

**Minutes of the Colorado Commission on Higher Education (CCHE) Meeting
University of Colorado – Colorado Springs (UCCS)
September 8, 2010**

Vice Chairman Hereford Percy called the meeting to order at 1:05 pm.

Commissioners Larry Beckner, Jill Brake, Dave Edwards, Happy Haynes, Richard Kaufman, Patty Pacey, Hereford Percy, BJ Scott and Greg Stevinson were in attendance. Chairman Jim Polsfut and Regina Rodriguez attended via conference call. Also in attendance were Advisory Committee members Senator Evie Hudak, Michael Mincic, Dr. Toni Larson, Julie Marie Shepherd, Kelly Fox, and Dr. Abe Harraf. Advisor Ruth Annette Carter attended via conference call.

Vice Chairman Percy introduced and welcomed Richard Kaufman as the newest Commissioner. He is replacing Michael Plachy.

Commissioner Scott moved to approve the minutes of the August 8, 2010 CCHE meeting. The motion was seconded by Commissioner Edwards and unanimously passed.

Pamela Shockley-Zalabak, President of UCCS, welcomed the Commissioners to the campus.

Higher Education Strategic Plan (HESP) Report: Executive Director Rico Munn stated that the strategic planning process is on schedule for the Commissioners to receive the report at their November 4, 2010 meeting, followed by a press conference with the Governor. The CCHE has until December 15th to submit a master plan to the legislature based on the work done by the HESP Steering Group. The Steering Group is hosting a series of open forum meetings throughout the state starting on September 14th through October 18th.

Executive Director's Report: Director Munn introduced Chad Marturano, the Department's new Director of Legislative Affairs. He is replacing John Karakoulakis in that position.

Director Munn then reviewed the CCHE's agenda for the rest of the calendar year: a special co-convened meeting with the State Board of Education (SBE) on October 21st to consider the state's redesigned assessment under SB212; presentation of the strategic plan at the November 4th CCHE meeting; the finalization of the institutions' 50 percent plans called for by the Office of State Planning and Budget; the November 29th co-convened CCHE/SBE meeting to adopt the SB212 assessments; approval of those assessments at the December 2nd CCHE meeting, along with adoption of the master plan, which is due to the legislature on December 15th and the adoption of the flexibility accountability plans from the institutions.

Public Comments: Tim Brogdon, a representative of the Associated Students of Colorado at Colorado State University (CSU), informed the CCHE that CSU will seek to have a representative at every CCHE meeting in the future.

ACTION ITEMS

Proposal for General Fund Allocation for FY2011-2012 – Mark Cavanaugh, Chief Financial Officer, presented four budget models to the CCHE. Model #1 is a comparative model that was presented to the Commissioners at their August 8, 2010 meeting. It includes the high-cost programs and enrollment adjustments of \$105 million in discretionary spending. Model #2 is the same but with the discretionary spending amount reduced by half. Model #3 is the three-part model (blends the traditional General Fund reduction and the “total revenue” approach with an overlay factor to consider recent enrollment growth) with a total of \$555 million in state funding. Model #4 is also a three-part model with the amount of state funding reduced to \$500 million.

CCHE advisor Kelly Fox referred the Commissioners to a letter from the institutions’ chief executive officers regarding their consensus on a model, as requested by the CCHE. The majority of the CEOs support Model #3, the three-part model with \$555 million state funding. Should the state funding level come in below \$555 million, she believes all the institutions will want to “go back to the drawing board and talk” again. Ms. Fox surmised that the three institutions who did not to sign the letter (Metropolitan State College of Denver, Mesa State College and the Colorado Community College System) did not agree to the dollar amount allocated for enrollment growth. She believes that for them, as the three institutions that have had the largest enrollment growth, the \$10 million allocated for enrollment growth was not acceptable. Ms. Fox drew attention to request in the letter that the CCHE take a stand and hold firm that state funding for higher education be no less than \$555 million in FY11-12.

Representatives from Aims Community College, Metropolitan State College of Denver, Mesa State College and the Colorado Community College System all testified that they considered the \$10 million for enrollment adjustments too low and that is why they did not sign the letter.

Josh Diller, Policy Director for the Associated Students of Colorado, stated that his organization supports Model #2.

Director Munn explained that the staff recommendation for CCHE is to approve Model #4. Although everyone wants the amount of state general funding to be at least \$555 million, it is important for the institutions to not base their financial accountability plans for SB3 on the best case scenario of \$555 million. Director Munn fears that institutions might be tempted to delay full discussion of a tuition increase if the institutions believe that the process will be reopened at a later date. Department staff believes that the three-part model with the lower amount of state funding is the one that most clearly responds to the Commission’s request for a model that provides flexibility and includes the possibility of funding below \$555 million.

Commissioner Stevinson respectfully disagreed with Model #4. He believes that approving Model #3 sends a message to the legislature that higher education cannot take any more cuts. He fears that the most vulnerable communities and institutions will take the hardest hit if funding is below \$555 million. Commissioner Beckner pointed out that state funding has gone from \$850

million to \$555 million in only two years and there comes a point where higher education cannot survive. He agreed that the Commission should send the message to the legislature that going below \$555 million is not acceptable. Commissioner Beckner also reminded everyone that this is still a temporary fix.

Commissioner Haynes supported Model #4 but felt that \$10 million for enrollment increases was not enough. Should Model #3 increase the enrollment another \$15 million, she would support it.

A five-part allocation model from Mesa State College was mentioned. This model had not been widely circulated and was thus unfamiliar to most people at the meeting.

Commissioner Stevinson moved to adopt and approve Model #3. The motion was seconded by Commissioner Brake and was passed by a vote of 10 to 1.

Commission Approval Of Final Allocation Of Recovery Zone Facility Bond Volume in The American Recovery and Reinvestment Act and HB09-1346 – Andrew Carlson, Budget and Financial Aid Director, presented this item. At the May 7, 2010 CCHE meeting, the Commission allocated the remaining American Recovery and Reinvestment Act (ARRA) dollars, approximately \$1.2 million, to the Department of Local Affairs (DOLA). In August, the University of Colorado had \$79 million in ARRA funds to be reverted back to the Commission. Metropolitan State College of Denver requested \$18 million of those funds to be used for their hotel learning center project. Staff recommends Metropolitan State College of Denver be allocated \$18 million of the remaining \$79 million in ARRA funds, with the balance reverting to DOLA.

Commissioner Pacey moved to approve \$18 million in ARRA funds be allocated to Metropolitan State College of Denver. The motion was seconded by Commissioner Stevinson and passed unanimously.

SB 10-03 Financial Accountability Plans (FAP) Review Committee – Deputy Director Kim Poast presented this item to the Commission. Senate Bill 3 requires the Commission to review financial accountability plans for the institutions. She asked the Commission to appoint a small subcommittee of three Commissioners to perform the reviews with staff and present the plans to the Commission as a whole. Commissioners Edwards and Stevinson volunteered. Vice Chair Percy noted that Commissioner Rodriguez had expressed some interest in volunteering for this subcommittee, but should she be unable to do it, Vice Chair Percy would be the third member.

Commissioner Pacey moved to approve forming a three member subcommittee for the FAP reviews. The motion was seconded by Commissioner Scott and passed unanimously.

DISCUSSION ITEM

Financial Aid Allocations Discussion – Celina Duran, Financial Aid Administrator, outlined the key discussion points from her meeting with institutional financial aid officers to determine the next appropriate accountability system for the financial aid allocation methodology.

- 1) Should financial aid support students or institutions?

- 2) Should the methodology include provisions for lean economic times?
- 3) Should cost of attendance factor into the allocation?
- 4) Does the three tier definition for allocation offer equality in the individual tiers?
- 5) How will general fund monies and the SB3 flexibility plans affect allocations?
- 6) Is using three past years of data adequate to make future projections?

The CCHE agreed that these questions were the right ones to be asking to guide further discussions.

COMMISSION WORKPLAN ITEM

Workplan for Performance Contract Review for the University of Colorado System (CU) - Dr. Cheryl Lovell, Chief Academic Officer, summarized for the Commission a report on the University of Colorado System's performance contract. She was joined by Chancellor Pamela Shockley-Zalabak, representing the System, Dr. Roderick Nairn, Provost of CU-Denver and Anschutz Medical campus, Russ Moore, Interim Provost for CU-Boulder campus and Peg Bacon, Provost at UCCS. Dr. Shockley-Zalabak noted that CU met the performance contract reporting requirement, all of its contract commitments and almost all of its targets.

CONSENT ITEMS

Approval Of Reading Teacher And Reading Specialist Preparation Programs At Regis University

Approval Of Special Education Generalist Teacher Preparation Program At University Of Phoenix

Degree Authorization Act – Closure Of Rivendell College

Proposal To Offer A Baccalaureate Degree In Information Management At Colorado State University - Global Campus

Revised Two-Year Cash Funded Capital Program List – Colorado Community College System

Revised Two-Year Cash Funded Capital Program List – University Of Colorado - Boulder

Revised Two-Year Cash Funded Capital Program List – University Of Colorado –Denver

Commissioner Stevinson moved to approve the consent items. The motion was seconded by Commissioner Brake and unanimously passed.

Commissioner Edwards moved to adjourn. The motion was seconded by Commissioner Pacey. The meeting was adjourned at 4:15 pm.