

ATTACHMENT #2

FY 2011-12 CCHE General Fund Allocation Principles Applied to the August 5th Model

8/5/10

The proposed FY 2011-12 General Fund allocation model utilizes a total revenue approach up to \$450 million and splits available funds between institutions experiencing high enrollment and the Anschutz Medical Campus and the Professional Veterinary Medical School for funding between \$450 million and \$555 million. The model meets the Commission FY 2011-12 allocation principles as follows:

1. It is a temporary allocation model and only applies to FY 2011-12. It is not intended to influence any future year GF allocations,
2. Through the total revenue distribution utilized at or below \$450 million the model considers institutions ability to benefit from the flexibility measures provided by Senate Bill 10-03.
3. The model preserves the “status quo” in that it protects core operations at lower funding levels through the total revenue allocation at \$450 million or less.
4. It is a system-wide/state-wide approach in that it does not apply special or unique formulas to individual Governing Boards or institutions. The same allocation methodology applies to all institutions,
5. Consideration of recent enrollment increases is primarily reflected in the allocation model above \$450 up to \$555 million. The model allocates one half of funds above \$450 million to institutions that have seen significant enrollment growth since the economic downturn. As this is a one-time allocation that amount could be adjusted to account for future shifts in enrollment.
6. The allocation model considers unique offerings and role and mission to the extent that it does consider enrollment increases that have disproportionately impacted access institutions (Metro, Community Colleges); it allows the unique role and mission of the state colleges in rural Colorado to continue operations in the event GF revenue is lower than forecast; finally, it recognizes the significant economic impact and importance of AMC and PVM to the state.
7. While the final priorities of the strategic plan are still being developed, the model recognizes the short-term recommendation to consider the flexibility granted by Senate Bill 10-003 and avoid the suspension of operations at Colorado institutions. It also considers higher education statewide priorities even at relatively low levels of state support.