

**JBC Hearing Jan. 4, 2018
MSU Denver
President Davidson's Remarks**

Madam Chair Hamner and members of the committee, good morning and thank you for having me today. With me today is the Chair of our Board of Trustees, Jack Pogge.

I thought it would be apropos to start with a story from our past. As a new president, I've heard a lot about MSU Denver's history. You may or may not know, but the Tivoli brewery is back on our campus, and we have a strong partnership with Tivoli and other microbrew organizations, and two majors affiliated with beer.

Our tradition with beer started in 1968, when then President Ken Phillips was leading a tour of state legislators through downtown buildings, which made up our campus before Auraria was built. The legislators, who were considering MSU Denver's budget requests, were surprised to see a student sitting alone in a back room of the biology lab at 13th and Cherokee. The student was surrounded by dozens of empty beer bottles from the then-local Tivoli brewery. The student explained that the Biology Department didn't have enough money for specimen bottles, so students had been saving the brown bottles – which were well-suited to the purpose. The student had been in the process of removing the labels and sterilizing the bottles when he was interrupted by the touring guests. Not surprisingly, the following year, MSU Denver's budget for lab supplies was increased.

So, I started in this role shortly after the release of the state's revised master plan for higher education, and was excited to see the alignment between the objectives outlined in the plan and our institution's mission. Roadrunners come from every background and experience. We have veterans looking to re-establish themselves in the workforce, first-generation college students trying to earn that life-changing degree, and plenty of people who want to change directions in their careers.

Roadrunners represent Colorado's most diverse student population. Students of color make up 42 percent of our student body, and our Latino students total 26 percent. Almost 50 percent of our students are the first in their family to attend college, and "nontraditional" students – those who come to college at different points in their complex lives – comprise 67 percent of our students. We pride ourselves on serving Colorado's students: 96 percent of our undergraduate students are Colorado residents, and 79 percent of our 90,000 graduates choose to stay in Colorado and contribute to the state's economy. We are an important wheel in Colorado's economic engine.

Over the summer, I solicited feedback from industry leaders from aerospace, hospitality, K-12, and more. Many of these leaders shared what I call the Roadrunner Difference – key traits our students demonstrate upon graduation, that employers have come to expect from us. They include:

- Diversity
- Tenacious
- Primed
- Purposeful
- Entrepreneurial

These are the traits that separate our graduates from the others. David Thibodeau is a good example. He graduated from MSU Denver in 1993 with a degree in communications. David used the skills he learned at the University to co-found Ska Brewing Company in Durango. David is a small business owner, entrepreneur and a proud Roadrunner.

Like it did for David, hard work pays off for our graduates. In 2015, Colorado's Department of Higher Education reported in their College Measures study that MSU Denver graduates had the third highest median starting salary within their first year of graduating. This is

coupled with MSU Denver offering the most affordable tuition rates in Colorado. This is the American dream of today. This is another expression of the Roadrunner Difference.

To move the needle on the American dream and create the opportunity for economic mobility for all Coloradans, we must see success at our university.

Over the past decade, our institution has made great strides toward increasing retention and helping students complete their academic objectives. Even with our limited resources we have increased our degrees. In 2004-2005 we awarded 2,280 degrees and 3,456 degrees in 2016-2017. That is a 51 percent increase over 11 years. We implemented a first-year success program in 2005, and the retention rate for students in this program increased from 62 to 72 percent. We are now expanding this program to all of our students, which if we are to scale appropriately requires a 90 percent increase in resources dedicated to this program. In addition, we are seeking to meet the recommended minimum academic advisor to student ratio, which would triple our current number (900:1 to 300:1).

We know there is more work – a lot more work – to be done to meet the goals on our campus and as a state. We also know what needs to be done. We’re experts in our field, and have the benefit of lots of information and best practices from around the country. What we don’t yet have is enough resources to get it done.

As you know, Colorado’s system of higher education is one of the nation’s lowest funded, and our university is the lowest funded on a per student basis of all four-year institutions. I’ve been on the job for five months, and have spent time trying to figure out the funding formula, and I’ve got to be honest – I don’t understand how this (hold up laminated chart) is accomplishing what the state of Colorado wants to accomplish.

In Colorado, the institution that receives the most dollars per student – \$7,829 – has a role and mission similar to my institution. At MSU Denver, we receive \$3,481 per student (reference laminated card/hand out). That’s a difference of \$4,348, which adds up fast when

you look at how many students we serve – 19,545 to be exact. The institution in the middle of the chart receives \$6,070 per student, a difference of \$2,589 per student. When this gap is multiplied by our 16-17 full-year full-time equivalency, MSU Denver is missing out on more than \$41 million in state funding for our students. You may say we are the “most efficient,” but that term masks the ugly reality that there are things that we know we can and should be doing for our students that we are not doing, because we can’t pay for it.

I greatly appreciate the governor’s proposed additional investment in higher education in the coming year. But I wouldn’t be doing my job if I pretended that it is enough to substantially boost our retention and graduation rates, and reduce a student’s time spent to receive their degree. The proposed allocation coupled with a 3 percent cap on tuition increases will NOT cover new, targeted investments that would put our university on the fast-track to deliver the results that Colorado desires, and that is laid out in CDHE’s master plan.

Because of historical underfunding of our university, this allocation leaves us below flat. Not only do we have severe infrastructure problems, including years of not addressing deferred maintenance on our shared AHEC buildings, but we also cannot invest in our students to meet the state’s growing sector needs such as STEM – a discipline area that over 26 percent of our students are majoring in.

According to Colorado Succeeds, nearly 55 percent of our state’s jobs will require a STEM-related college education by 2020. Yet, fewer than 25 percent of high school graduates are able to attain the postsecondary training and credentials required for STEM careers. Because of this gap, Colorado employers spend more than \$19 million annually to import talent to fill unmet workforce needs.

Colorado businesses talk a lot about attracting a great workforce, but ideally, we should work together to grow our future workforce, rather than relying on recruiting workers from other states. We have already begun to realize the potential that this approach offers. My

predecessor Steve Jordan spearheaded outreach to the aerospace industry and enlisted their help in designing a building and curriculum that would deliver graduates with the skills needed to get hired by Colorado companies. This model can and should be scaled across industries in partnership with workforce oriented programs in higher education, and we stand ready to make this happen.

An example is our co-op program with Lockheed Martin. Students take a slightly decreased course load, so they can focus on the work experience for two full semesters. They work 20 to 25 hours each week at Lockheed in areas such as 3-D printing, electronics, composite development and even spacecraft testing. More intensive than a traditional internship, the program places students in roles with greater responsibility and even pays well. The large majority of the students who participate in this program get hired full-time when they graduate. This is one way we are creating a local workforce pipeline, providing highly trained talent to companies AND creating exceptional learning opportunities for our students.

These programs not only align with the workforce talent that Colorado's industries are seeking, but they are essential in ensuring that the state's economic engine continues to grow.

As you can see, we are eager and primed to partner with the legislature to invest together in Colorado's future. We just ask that you look further at what is an equitable amount of investment for ALL of Colorado's students.

Thank you for your time today. I appreciate very much your service to the state of Colorado. You've got a tough job, and I'm grateful you're up to the task.