CEO’S Meeting
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Colorado Commission on Higher Education (CCHE)

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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 SHEE 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
The Process Used for this Evaluation

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
Cumulative Percent Change in Undergraduate Enrollment, 2003-2007

Prior to COF
- 2003: -1.6%
- 2004: 0%
- 2005: 0%

Under COF
- 2003: -1.1%
- 2004: 0%
- 2005: 0.4%
- 2006: 1.7%
- 2007: 3.2%

U.S. Enrollment
- 2003: -1.6%
- 2004: 0%
- 2005: 0.4%
- 2006: -2.9%
- 2007: -2.4%

Colorado Enrollment
Cumulative Percent Change in Enrollment of Recent High School Graduates, by Institutional Selectivity and COF Eligibility, 2003-2007
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

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

Prior to COF

Fall 2003 Fall 2004 Fall 2005 Fall 2006 Fall 2007

17-24 25-29 30-39 40-49 50-64

Under COF

0% 5% -5% -10% -15% -20% -25%
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*