Chairman James Polsfut called the meeting to order at 9:40 AM.

Commissioners James Polsfut, Hereford Percy, Jill Brake, Dave Edwards, Happy Haynes, Patty Pacey, Michael Plachy, Regina Rodriguez and BJ Scott were in attendance. Commissioners Larry Beckner attended via conference call. Also in attendance were Advisory Committee members Representative Gail Schwartz, Dr. Toni Larson, Dr. Abe Harraf and Kelly Fox. Advisor Ruth Annette Carter attended via conference call.

**Discussion of Tuition Flexibility Implementation** – Executive Director Rico Munn led the discussion about Senate Bill 3 (SB3), which passed out of the legislature and is awaiting the Governor’s signature. He explained that the Commission must move quickly on implementing certain requirements in the bill. This special meeting was called to discuss some of the major components of the legislation, allowing staff to start working at full speed. Commission members already received information on the major requirements under SB3, primarily having to do with the strategic plan and financial accountability.

Director Munn explained the goals for the meeting: 1) agreement on a placeholder start date for institutions to submit financial plans; 2) general agreement on the outline of the process; 3) feedback on a draft template for financial accountability plans; 4) a list of principles guiding allocation of general fund dollars, allowing staff to create a model or a group of models to bring back to the Commission for consideration; and 5) a date for another special CCHE meeting in mid-June.

Director Munn reminded the Commission that the Department regularly meets with institutions’ CEOs, CFOs and CAOs to get their perspective on this and other processes. Commissioner Scott suggested an opportunity to get a *regional* perspective also, since regions vary significantly.

Deputy Director Dr. Kim Poast guided the Commissioners through 10 proposed key components of the Institutional Flexibility Plans. Suggested changes are in *italics*.

1. Calendar/ definition of terms/instructions (DHE)
2. Policy/statute justification for flexibility plans (DHE)
3. Assumptions/metrics to be used (accepted by CFO/CCHE/DHE)
   a. Protection of low/middle income students - *add underserved/unrepresented populations/ask for some sort of an accessibility plan related to tuition flexibility*
   b. Other data points TBA
4. Stated tuition increases/justification (institution) - *add history and peer analysis/comparison if the intent is to go above the 9%*
5. Financial modeling based on allocation formulas (institution)
6. 50% plan – the Commission discussed the requirement to submit a plan describing the impact of 50% cuts to higher education to the JBC on November 10, 2010. The consensus from CCHE was that the Commission would provide guidance to institutions to develop their individual responses. These plans should be submitted to the JBC in advance of the deadline.

7. Governing board voting/ constituent feedback processes (institution) – the submission date to CCHE will likely vary by institution depending on whether a plan has gone through the governing board prior to July 1, 2010.

8. Operational flexibility request- efficiencies/savings created (institution) - institution will assure that the level of service is not affected. The CCHE reserves the right to request additional information.

9. Financial aid packaging policies/timeframe

10. Review tracking form (DHE)

Director Munn next asked the Commission for guidance on the draft Financial Accountability Plan (FAP) Template. He suggested that institutions could use the template for submitting plans to the CCHE or they could disregard the template and use their own format. The Commission unanimously agreed that use of the template would be preferable. Deputy Director Poast guided the discussion about the draft template. She explained that Department staff had sought to include metrics that are widely accepted by all parties (institutions, governing boards, DHE staff and the CCHE) and at the same time allow institutions to tell their own story.

The additions and/or deletions (in italics) to the draft FAP are as follows:

**Assumptions** - add a provision that allows the institutions to list assumptions on which they have based their plan. This will give the CCHE a baseline for future amendments.

**Section I: Requested Tuition Increase**
First bullet - Year-to-year $ amount/ percent increase per credit hour for resident Students – add ask institutions to model out for five years/CCHE will approve for two years
Add bullet – ask institutions for history and peer analysis/comparison

**Section IV: Address The Needs Of Underserved & Underrepresented Students** – add increase outreach and look at plan and how institutions have been trending

**Public Comments** – Mr. George Walker of Denver told the Commissioners that the higher education community should have shown more support for House and Senate concurrent resolution 10-002. He summarized the resolution as “the ability to raise revenues for the funding of pre-school through post-secondary school without prior voter approval.” He also questioned why students did not show more support for SB3.
ACTION ITEMS

SB 10-003 Financial Accountability Plan Submission Timeframe – Director Munn offered July 1, 2010 as a placeholder date for institutions to begin submitting their Flexibility and Accountability plans to the CCHE.

Commissioner Plachy moved July 1, 2010 as the placeholder date. The motion was seconded by Commissioner Percy and unanimously passed.

Special CCHE Meeting Request – Director Munn informed the Commission that to accommodate the implementation timeline required by Senate Bill 10-003, the CCHE requires an additional meeting in June outside its regular monthly schedule. The purpose of this meeting will be to review funding allocation models for institutional governing boards.

Commissioner Percy moved June 17, 2010 as a special meeting date. The motion was seconded by Commissioner Brake and unanimously passed.

Director Munn addressed a draft outline of four principles for allocating general fund dollars. These four principles came directly from the Higher Education Strategic Plan (HESP) steering group’s “Student Access Tuition Model” and the CCHE’s Student Access Tuition Model Resolution.

The draft principles are as follows, with suggested changes in *italics*.

1. Intended to be a temporary allocation model
2. Need to take into consideration an institution’s ability to benefit from flexibility –add and *deal with the impact of decreases in state and federal revenue.*
3. Allocation should preserve “status quo” – add and *consider impact of enrollment increases, the uniqueness of the institution’s role and mission, geographic access*
4. Should use a system (state) wide approach to allocation

Commissioners will have an opportunity to discuss proposed allocation models at the special meeting on June 17th. The Commission will consider financial aid allocation models for FY10-11 at the June 3rd CCHE meeting. Those financial aid models will include the option to omit funding to private, for profit schools.

Commissioner Scott moved to adjourn. The motion was seconded by Commissioner Percy. The meeting was adjourned at 11:40 AM.