Colorado Commission on Higher Education (CCHE)

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Presentation by:
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An Evaluation of Colorado’s College Opportunity Fund
And Related Policies
Background

- Declining state support for higher education
  - Rank among states fell from 35\textsuperscript{th} to 49\textsuperscript{th} between 1991 and 2001
- TABOR restricted both tuition revenue and general fund revenue
- The Colorado Paradox – education of native Coloradans insufficient to the state’s needs
- Governor Owens appoints Blue Ribbon Panel. Report in 2003 recommends stipends
- COF legislation passed in 2004, effective for 2005-06 academic year
State Appropriations and Tuition Revenue per FTE for Colorado Institutions

Source: SHEEO SHEF with adjustments for inflation (HECA), cost of living, and enrollment mix.
The Process Used for this Evaluation

- Reason for the Evaluation:
  - Mandated in the legislation

- Three Stage Analysis
  1. Began by researching *the intent of the policies*
     - Colorado Opportunity Fund (COF)
     - Fee-for-Service (FFS)
     - Performance Contracts
2. Analyzed *Whether the Policies Have Achieved Objectives*, or Not.

- *On the Demand Side – The Impact on Students*
- *On the Supply Side – The Impact on Institutions*

- **Methodology:**
  - Quantitative Data Analysis
  - *Interviews and Focus Groups – Disciplined interview protocol*
The Process Used for this Evaluation

3. Examined the likely impact of pursuing different policy options
College Opportunity Fund’s Intent

- Exempt Higher Education from TABOR’s revenue and spending limitations
- Impose market discipline on institutions
- Improve access, especially for students from underrepresented racial/ethnic or low-income backgrounds and males
Principal Findings

- Succeeded in exempting higher education institutions from TABOR
- Failed to foster more consciously market-oriented behavior among institutions
- Failed to lead to improvements in access
Undergraduate Enrollment by Sector, 2003-2007

Prior to COF

<table>
<thead>
<tr>
<th>Fall 2003</th>
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<th>Fall 2007</th>
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<tbody>
<tr>
<td>156,242</td>
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Legend:
- Four-Year Institutions
- Two-Year Institutions
Cumulative Percent Change in Undergraduate Enrollment, 2003-2007
Cumulative Percent Change in Enrollment of Recent High School Graduates, by Institutional Selectivity and COF Eligibility, 2003-2007

Prior to COF

Under COF

2003 2004 2005 2006 2007

Most Selective Campuses
Other Four-Year Campuses
CO High School Graduates
Two-Year Institutions
College-Going Rate Colorado’s Recent High School Graduates by Race/Ethnicity, 2003-2007

Prior to COF

Under COF

Fall 2003 | Fall 2004 | Fall 2005 | Fall 2006 | Fall 2007
---|---|---|---|---
65% | 65% | 65% | 65% | 65%
55% | 55% | 55% | 55% | 55%
55% | 55% | 55% | 55% | 55%
55% | 55% | 55% | 55% | 55%
55% | 55% | 55% | 55% | 55%

Black non-Hispanic
American Indian
Asian/Pacific Islander
Hispanic
White non-Hispanic
Cumulative Percent Change in Undergraduate Enrollment at Two-Year Institutions per 1,000 Colorado Residents by Age, 2003-2007
Cumulative Percent Change in Enrollment of Pell Grant Recipients by Sector, 2003-2007

Prior to COF

Under COF

Fall 2003  Fall 2004  Fall 2005  Fall 2006  Fall 2007

U.S. Total  Two-Year Institutions  Four-Year Institutions
What Went Wrong?

- Enrollment growth was not funded.
- Fee-for-service funding was never well defined, nor change oriented.
- Shifting funds between the stipend and fee-for-service gutted both policies of any chance of driving institutional behaviors.
- Performance contracts were not accompanied with rewards or penalties based on performance.
Policy Options

- Maintain the *status quo*
  - *Would reap the status quo*

- Abandon the stipends
  - *Would reap the old status quo*

- Amend the COF and related policies to improve likelihood of success
  - *The only avenue to change*