

UNIVERSITY of
NORTHERN COLORADO



TO: Rico Munn, Executive Director, Department of Higher Education

FROM: Kay Norton, President, University of Northern Colorado

DATE: May 28, 2010

RE: Comments on DHE drafts discussed at 5/21/10 CEOs meeting

As you requested at the May 21 CEOs meeting, I take this opportunity to provide UNC's comments on the Department's draft version of the CCHE Allocation Principles and Financial Accountability Plan Template which we saw at that meeting.

UNC's position remains that DHE/CCHE should not make substantive policy or administrative procedural changes before the completion of the statewide higher education master planning process which was incorporated into SB3.

We believe it is inappropriate to implement, while the planning process is ongoing, an allocation model that would significantly change the position of any particular institution relative to other public institutions. While realignment of the public's investment in higher education may be appropriate in the future, it must be done based upon shared principles, principles which have not yet been developed. The Commission is well aware that there are multiple opposing public policy interests inherent in the allocation of public dollars, interests which have to be balanced. Senate Bill 3 has concentrated the responsibility for that balancing in the hands of the Commission even more than was already the case. The allocation status quo is far from ideal, but it does reflect a rough balance between the competing interests of high volume, undergraduate education institutions and the economic and social development engines embodied by research universities. In terms of allocation principles, we urge the Commission to adapt Hippocrates: First, do no harm.

We believe it is extremely important that the results of the state planning process and the SB3 Financial Accountability Plans be used to inform any significant changes in allocations. The Financial Accountability Plans developed by governing boards should provide essential information about each institution's pricing elasticity given its unique

character and market position. However, we must point out that there is an additional, previously unstated question for the Commission of what the state's role should be in addressing an institution's state allocation in case an institution chooses not to request tuition authority in excess of 9%, thereby avoiding the development of a public financial plan and discussion of its pricing power and market position.

We believe the draft financial accountability plan template is well designed to meet the intent of SB3 and the needs of state policy makers. The structure is elegant in its simplicity and clearly connected to the requirements of SB3. We particularly want to express our support for the following guiding assumption: "Governing boards will address agreed upon common metrics outlined in the template but may also provide additional data and narrative to support strategies employed by their institutions to ensure accessibility and affordability for underrepresented students." This balances the need to have comparable data for each institution with the need for each institution to address its unique mission and student body. We support having only a few key, straightforward common metrics as opposed to many and/or complex statistics. We also support the free-form approach to the additional data and narrative institutions may provide.

Thank you for inviting our comments on the drafts. It is our hope that as we continue working together to address the profound and permanent changes in our environment, we will focus on expressing accountability for public funding in terms of student outcomes rather than details of institutional management.