



Department of Higher Education Annual Performance Report

Department Goals – Annual Performance Report

The Department of Higher Education is working to build a new framework for allocating state general fund dollars among the state's public institutions of higher education, as defined in H.B. 14-1319. The legislation charges the Colorado Commission on Higher Education (CCHE) to engage in a facilitated process with interested parties and ultimately adopt funding factors for a new base-funding formula that considers both the role and mission, and performance at each institution of higher education. This act emphasizes transparency in higher education funding and key outcomes, such as timely graduation rates, and reflects a strong desire to make this formula more understandable to Colorado taxpayers, students and families. This formula will support the statewide goals for higher education in the CCHE's master plan [Colorado Competes, A Completion Agenda for Higher Education](#) (the goals are listed later in this report). Additionally, key goals of the statute are to provide greater tuition predictability for Colorado families and to ensure an accessible and affordable public higher education system for years to come.

The FY 2014-15 Annual Performance Report provides an outline of the various requirements that form the parameters for the Department of Higher Education's work going forward, as well as the connection between reporting requirements. The report is available on OSPB's Performance Plan [website](#), along with the 2012 Master Plan. The report includes the H.B. 14-1319 Interim Report, and the Funding Allocation Model Preliminary Working Document is available in a separate document. Updates will be available January 1, 2015.

H.B. 13-1299 SMART Act Requirements and H.B. 14-1319

H.B. 13-1299 made changes to the State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act of 2010. While the initial SMART Act included the Department of Higher Education in its requirements, the 2013 revised SMART Act acknowledged the Department of Higher Education's unique effort on performance measures and the performance-based direction previously given by the General Assembly in S.B. 11-52. Section 2-7-205 (1) (a) (II) reads as follows:

The Office of State Planning and Budgeting shall prepare the section of the annual performance report for the Department of Higher Education by reviewing the institutions of higher education's progress towards the goals set forth in the institution of higher education's performance contract described in Section 23-5-129, C.R.S., and the outcomes of the recommended performance funding plan required in Section 23-1-108 (1.9) (b), C.R.S.

Section 23-1-108 (1.9) (b), C.R.S. provides that the Colorado Commission on Higher Education shall recommend to the JBC appropriations for the Governing Boards which are based on the performance-based funding plan. This plan, after FY 2015-16, would be predicated upon the



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reinstatement of funding for higher education to the \$706 million for Governing Board per Section 23-1-108 (1.9) (c) (II), C.R.S. and the difference between that sum and \$650 million in (1.9) (c) (I), C.R.S. multiplied by 25 percent (1.9) (c) (I), C.R.S.

While the provisions of Section 23-1-108 (1.9) (b), C.R.S. statutorily remain in effect, they apply based on a dollar level and fiscal year not applicable to FY 2015-16's request. Secondly and more importantly, legislation on performance-based funding for higher education was passed in 2014 with the signature of H.B. 14-1319. This historic legislation provided that the goals for higher education "can be accomplished by the General Assembly establishing performance metrics that are consistent and predictable..." (Section 23-18-301 (2) (b), C.R.S.) Thus, HB 14-1319 required performance metrics consistent with the accountability goals of H.B. 13-1299. For this reason, the performance measured for institutions of higher education with respect to Section 2-7-205 (1) (a) (II), C.R.S. is herein interpreted as performance under the provisions of the performance requirements of H.B. 14-1319.

H.B. 14-1319 requires the Department of Higher Education to create a new base funding allocation formula for FY 2015-16. This formula must transparently articulate how the State's investment in higher education is allocated based on specific factors: the COF stipend, the role and mission of each institution, and performance.

Colorado Commission on Higher Education Master Plan

The CCHE Master Plan, published in October 2012, calls for all public colleges and universities and the State to focus their resources on four primary goals:

- 1. Increase the attainment of high-quality postsecondary credentials across the academic disciplines and throughout Colorado by at least 1,000 new certificates and degrees each year to meet anticipated workforce demands by 2025.**
- 2. Improve student success through better outcomes in basic skills education, enhanced student support services and reduced average time to credential for all students.**
- 3. Enhance access to, and through, postsecondary education to ensure that the system reflects the changing demographics of state while reducing attainment gaps among students from underserved communities.**
- 4. Develop resources, through increases in state funding that will allow public institutions of higher education to meet projected enrollment demands while promoting affordability, accessibility and efficiency.**

Colorado Commission on Higher Education Master Plan and H.B. 14-1319

The goals in the Master Plan provided for in Section 23-1-108 are supported specifically and indirectly in H.B. 14-1319. H.B. 14-1319 expressed legislative intent that Colorado students have access to a postsecondary education, that the education be affordable to the students regardless of income, race, gender, age, or academic preparation. The legislation specified that participation by low-income Coloradans and underrepresented minorities should be increased. (Section 23-28-301, C.R.S.) The legislation effectuated these goals through metrics in the “total state appropriations” which are divided between the COF stipend (at no less than 52.5 percent of total state appropriations) and fee-for-service contracts. Such fee-for-service contracts are broken up balanced between role and mission and performance funding.

Among other components of the role and mission funding, the legislation provides for an amount to be provided to each Governing Board to offset costs of serving PELL-eligible students and provides for funding for remediation to offset the costs in providing effective basic skills courses and Supplemental Academic Instruction. Additional specified role and mission factors may be selected as well.

The performance funding component of the performance funding plan must focus on completion and retention. The performance funding component also allows for other performance funding metrics that “reflect and support the policy goals adopted by the Commission in the Master Plan” including but not limited to workforce placement, closing the achievement gap, limiting student loan debt, and controlling institutional administrative costs. These H.B. 14-1319 performance metrics support the intent and process envisioned in HB 13-1299, the SMART Act.

H.B. 14-1319 Performance Metrics

In H.B. 14-1319, the CCHE is required to include factors for Completion and Retention in the new allocation formula. The CCHE will use the following Definition and Data Source for these factors:

Statutory Requirement: Completion

- **An amount for each certification or degree awarded**
 - An amount for each student who transfers from a community college to another institution after completion of a certain number of credit hours
 - Establish the amount to be awarded for each, based on the subject and level of credential;
 - Establish the number of credit hours to be completed prior to transfer;
 - The value shall be increased for each credential earned or transfer of a Pell-eligible undergraduate student
- **CCHE definition**
 - Completion – Certificates should be counted when issued for:

- Programs spanning one year (24 credit hours) or more; or
- If program is less than one year (24 credit hours):
 - Certificate meets the federal “gainful employment” definition, or
 - Certificate represents the highest award earned at stop out.
- Students earning multiple 1-2 year or 24 to 60 credit hour certificates in an academic year will have each earned certificate count as a separate outcome
 - Transfers – Minimum of 18 credit hours at time of transfer, this will include concurrent enrollment credit hours
- **CCHE data source: Student Unit Record Data System (SURDS)**

Statutory Requirement: Retention

- **An amount for student progress**
 - An amount for number of students who make academic progress – complete 30, 60, or 90 credit hours;
 - A community college that receives an incentive for a transfer student cannot also receive a retention bonus for that student in the same year
- **CCHE definition**
 - Retention – Credit for number of students as follows:
 - Four year institutions – number of students who cross the threshold of completing
 - 30 credit hours
 - 60 credit hours
 - 90 credit hours
 - Additional factor - Two-year institutions – number of students who cross the threshold of completing
 - 15 credit hours
 - 30 credit hours
 - 45 credit hours
 - Concurrent enrollment will be included and each student will be counted only once at each academic progress interval
- **CCHE Data Source: SURDS**



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HB 14-1319 Interim Report

October 28, 2014

OVERVIEW

HB 14-1319 was passed by the Colorado General Assembly and signed by the Governor in May 2014.

This bill eliminates the current funding structure for how state General Fund dollars are allocated to public institutions of higher education as of Fiscal Year 2015-16, and directs the Colorado Commission on Higher Education (CCHE) to develop a new base funding formula for these funds within specified parameters. The legislation lays out an aggressive time frame and specifically charges the CCHE to engage in a facilitated process with “interested parties” and ultimately adopt and weight funding factors in a new base-funding allocation formula that includes role and mission factors as well as performance metrics.

According to the bill summary, the intent of this new funding model is to, in part, determine and implement a mechanism that is more transparent and understandable for Colorado taxpayers; provide greater tuition predictability with a goal of ensuring both accessible and affordable higher education for residents; and, harmonize with the statewide goals for higher education as articulated in the CCHE’s Master Plan – *Colorado Competes, A Complete Agenda for Higher Education*.

PROJECT DEADLINES, as prescribed by the Act

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|------------------|---|
| November 1, 2014 | Colorado Department of Higher Education (CDHE) and CCHE are required to submit with the 2015-16 budget request “a draft of the factors and metrics, with their weights, that the Commission is considering pursuant to” the bill “but that does not include the specific allocation to each governing board.” |
| January 1, 2015 | CCHE shall determine role and mission factors and performance funding metrics for fee-for-service contracts. <i>(NOTE: the internal CDHE deadline is December 5, in order to be prepared to present this new model during the Joint Budget Committee (JBC) and Smart Act hearings held in December)</i> |
| January 15, 2015 | CDHE and CCHE shall submit an updated budget request that includes: <ul style="list-style-type: none">• Detailed description of the role and mission factors and performance metrics.• The fee-for-service contract provisions, as applied to each institution. |



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- The funding requested for each institution for role and mission and performance funding.

November 1, 2015	And each November 1 thereafter, CDHE and CCHE shall submit annual budget request for the following fiscal year (2016-17) that includes: <ul style="list-style-type: none">• Detailed description of the role and mission factors and performance metrics.• The fee-for-service contract provisions, as applied to each institution• The funding requested for each institution both the role and mission and performance components.
November 1, 2015	CCHE shall submit to the Joint Budget Committee and the Education Committees of the House and Senate new tuition policies. These shall: <ul style="list-style-type: none">• Ensure both accessible and affordable higher education for Colorado’s residents.• Reflect the level of state funding for the institutions and need of each institution to enhance the quality of educational programs and offerings, and strengthen the financial position of the institution.
July 1, 2016	And each July 1 thereafter until 2020, CCHE shall submit a written report to the Joint Budget Committee and the Education Committees of the House and Senate on the status of the implementation of 1319 and make any recommendations for changes.

PROCESS

To achieve the best results for Colorado, CDHE established the project structure and process with purpose and intent - to meet the directives of the bill; ensure that voices are heard and incorporated into the conversation; *and* achieve a quality end product that can be embraced as a sound mechanism for state funding of public institutions of higher education while meeting the priorities and goals of Colorado.

The bill specifically required this to be done in a transparent manner in consultation with “Interested Parties”, which are defined in the bill as including, but not limited to, *“the governing boards of institutions, institution administrators, higher education advocates, students, faculty, nonprofit education organizations, and members of the business community.”*

As a part of this structure, three working groups of “subject matter experts” worked with our vendors directly on the three essential aspects of this project: public engagement and outreach, a study examining what's at the root of postsecondary costs, and the funding allocation model

itself. These subject matter expert teams worked at the granular level, within their subject area, to ensure a comprehensive and thorough examination of all options and ideas.

- **Public Education & Outreach Team** – The focus of this Team was to (1) help project participants and leaders understand the higher education priorities of the stakeholders across the state and how these priorities should impact how consideration is given to the weighting of the funding model metrics and factors within the formula, and (2) educate the public about the role of higher education and its importance to our state and our economy.
- **Funding Allocation Model Team** – The heart of what was charged in 1319 was the creation of a new funding allocation model. The bill was clear on the factors and metrics to be included, but left to the process how to determine the data inputs, weights and values placed on them. With the expertise of the members of this team, and the input and priorities of the public learned through the outreach process, a funding model is being created to allocate state dollars to state public institutions of higher education reflecting these priorities.
- **Cost Driver Analysis Team** – While not specifically called for in the legislation, this was incorporated to inform the other aspects of the project and address the perpetual questions from the General Assembly and the Administration, as well as the public, about why higher education costs what it does. In order for informed decisions to be made regarding funding and tuition policies, it is important to first be able to articulate the demands on institutions – and the demands they might be placing on themselves that drive costs up - and answer these questions with clear and accurate data. This team is charged with determining what data needed to be used to analyze institution costs – and how to tell the story that the data reveals. The results of this expert team’s work will be particularly important as tuition policy recommendations, as required by 1319, are developed. The Team is scheduled to conclude their work by June 2015.

The subject matter expert teams have been reporting to the Executive Advisory Group (EAG) - an advisory group comprised of legislators, current and former higher education commissioners, business leaders, leaders of state higher education institutions, and advocates for students, parents, faculty and provosts. The EAG was charged with digesting the work that the Expert Teams have conducted; helping to resolve any conflicts that may arise through the granular process; providing guidance, as necessary, to the Expert Teams for additional issues to take into consideration; and, ultimately making clear recommendations about what is best for Colorado to CCHE for consideration and action.

Lastly, the final decision maker, and the body that is ultimately responsible for adopting the final plan, is the CCHE - the governing body who was charged with meeting the objectives and directives of 1319. CCHE has been provided regular reports on the progress of the project; helped to resolve any conflicts that were not able to be resolved at the EAG level; provided guidance, when necessary to the EAG for issues to take into



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consideration; and, will in the end adopt the new funding model. On an ongoing basis, the CCHE will also make annual recommendations on tuition policy given the formula outputs and state policy priorities.

Through the process, from the ground up, the outcomes of this Project have incorporated the views and priorities of the “interested parties”, which were fully vetted inclusively and transparently.

All 1319 meetings have been open to the public and information about date, time, and location was posted in a timely manner on the webpage created for all things 1319:

<http://highered.colorado.gov/Publications/General/1319/default.html>

RFP PROCESS – VENDOR SELECTION

The Department underwent a very rigorous Request for Proposal (RFP) process, to select the two vendors for the project, following the Department of Personnel and Administration rules and guidelines.

Two separate RFPs were issued, one for the public education and outreach facilitation and the other for the cost driver analysis and funding allocation model construction. Two evaluation teams were formed, comprised of experts in the issue areas pertaining to the services sought, to work with CDHE in reviewing and scoring the responses to the RFP’s. The evaluation process included individual evaluations and scoring of the responses, then collective discussion by the team of the scores. These discussions lead to the selection of some respondents to come in for a verbal presentation. In the end, both vendors selected were chosen unanimously and significantly rose above their competitors with their overall proposal, presentation, experience and skills.

The Keystone Center, in conjunction with Engaged Public, was selected for the public education and outreach facilitation. The National Center for Higher Education Management Systems (NCHEMS) was selected for the cost driver analysis and funding model construction.

PUBLIC EDUCATION & OUTREACH

The role of this Team was to (1) help project participants and leaders understand the higher education priorities of stakeholders from across the state and how these priorities should impact the funding formula, and (2) educate the public about the role of higher education and its importance to our state and our economy.

The Public Education and Outreach Team is made up of the following members:

- Luis Colon - Business Consultant, Xcelente Marketing - *Business Advocate and CCHE Representative*
- Wade Buchanan - President, Bell Policy Center - *Non-Profit Organization*
- Mike Martin - Chancellor, Colorado State University System - *Research Institutions*
- Greg Salsbury - President, Western State Colorado University - *Four-Year Institutions*
- Millie Hamner - State Representative, Chair House Education Committee, Colorado General Assembly - *Legislator*
- Taryn Flack - *Student Representative*
- Ruth Annette Carter - *Parent Representative*
- Jeff London - MSU, Denver - *Faculty Representative*
- Diane Hegeman - Arapahoe Community College - *Provost Representative*
- Inta Morris – Chief Advocacy & Outreach Officer, *CDHE*

To achieve the charge of this team, 16 regional meetings were held over three weeks across the state, with 425 attendees (248 in the metro area, 177 in rural areas). These meetings were structured to educate participants about the project and its purpose and to engage in a facilitated conversation about their individual and collective perspectives.

Information about and advertising of the regional meetings was done as follows:

- CDHE Press Release (institutions have been using this to formulate their own press releases for their regions);
- Participants of the key informant interviews were asked to share the information with their networks.
- Keystone/Engaged Public sent invitations to institutional leaders, Club 20, Progressive 15, Action 22, alumni associations, county commissioners, networks offered from key informants, Colorado Office of Economic Development blueprint list, Colorado PTA, Colorado Education Association, Colorado Association of School Executives, Colorado Association of School Boards, Colorado Adult Education Professionals Association, workforce centers and local members, chambers of commerce, state legislators, students associations, Colorado Association of Commerce and Industry, Colorado Municipal League, Colorado Counties Incorporated, Padres Unidos, United Way Mile High, and Colorado Forum.
- CDHE notified CCHE commissioners, CCHE Advisors, members of the Executive Advisory Group, members of the project expert teams, Colorado Education Association, Colorado Association of School Executives, Colorado Association of School Boards, the project

“interested parties”, institutional chief executive officers, institutional chief financial officers, campus communication officers, academic council members, and the data advisory group;

- Members of the Outreach Team each notified their constituencies – parents, faculty, provosts, students, business leaders, institutions, and non-profit organizations;
- The Bell Policy Center sent out a statewide announcement; and,
- We have asked each person receiving the invitation to send it out to their contacts.

While there was some duplication of contacts, we believed that would help to emphasize the importance of the meetings.

As the project concludes, this Team will help CDHE and CCHE create the messaging and share the outcomes around the state.

COST DRIVER ANALYSIS TEAM

While not specifically called for in the legislation, this was incorporated to inform the other aspects of the project and address the perpetual questions from the General Assembly and the Administration, as well as the public, about why higher education costs what it does.

In order for informed decisions to be made regarding funding and tuition policies, it is important to first be able to articulate the demands on institutions – and the demands they might be placing on themselves that drive costs up - and answer these questions with clear and accurate data. This team is charged with determining what data needed to be used to analyze institution costs – and how to tell the story that the data reveals. The results of this expert team’s work will be particularly important as tuition policy recommendations, as required by 1319, are developed.

The Team is scheduled to conclude their work by June 2015.

The Cost Driver Analysis Team is made up of the following members:

- Patty Pacey – Commissioner, CCHE - *Business Advocate and CCHE Representative*
- Jessie Ulibarri - State Senator, Colorado General Assembly - *Legislator*
- Alexis Senger – Chief Analyst, Office of State Planning and Budget - *Governor’s Representative*
- Jeanne Adkins – Consultant, Colorado Mesa University

- Julie Feier – Associate Vice President of Finance and Administration, Western State Colorado University
- Peter Han – Chief of Staff and Vice-President of External Relations, Colorado School of Mines
- Heather Heersink – Budget Director, Adams State University
- Chad Marturano – Senior Director of Budget and Strategic Planning, University of Colorado System
- George Middlemist – Associate Vice President of Administration and Finance and Controller, Metro State University
- Bridget Mullen – Director of Budget and Finance, Colorado State University System
- Steve Schwartz – Vice President of Finance and Administration, Fort Lewis College
- Mark Superka – Chief Financial Officer, Colorado Community College System
- Cindy Thill – Special Assistant to the Senior Vice President for Administration, University of Northern Colorado
- Diane Duffy – Chief Financial Officer, CDHE

FUNDING ALLOCATION MODEL TEAM

The heart of what was charged in 1319 was the creation of a new funding model. The bill was clear on the factors and metrics to be included, but left to the process how to determine the data inputs, weights and values placed on them. With the expertise of the members of this team, and the input and priorities of the public, learned through the outreach process, a funding model is being created to allocate state dollars to state public institutions of higher education reflecting these priorities.

The efforts of this team has been a tremendous collaboration toward an end result that will meet the directives of the bill and create the path toward achieving the goals Colorado needs in order to meet the needs of our economy and business sector.

While the bill was specific in the factors and metrics to be included in the model, it was silent on how to define these and what data should upon which to base the formula. This team worked hard to make recommendations for the definitions and data sources for the factors and metrics of the model, and continues to work closely with the vendor, NCHEMS, on vetting the model structure and logic and the weights that will guide it.

The Funding Allocation Model Team is made up of the following members:

- Hereford Percy – Commissioner, CCHE - *Business Advocate and CCHE Representative*
- Nancy Todd - State Senator, Senate Education Committee, Colorado General Assembly - *Legislator*
- Alexis Senger – Chief Analyst, Office of State Planning and Budgeting - *Governor’s Representative*

- Jeanne Adkins – President Strategic Options and Solutions, Colorado Mesa University
- Brad Baca – Executive Vice President, Chief Operating Officer, Western State University
- Ed Bowditch – Legislative Liaison, Fort Lewis University
- Steve Kreidler – Vice President of Administration, Finance and Facilities, Metropolitan State University of Denver
- Bill Mansheim – Vice President for Finance and Government Relations, Adams State University
- Michelle Quinn – Senior Vice President, Chief Financial Officer, University of Northern Colorado
- Todd Saliman – Chief Financial Officer, University of Colorado
- Rich Schweigert – Chief Financial Officer, Colorado State University
- Mark Superka – Chief Financial Officer, Colorado Community Colleges System
- Kirsten Volpi – Executive Vice President for Finance and Administration, Colorado School of Mines
- Dr. Beth Bean – Chief Research Officer, CDHE

EXECUTIVE ADVISORY GROUP

The Executive Advisory Group (EAG) was created to bring into the conversation and decision-making process voices and views with statewide perspective. This advisory group is comprised of legislators, current and former higher education commissioners, business leaders, leaders of state higher education institutions, and advocates for students, parents, faculty and provosts. The EAG is charged with digesting the work that the Expert Teams have conducted; helping to resolve any conflicts that may arise through the granular process; providing guidance, as necessary, to the Expert Teams for additional issues to take into consideration; and, ultimately making clear recommendations about what is best for Colorado to the Colorado Commission on Higher Education (CCHE) for consideration and action.

This group has been meeting two times each month to follow the progress of the project and take action as needed.

The Executive Advisory Group is made up of the following members:

Co-Chairs

- Lt. Governor Joseph A. Garcia – Executive Director, CDHE – *representing CDHE and the Governor*
- Dr. Donna Lynne – Executive Vice President, Kaiser Permanente – *representing the business community*

Members

- Mr. Jim Chavez – Executive Director, Latin American Education Foundation – *representing students*
- Mr. Tim Foster – President, Colorado Mesa University – *representing four-year rural institutions*
- Mr. Russ George – President, Colorado Northwestern Community College – *representing access institutions and career and technical education (two-year and four-year)*
- Dr. Monte Moses – Commissioner, Colorado Commission on Higher Education – *representing CCHE*
- Dr. Pam Shockley-Zalabak – Chancellor, University of Colorado at Colorado Springs – *representing four-year research institutions*
- Mr. Greg Stevinson – President, Denver West Realty Inc. – *representing the intersection of business & higher education*
- The Honorable Pat Steadman – State Senator, Colorado General Assembly – *representing senate democratic caucus*
- The Honorable Kent Lambert – State Senator, Colorado General Assembly – *representing senate republican caucus*
- The Honorable Jenise May – State Representative, Colorado General Assembly – *representing house democratic caucus*
- The Honorable Jim Wilson – State Representative, Colorado General Assembly – *representing house republican caucus*

COLORADO COMMISSION ON HIGHER EDUCATION

The Colorado Commission on Higher Education (CCHE) is the body that is ultimately charged with meeting the directives of HB 14-1319 and implementing the outcome in Fiscal Year 2015-16.

CCHE meets monthly and has taken action at each monthly meeting on some aspect of the project since July 2014. Commissioners have been strong advocates for ensuring that the structure of the 1319 funding formula help Colorado to meet the goals outlined in their Master Plan – Colorado Competes, A Completion Agenda for Higher Education.

Specifically, the Master Plan, seeks to:

- Increase the attainment of high quality postsecondary credentials across the academic disciplines and throughout Colorado by at least 1,000 new certificates and degrees each year to meet anticipated workforce demands by 2015.
- Improve student success through better outcomes in basic skills education, enhanced student support services and reduced average time to credential for all students.
- Enhance access to ensure that the system reflects the changing demographics of the state while reducing attainment gaps among students from underserved communities.

- Develop resources, through increases in state funding, that will allow public institutions of higher education to meet projected enrollment demands while promoting affordability, accessibility and efficiency.

DRAFT OF FACTORS AND METRICS, WITH THEIR WEIGHTS

Pursuant to Section 23-18-307(2)(a), by November 1, 2014 CCHE and CDHE shall submit with their budget request a *“draft of factors and metrics, with their weights, that the Commission is considering pursuant to Section 23-18-306 but that does not include the specific allocation to each Governing Board.”*

While substantive discussions and decisions still remain before a final CCHE Adopted Funding Allocation Model will be achieved, a significant amount of work by the project teams and the Executive Advisory Group has been done, along with 17 regional meetings engaging in excess of 420 members of the public.

For the initial test iterations of the draft funding allocation model being developed by NCHEMS, with the input of FAMET, during the months of October and November, it is impossible to know whether the formula calculations will produce for each of the impacted institutions a level of state funding sufficient for each institution to operate.

For this reason it is important not to rush to conclusions but rather to understand the total 1319 formulaic calculations for each institution, in the context of the total current state funding allocation for each institution so that, if necessary, the model can be calibrated to reflect a realistic and acceptable allocation of state funding for 2015-2016.

Discussion of preliminary test weights by institutional, civic, and legislative stakeholders will be ongoing and parallel with model development. These stakeholders continue to develop weights that align with institutions' missions, state priorities, and input received through the regional outreach meetings.

APPENDIX A outlines the draft of factors and metrics, with their weights, as asked for by the bill.



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NEXT STEPS

- **November 3rd:** The Governor’s budget request will be made public.
- **CCHE – November 6th:** The CCHE will consider and act on the action items addressed today by EAG, including the Preliminary Working Document.
- **FAMET – November 10th:** It is expected that the “Draft” Model, which will contain all of the factors and metrics as established through the process along with the data and preliminary assumptions, will be presented to the FAMET for further discussion.
- **EAG – November 12th:** The EAG will be provided a project update and a presentation of the “Draft” Model, along with context of the FAMET dialogue on the “Draft” Model, for discussion.
- **FAMET – November 19th:** The FAMET will finalize their recommendations for the model and forward those recommendations to the EAG for consideration and action.
- **EAG – November 21st:** The EAG will consider and take action on the recommendations from the FAMET and forward your recommendations to the CCHE for consideration and action.
- **CCHE - December 4th:** The CCHE will consider the recommendations from the EAG and take action on a final “CCHE Approved Funding Allocation Model”.