

# STATE OF COLORADO



DEPARTMENT OF HIGHER EDUCATION  
*Colorado Commission on Higher Education*

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## MEMORANDUM

TO: Colorado Commission on Higher Education

FROM: John Karakoulakis

DATE: January 8, 2010

SUBJECT: Higher Ed Flexibility Bill Update

Commissioners,

On December 17<sup>th</sup>, Senator Morse held a meeting of higher education stakeholders to discuss the piece of legislation he is sponsoring out of the Long Term Fiscal Stability Commission, known as the “Higher Ed Flexibility” bill. Chair Polsfut and Commissioner Stevinson attended along with Director Munn. Attached to this memo is the latest version of the flexibility bill, which will undoubtedly change based on the discussion of the 17<sup>th</sup>. Below are descriptions and comments regarding each section based on the discussion and comments from the Commission representatives.

**Section 1. Articulation/Transfer.** Community Colleges want this section to be a standalone bill and have been working on the issue with the four-year institutions and other legislators. Sen. Morse would like to keep all higher ed issues in the flexibility bill and not have separate bills. Regardless of where the issue is housed the language of this section will change.

**Section 2. International Students.** This section would pull international students from the non-resident/resident ratios. CU strongly supports this. Commissioner Stevinson expressed that the Commission members would like to discuss this issue in more detail so as to better understand CU’s needs.

**Sections 3 and 4. Financial Aid requirements.** This would give more discretion to the institutions to allocate financial aid to their students by eliminating the Commission’s mandatory minimum awards for all students. CCHE would still allocate money to each school. DHE’s position is that this should be discussed in the strategic plan. Commissioner Stevinson expressed the importance of the Commission’s role in financial aid and that this might be an area where a coherent state policy is better than each governing board making policies.

**Sections 5-7. Fiscal Rules.** This would allow institutions to adopt their own fiscal rules. This is opposed strongly by the Dept. of Personnel and Administration.

**Section 8. OIT exemption.** This would exempt schools from the Office of Information Technology rules promulgated by the state's Chief Security Officer. OIT has not taken a position and it was not discussed in detail at the meeting.

**Section 9. Financial Data Submission.** This section would permit an institution to only provide audited financial statements for information requests. This section will be amended to clarify what the intent is. Commissioner Stevinson pointed out the usefulness to the Commission of the Budget Data Books and other non-audited financial statement collected. Also, the Legislative Council frequently requests information that would no longer be permitted under this proposed draft. This section will probably be dropped and reporting changes will be made concerning fiscal rules in sections 5-7.

**Sections 10-14. Capital Construction Approval.** These sections would strike the current CCHE and CDC capital approval process. Commissioner Stevinson expressed the Commission's serious concern for changing the approval process so drastically in the draft as written. Sen. Morse acknowledged that the current language would be heavily amended and that getting rid of the CCHE and CDC approval process was not the intent. The intent of this section appears to be to make changes on lease approvals which would not impact the Commission's capital construction approval powers.