

NOTES
Colorado Commission on Higher Education
Standing Committee on Fiscal Affairs and Audit
Wednesday, November 12, 2016, 10:00am-10:30am

- I. Attendance: Commissioners – BJ Scott (FAA Chair); Maia Babbs; Renny Fagan; Paula Sandavol
Frank Watrous, Bell Policy Center; DHE staff

- II. No questions or additions to the Committee notes from October 14

- III. Old Business
 - A. Governor’s FY 2016-2017 Request
 - a. Questions:
 - i. Commissioner Scott asked about the time frame in legislative session and when we will know whether there is excess revenue.
 - 1. Tonya responded that it is contingent on legislative action around the Hospital Provider Fee. She also noted that the budget forecast (December and March) and the figure setting process also play a major role so confirmation will likely not be had until March or later as the numbers continue to change throughout the course of Leg. Session due to both known and unforeseen factors
 - ii. Comm. Scott followed up to ask if there is excess that funds the contingency list, is there any legislative action required.
 - 1. Tonya responded yes, action is required either through the long bill or a separate legislation.
 - iii. Diane asked Tonya to elaborate and to highlight the JBC’s role in the process
 - 1. Tonya responded that the Department’s JBC Analyst, Amanda Bickel will provide an overview to the JBC on December 10. This will be followed by a week of hearings January 11-15, typically for 3 hours per day when the Department and higher education institutions will appear before the JBC. Once the hearing process is finished, there will be more information to share.
 - 2. Comm. Scott asked a final question regarding the \$20 million dollar cut to higher education in the Governor’s request, seeking an explanation and whether the cut could have been to another department/program.
 - a. Tonya and Diane answered that as a department we don’t get much say in how the state budget is balanced. We put forth a strong argument and we believe that mitigated the size of the cut but because higher education is

“discretionary” spending within the state budget and higher education institutions are one of the few places in state government with a revenue stream (tuition), it’s widely held that higher ed is better equipped to absorb cuts.

3. Commissioner Fagan followed up, noting that other programs were cut because the total budget cut totaled \$370 million.
 - a. Tonya and Diane both agreed citing the Hospital Provider Fee cut which reduced the TABOR refund such that hospitals saw a \$170 million requested reduction. The negative factor for K-12 education also was trimmed in the request. Diane also noted that the lack of employee salary increases indicates the challenging budget environment.

IV. New Business

1. December 3 CCHE Meeting Consent Agenda Items, Andrew Rauch
 - a. Capital Improvements Cash List – this is a standard report submitted to the General Assembly
 - b. Capital 209 and 290 Reports – this is an annual report of actual expenditures.
 - c. Program Plan for Arapahoe Community College. The project was included on the prioritized list, but the program plan was inadvertently missed so it will be included as a consent item for the December 3 CCHE meeting.

A. December 3 CCHE Meeting Written Report, Andrew Rauch

1. Student Financial Aid Report
 - a. Andrew explained that the report is still being prepared and will be available as part of the CCHE packet that commissioners will receive before Thanksgiving in preparation for the December 3 CCHE meeting. Commissioners are also encouraged to call Andrew with any questions about the report prior to the December 3 CCHE meeting.

B. Tuition Policy: Next Steps, Todd Haggerty

- a. While tuition policy continues to be a significant issue, that the department continues to work on, the new policy approved by CCHE on October 29 requires changes to CCHE policy, however, it is important that we respect the legislative process and not get ahead of it. Diane noted that staff expects to have DHE staff recommendations to FFA at the January 20th FAA meeting.

VII. Public Comment

- A. Frank Waterous of the Bell Policy Center urged CCHE and DHE staff to vigorously defend financial aid given the tuition hikes that will inevitably occur in the current budget scenario. He also said that the State and institutions could offset the rising cost of tuition by offering more

financial aid opportunities. He urged state prioritization of revenue to financial aid and urged institutions to increase institution based financial aid.

VIII. Final Comments

- A. Diane reminded the committee that there is no meeting scheduled for December but the next Fiscal Affairs and Audit Standing Committee meeting will take place January 20 at 10AM. She also indicated that she will be sending a calendar with topics noted to aid with the planning of next year's meetings. The current FAA Committee schedule calls for a regular meeting the third Wednesday of the month at 10:00am-11:00am. She will poll FAA members on future dates/times to ensure the meeting schedule is workable for all members.