

# Archived Information

## QUALITY INDICATOR SYSTEM REPORT

December 2001

### Introduction

In 1996, the Colorado General Assembly passed HB96-1219 – the Higher Education Quality Assurance Act – which outlined the General Assembly's expectations for a quality indicator system for Colorado's state-supported higher education system. During 1997-98, the Colorado Commission on Higher Education (CCHÉ) implemented HB96-1219, culminating in a report to the General Assembly in December 1998 on the results of the first year's efforts. In the subsequent 1999 legislative session, SB99-229 was enacted. It refined HB96-1219 and identified state goals and institutional actions for a revised Quality Indicator System (QIS).

Beginning with the 1999-2000 academic year and continuing through the present, the state-supported institutions of higher education, governing boards, and CCHÉ have worked collaboratively to implement SB99-229 and refine the QIS. The indicators comprising the QIS have been utilized as performance measures for the CCHÉ's performance funding system. (Readers interested in CCHÉ's performance funding system can find a report detailing the performance funding system on the CCHÉ's web site).

This QIS report is the third of its kind. Included is a description of the ten indicators, the institutional data for each, as well as the benchmarks for measuring institution performance where applicable.

### Background

Colorado is one of thirty-seven states that has implemented some type of quality indicator or performance measurement system for its state-supported institutions of higher education. Similar indicators are utilized by a majority of these states, including Colorado: graduation rates, freshmen retention and persistence rates, passing scores or rates on tests and licensure examinations, faculty teaching workload rates, and undergraduate class size. Colorado's system keeps the overall number of indicators to ten or less (with subcomponents), while many states rely on a larger number of indicators (e.g., Missouri – 24, Wisconsin – 21, Kentucky – 16, Virginia – 14, Washington – 13).

To the extent possible for each Colorado state-supported institution, an individual benchmark is identified where the measure is based on the performance levels of institutions that represent a national comparison group for that college or university (i.e., institutions across the country with similar roles and missions, enrollment size, program array, complexity, etc.). To ensure that each institution has the most relevant comparison group for an indicator, the groupings may differ from indicator to indicator. In some cases, however, the comparison is limited by the availability of national databases and/or reliable data from comparable institutions. In such cases, recent performance of the institution serves as the benchmark, with the expectation that improvement will occur.

Along with the indicators common to other states, Colorado's QIS also has unique features as specified by SB99-229. First and foremost, Colorado's system focuses on undergraduate education. Graduate level education and research are not components of SB99-229, and thus, neither is included explicitly in QIS. This focus of SB99-229 and the subsequent incorporation of it in QIS should not be construed as a devaluing of graduation level education or research by CCHÉ or the state. Both are important components of Colorado's higher education system and both are supported by CCHÉ.

## Purposes of QIS

### Purpose 1: Encouraging Continuous Improvement by Institutions in Achieving High Levels of Performance

In the decade of the 1990s, higher education conscientiously addressed the public expectation for an effective framework to ensure quality and accountability. Colorado's heightened attention to quality and accountability occurred in 1996 with the passage of HB96-1219, known as the Higher Education Quality Assurance Act. This legislation outlined the General Assembly's expectations and goals for higher education. It also urged higher education to "...concentrate on improving both the quality and cost-effectiveness of higher education in the state." (CRS 23-13-102) The QIS reflects this statutory purpose by encouraging state-supported institutions of higher education to strive for continuous improvement in achieving high levels of performance.

### Purpose 2: Measuring Institutional Performance and Accountability

Since 1985, Colorado's state-supported institutions of higher education have been involved in accountability reporting vis-à-vis several laws (HB85-1187, HB91-1002, SB93-136, HB94-1110, and HB96-1219). The Higher Education Quality Assurance Act (HB96-1219) was refined in 1999 with the passage of SB99-229. Through this refinement, the General Assembly mandated the establishment of "...a quality indicator system to measure the overall performance of the statewide system of higher education and each governing board's and each institution's performance in achieving the statewide expectations and goals..." (CRS 23-13-105) In establishing the statewide expectations and goals, the General Assembly further expressed its expectation that "...each institution...shall work toward achieving a high quality, efficient, and expeditious undergraduate education..." (CRS 23-13-104(a)) The QIS serves as an accountability reporting process as related to these statewide expectations and goals.

### Purpose 3: Determining Funding Recommendations and the Funding Distribution Formula for the Higher Education System

The incorporation of QIS in the CCHE's funding recommendations and distribution formula for the higher education system is specified in statute: "The commission shall make annual systemwide funding recommendations...In making its recommendations, the commission shall consider each governing board's and each institution's level of achievement of the statewide expectations and goals...as measured by data collected through the quality indicator system..." (CRS 23-1-105(2)) and "The commission shall establish...the distribution formula of general fund appropriations...to each governing board under the following principles...To reflect the governing board's and the institution's level of achievement of the statewide expectations and goals...as measured by data from the quality indicator system..." (CRS 23-1-105(3)(d))

### Purpose 4: Build Public Support for Increased Funding for Higher Education

A recent survey of Colorado residents identified higher education as having a high level of respect with the institutions of higher education viewed as providing quality educational experiences. However, this high level of regard has not translated into a level of financial support for higher education as measured by higher education's share of the state budget. For several years, higher education staked its financial future on a growing enrollment and inflation as the primary means for keeping higher education's percent of the state budget on pace with the rest of state government. Unfortunately, enrollment growth fell short of expectations. Consequently, higher education lost ground in funding support.

A strategy of building public support for increased funding for higher education is embodied in the utilization of data from QIS in the performance funding system and the *Consumer Guide*. Clear, concise reporting of aspects of higher education that matter intuitively to the public – graduation rates, achievement levels of recent graduates, freshmen retention and persistence rates, class size, overhead costs, credits to degree – the willingness to set high performance expectations and standards (benchmarks), and the openness to compare the performance of Colorado's institutions with the performance of like institutions across the country, these all provide a foundation which can be used to request increased financial support for higher education.

## **Balance and Limitations Inherent In Any Quality Indicator System**

Each state-supported institution of higher education in Colorado has a particular role and mission. Each has an admission selectivity level assigned to it by statute. Each has its own particular set of academic and student support programs and services. Each has relationships with its local community, region, and the state. Some have national and international relationships. Traditions have shaped each institution. Taken as a whole, each institution has aspects that cannot be adequately taken into account or measured by any system, no matter how sophisticated that system may be when, by design, the system incorporates some amount of uniformity and commonality among the institutions. This is a limitation of any quality indicator or performance measurement system that seeks to include all institutions in some common format and approach. Whatever the quality indicator or performance measurement system employed, it must recognize this limitation and strive to balance the diversity of institutions and their respective differences with the commonality and uniformity inherent in the quality indicator or performance measurement system.

On the other hand, all state-supported institutions should be able to demonstrate good educational and administrative practices in offering their programs, allocating their resources, and being accountable to their students, taxpayers, and the public. As state-supported institutions of higher education that benefit from public funds, state-supported institutions have a special obligation to be accountable to the citizens of the state. This balance also must be achieved by a quality indicator or performance measurement system. It is believed that the quality indicator system reflected in this report strikes this balance by honoring the diversity of Colorado's state-supported institutions of higher education while promoting continuous improvement in their operations through accountability.

## **Actions Taken or Planned by the Governing Boards and Institutions**

This report presents quality indicators, institutional data, and applicable benchmarks without incorporating an evaluative component or outlining new initiatives, remediation, or further inquiry that the data might suggest. HB96-1219 provides such opportunities through a follow-up report due January 30, 2002 that takes that next step. The January report will describe the responsive actions taken or planned by the governing boards and institutions.

## **QUALITY INDICATORS FOR FY 2001 - 02**

### **Indicator 1A: Baccalaureate Graduation Rates (four-year institutions)**

An institution's baccalaureate graduation rate is the single most common indicator used by quality indicator and performance measurement systems across the thirty-seven states that use some form of a quality indicator or performance measurement system. Its inclusion is reflected in the fact that graduation rates are reported nationally by educational organizations, publications (e.g., *US News and World Report*) and other states.

Colorado's QIS mirrors the nation's and other states' utilization of a similar indicator. Four, five, and six-year graduation rates are calculated for each baccalaureate-granting institution based on the nationally accepted definition of a first-time, entering, full-time, degree-seeking student. Students meeting these criteria and beginning at a specified time constitute an entering cohort upon which the measurement is based. A graduation rate for students completing at their original institution is calculated along with a graduation rate from any four-year institution in Colorado's state-supported system of higher education. For the latter measure, students transferring to private institutions in Colorado and to institutions outside Colorado are not counted. Since some institutions have more of a transfer role than others, the graduation rate from any four-year institution in Colorado's state-supported system of high education is meant to recognize this important component of an institution's role and mission.

Benchmark ranges for the indicator measuring graduation rates from the original institution are based on a national comparison group of similar institutions. The benchmark for the indicator measuring graduation rates from any four-year institution in Colorado's state-supported higher education system is

based on each institution's recent performance, with the emphasis on improvement from the past year's performance level.

### **Factors to Keep in Mind When Interpreting Graduation Rates**

Following nationally-recognized definitions, the entering cohorts tracked in the QIS graduation, retention, and persistence rate indicators (indicators 1, 2, and 3) are limited to first-time, degree-seeking freshmen who entered the institution in the summer or fall and were enrolled full-time in their first fall term. Reporting on minority student retention and completion relies on the same criteria. Other undergraduate students new to the institution are excluded from the entering cohorts – freshmen enrolled part-time their first term, non-degree students, and all transfer students. For some institutions, a large percentage of their new undergraduates may be non-degree seeking, transfers, and/or part-time. Once the entry cohort is formed, no students are added, and students are removed only for death, military service, or missionary service. Finally, one also should be mindful that, while a student may have enrolled full-time in the first term, the student may register on either a full- or part-time basis in subsequent terms but continue to be included in the calculations.

### **Indicators 1B: Three-Year Graduation Rates (two-year institutions)**

This indicator is the equivalent indicator for two-year institutions. It measures the three-year graduation rate for first-time, full-time, certificate or associate degree-seeking freshmen who entered a two-year institution in summer or fall 1997 and either graduated from the original institution or another two-year institution in Colorado's state-supported institution of higher education within three years after entry. Individual institution benchmark ranges are based on recent performance with the expectation for improvement from the past year's performance level.

Similar factors should be kept in mind when interpreting these indicators as for the baccalaureate graduation rate indicators. In addition, research shows that when the national or state economy is robust (which both were during the period of time measured by this indicator), enrollments in two-year institutions often stagnate or even decline as students take advantage of increased employment opportunities and delay their higher education careers.

### **Indicators 2A and 2B: Freshmen Retention and Persistence Rates**

These indicators mirror similar indicators used by other states which measure the percentage of first-time, full-time, certificate or degree-seeking freshmen entering in summer or fall 1999 who either completed a program by August 2000, were enrolled in the fall 2000 term at the same institution, or transferred to another Colorado state-supported institution of higher education and enrolled at that institution in the fall 2000 term. Benchmarks for the four-year institutions are based on national comparison groups and also on recent performance of the institution with an expectation for improvement from the past year's level of performance. Benchmarks for the two-year institutions are based on recent performance with an expectation for improvement from the past year's level of performance.

### **Indicators 3A & 3B: Support and Success of Minority Students**

These two indicators take the six-year graduation (from four-year institutions), three-year graduation (from two-year institutions), freshmen retention, and freshmen persistence rate indicators and measure them for first-time, full-time, certificate and degree-seeking freshmen minority students. The same factors must be kept in mind when interpreting these indicators as apply to indicators 1A – 2B.