

**TOPIC: SB 10-03 FAP REVIEW COMMITTEE**

**PREPARED BY: DR. KIM POAST**

**I. SUMMARY**

Senate Bill 10-03, passed by the Colorado legislature and signed into law, requires that the Colorado Commission on Higher Education (CCHE) accept, review and adopt financial accountability plans (FAPs) from higher education institutional governing boards seeking to raise tuition by more than nine percent. FAPs are due to the Department by Friday, October 1. This information item updates the CCHE on the number of FAPs received and on the expected review process that the FAP Review Committee and Department staff will follow.

**II. BACKGROUND**

Institutional governing boards seeking to raise tuition by more than nine percent per credit hour will be required, through Senate Bill 10-003, to submit five-year financial and accountability plans to the CCHE based on a timeline established by the CCHE. According to the legislation, the FAP must include:

- The percentage of the requested tuition increase;
- Evidence that access and affordability for enrollment of low and middle income students will be preserved, taking into account the availability of federal, state, institutional, and private monies;
- Measures the institution will take to reduce student debt load, including amount of need-based financial assistance;
- How the institution will address the needs of underserved and underrepresented students;
- Assurance that operational flexibility measures will not reduce the level of service and quality; and
- Any additional information requested by the CCHE.

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 (or for the School of Mines, double inflation, whichever is greater), and resubmit a plan for a greater increase in the following fiscal year.

Department staff have developed an internal review process which they will recommend to the FAP Review Committee. The major components of the review process include:

1. Cursory staff review to ensure FAPs are timely, complete and meet minimum requirements;
2. Second level staff review to identify questions for institutions and additional information required;
3. Preparation of FAP summaries for CCHE review Committee
4. FAPs, summaries and any additional documentation forwarded to review committee;
5. Review committee members, with staff support, consult with institutional governing boards to discuss plans.
6. Review committee prepares final recommendations to present to CCHE for action at the December 2, 2010 meeting.

Department staff will work with the review committee to determine processes for appeals and resubmissions, if necessary.

### **III. STAFF RECOMMENDATIONS**

**This is an information item only.**