

**TOPIC: Financial Accountability Plan Approval**

**PREPARED BY: Mark Cavanaugh**

**I. SUMMARY**

Senate Bill 10-003 gave higher education governing boards the ability to raise resident, undergraduate tuition above nine percent subject to Colorado Commission on Higher Education (CCHE) approval of a Financial Accountability Plan or “FAP.” Generally, the FAP must demonstrate how the governing board will protect low and middle income students in light of the tuition increases requested. Department staff and the CCHE FAP Review Subcommittee have completed the review process for three governing boards and have prepared the attached action items for your consideration.

**II. BACKGROUND**

During the last legislative session, Senate Bill 10-003 provided higher education governing boards significant financial and operational flexibility. As part of that legislation, governing boards are allowed to increase resident undergraduate tuition by up to nine percent without seeking any approval from CCHE or The General Assembly. Governing boards seeking the authority to raise resident, undergraduate tuition above nine percent must submit five-year financial and accountability plans that among other things state the amount of tuition increase requested and show how the governing board will protect low and middle income students and underrepresented students.

The CCHE is required to review each plan and within 90 days of receiving a plan either approve or deny the request for the tuition increase. In approving the plan, the Commission may approve the request for two years and make approval for the subsequent three years conditional upon the governing board’s success in implementing the plan. If a plan is denied, the governing board may submit an alternative plan to the CCHE in accordance with any CCHE-adopted timelines. If the CCHE denies a plan, a governing board may increase tuition up to nine percent and resubmit a plan for a greater increase in the following fiscal year.

In early October, nine governing boards submitted FAPs requesting the authority to raise undergraduate, resident tuition above nine percent. At the September 8<sup>th</sup> CCHE meeting the FAP Review Subcommittee was formed of Vice Chair Percy, Commissioner Stevinsion and Commissioner Edwards. The FAP Review Subcommittee has completed the FAP review process for Metropolitan State College of Denver (Metro State), Fort Lewis College, and the Colorado State University System and is recommending the action summarized on the attached pages.

**III. STAFF RECOMMENDATIONS**

**No staff recommendation. Action on the attached items is recommended by the CCHE FAP Review Subcommittee.**

**STATUTORY AUTHORITY**

C.R.S. 23-5-130.5