

## **ATTACHMENT #3**

### **DRAFT - FY 2011-12 Allocation Principles Applied to “500 Model” – DRAFT**

**6/30/10**

The FY 2011-12 draft model proposing different allocations depending on the amount of GF available (less than \$500M=Total Revenue allocation) meets the CCHE 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. The model considers institutions ability to benefit from the flexibility measures provided by Senate Bill 03 and provides more weight to tuition flexibility depending on the amount of GF available. (There is more reliance on institutions with greater tuition-raising capability depending on available revenues)
3. The model preserves the “status quo” meaning that it is aimed at allowing Colorado public institutions to remain open (no closure or suspension of operations) even in light of the elimination of federal Recovery Act funds and a projection of insufficient FY 2011-12 state revenues,
4. It is a system-wide/state-wide approach in that it does not apply special or unique or special formulas to individual Governing Boards or institution. The same allocation methodology applies to all institutions,
5. Consideration of recent enrollment increases is “built-in” to the Total Revenue model because it allocates state funding based upon both tuition revenue and General Fund. If FY 2011-12 General Fund is at or above \$500M, the “three-part” model contains an additional factor for 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 open access institutions (Metro, Community Colleges) and it allows the unique role and mission of the state colleges in rural Colorado to continue in the event GF revenue is lower than forecast.
7. It meets the priorities from the short-term recommendation of the HESP to take consider the flexibility granted by SB-03 and avoid the suspension of operations at Colorado institutions.