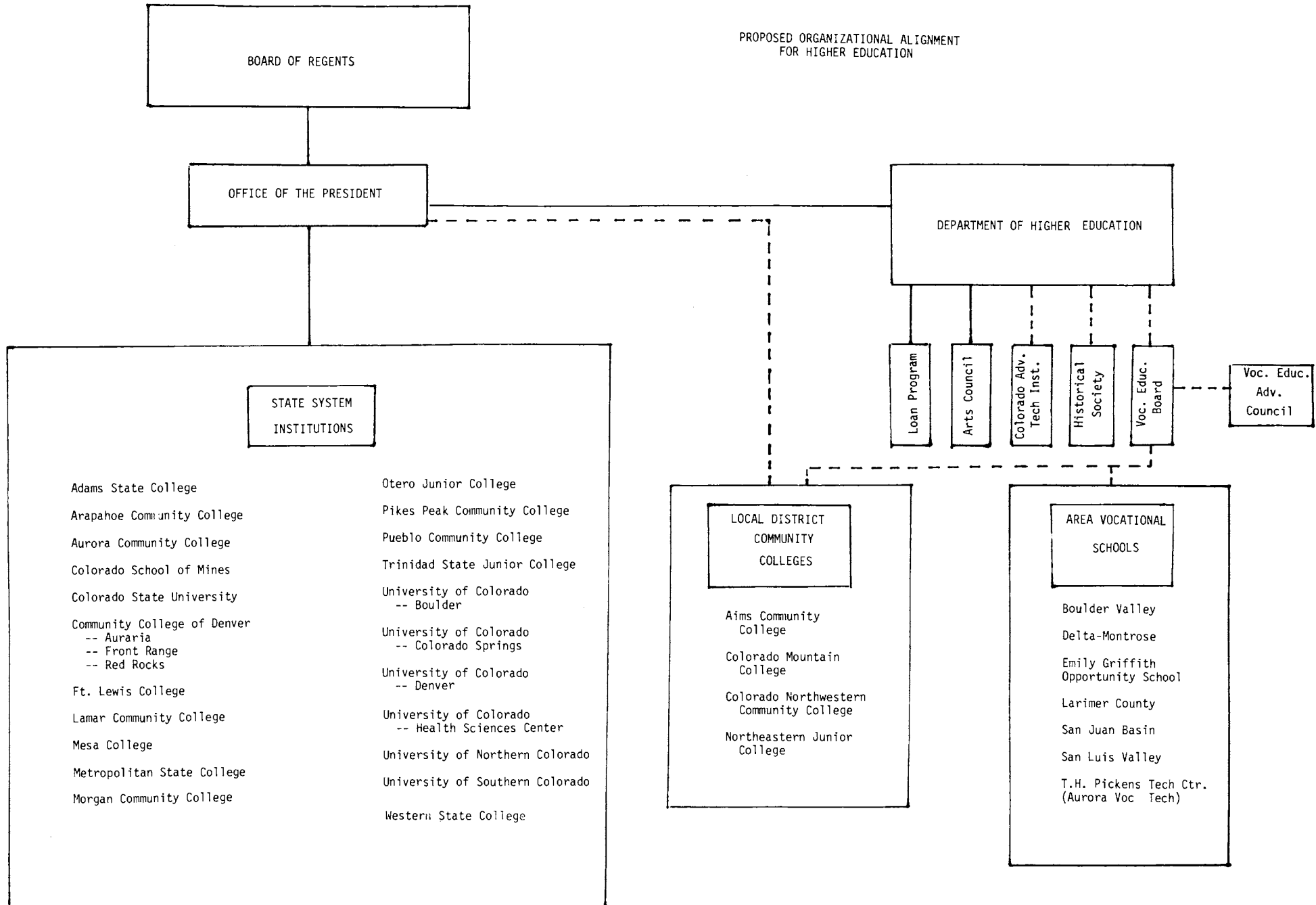
A statewide governing board will be able to state more clearly the case for greater financial support for higher education. The statewide governing board will also be more accountable for results. A greater level of confidence in the system should result from fewer public disputes within the system.

Financial Incentives for Quality

It is important that any funding mechanism provide incentives to improve quality in the educational system. We recommend that an enrichment funding mechanism be established to permit special project funding for exemplary programs, collaborative projects, experimentation, innovation and other initiatives which identifiably contribute to improved quality, access, diversity and efficiency in the higher education system.

Although the recommended changes in this report may result in cost savings in the higher education system, we strongly urge that such savings be reinvested in the financial base for the system as one method of funding increased quality.

PROPOSED ORGANIZATIONAL ALIGNMENT
FOR HIGHER EDUCATION



APPENDIX

I. STATE POLICY GOALS SUPPORTED BY HIGHER EDUCATION

Higher education fulfills an important, contributing role in achieving the public policy goals of the State of Colorado. The perspective which we assert is that higher education is an investment in the state's future rather than an expense of maintaining the state. The quality of life sought by the citizens of Colorado may be described within four broad goals statements, all of which are profoundly influenced by the education of the state's people.

Survival

For its survival, society needs members who understand the interdependence of human beings on one another and on their natural environment.

Discovery and Dissemination of Knowledge

- Higher education contributes to critical thinking and skill development among the state's citizens.
- Educated persons have the capacity and interest to continue the exploration of knowledge throughout life.
- Educated persons have delved in some depth into a particular field of study, providing needed specialization in knowledge.

Progress Toward Personal Freedom and Autonomy

- Educated persons are self reliant and self supporting. They are prepared to cope with making a living and with practical matters such as personal life management, child development, health, consumer choice and leisure.
- Educated persons develop their intellects and their bodies, achieving rapport with the natural environment.

Progress Toward Human Equality

- Higher education is probably the greatest single contributor to enhancing upward mobility for the otherwise disadvantaged.
- Educated persons develop interpersonal relationships to enable them to get along with other persons with civility and mutuality as constructive members of groups.

Cultural Advancement

For its cultural advancement, society needs creative talent and appreciative, discriminating readers, viewers and listeners. It also needs people who understand the common culture and its antecedents in other parts of the world.

Preservation and Dissemination of the Cultural Heritage

- The perspective of educated persons extends over the past, present and future. They grasp and appreciate the social and cultural heritage from which our society is derived, especially the origins and development of democratic thought.
- Educated persons are citizens of the world as well as the United States. Their outlook is cosmopolitan.
- Higher education contributes to the cultural health of the State through events and activities in art, music, drama, sports and leisure.

Advancement of Thought

- Higher education advances philosophical and religious thought, literature and the fine arts.

Direct Satisfaction and Enjoyment From Living

- Educated persons are able to participate fully in a world of advancing knowledge, ideas, arts and technology.
- Educated persons continuously upgrade their skills and enhance their awareness as a lifetime activity.
- Educated persons are prepared to live interesting and fulfilling lives.

Economic Well-Being

For its economic well-being, society needs imaginative and able men and women to direct and operate its institutions, to produce its goods and services, to manage its fiscal affairs, and to be alert and informed consumers.

Economic Efficiency and Growth

- Educated persons are more likely to be contributing citizens to the economy through their preparation for employment.
- Higher education creates new ideas, patents, research services which may attract, enhance and retain business.

- Higher education attracts students, faculty and generates the purchase of goods and services, thereby contributing to the State's economy.

Rendering of Useful Services to Society

- Higher education is one of the major factors identified as attractive to high technology firms.
- Vocational training is essential but, alone, is not sufficient to prepare individuals for adapting to the changing needs of society.

Political Well-being

For its political well-being, society needs wise and effective leadership and informed citizens.

Progress in Broad Social Welfare

- Higher education contributes to identifying and solving social problems.
- Educated persons are less likely to be on welfare roles or to resort to criminal behavior.

Enhancement of National Prestige and Power

- Educated persons are more likely to vote, participate in community and state service, and be well informed on public issues.
- Educated persons are interested and knowledgeable of current affairs, social problems, science and technology, the arts, education and religion.

Moral and Ethical Integrity

For its moral and ethical integrity, society needs tone-setting models who, as parents, teachers and managers, are able to pass on the society's ideals and heritage to future generations.

Exploration and Development

- Higher education explores and contributes to understanding of the motives, values, aspirations, attitudes and behavior of individuals.

- Educated persons are seekers of truth. They are open to ideas and emancipated from prejudice and dogma.
- Educated persons are more likely to achieve a firm moral base, a concern for human betterment, the obligation of service to others, social responsibility, equality among persons and loyalty to the truth.

II. RECOMMENDATIONS FOR FURTHER STUDY

Public testimony was provided on many important issues related to Colorado higher education not directly related to the committee charge. Given its substantial task under H.B. 1360, the committee was not able to consider in any depth many of these concerns. We take this opportunity, however, to recommend subjects for further consideration by the General Assembly or by the recommended statewide governing board.

General Assembly Issues

1. The focus of the committee's efforts was primarily on improving the effectiveness of higher education at the baccalaureate and graduate levels within the state, including closer linkage with the state's system of community colleges, junior colleges and local district colleges. We were not able to gain an in-depth understanding of vocational education needs and services within the state, including any opportunities for greater coordination between the two-year colleges, area vocational schools and the K-12 sector. Vocational education might well be the subject of a future legislative interim committee.
2. The Committee was impressed with the commitment by the community and the accountability of the institution where local taxes funded a portion of the educational programs. We recommended in our report that encouragement be given to state system community colleges and area vocational schools to seek a local mill levy. There is presently no statutory provision to allow such options or to work out an equitable sharing of the costs.
3. Compensation of state classified staff personnel, mandated by statute, result in serious issues of financing and equity in the compensation decisions required of management in Colorado higher education. These mandated compensation levels are inconsistent with the flexibility inherent in the Memorandum of Understanding and contribute to the less than competitive compensation structure available for teaching professionals.
4. Consideration should be given to granting residency status in Colorado, for purposes of determining tuition rates, to active duty military personnel and their spouses, who are assigned to military installations within the state.

Statewide Governing Board Issues

1. The system of higher education will continue to realize shifts in the demographics of its student population seeking higher educational experience. The needs to be considered include a growing number of adult learners, part-time, working students, and the increasing needs of employers for continuing development of skilled and semi-skilled workforce.
2. Women now comprise a majority of the students in higher education nationally. A number of quality-related issues concerning women in education were brought to the attention of the committee. These included analysis of academic program outcomes, assessment of support services available for women, employment policies and the impact of institutional practices on women.
3. The issue of minority access and satisfactory progress in higher education continues to be a great concern, as the gains made seem much below the goals of past affirmative action programs. A special study and emphasis on minority progress in faculty and student recruitment and retention appears to be needed.
4. The system of higher education should allocate resources for the development of new and collaborative systems to provide access to non-traditional students and to less populated areas. These systems should include the use of telecommunications and computers where the technology is developed and available.