

**Financial aid policy revisions and CASFA implementation overview** – Ms. Emily Orr, CDHE, provided an overview of the efforts thus far in bringing to fruition an online application for student financial aid, including the temporary CCHE policy addendum that was adopted immediately after the passage of HB 19-1196. Ms. Orr went on to describe the implementation process and the alignment that would be achieved with the adoption of a revised financial aid policy. Ms. Orr answered questions regarding the implementation process, current practice, and how the new application was being received by stakeholders. Ms. Orr confirmed that all stakeholders have been very eager to adopt the new online application and that the response has been very positive. The committee members agreed that the item should be moved from the action item list at the upcoming CCHE meeting to a consent item since the policy revision is codifying existing practice .

**Governor's FY 2021-22 Budget Request and Tuition Discussion** – Mr. Jason Schrock, CDHE, provided an overview of the Department of Higher Education's budget items in the Governor's budget request that was submitted to the legislature on November 2. He discussed the state funding request for public higher education institutions and the tuition spending authority request -- the two main budget requests for the Department every year. The state funding request restores funding to the FY 2019-20 level, allocating all of the funding through step 2 of the funding formula, while the tuition request caps resident tuition increases at 3%; institutions have the ability to discuss going over the 3% cap with the full CCHE. Mr. Schrock also briefly discussed other Department budget highlights of the Governor's request.

Mr. Schrock continued by discussing the issue of tuition. He discussed the varying mix of state funds versus resident and nonresident tuition revenue at the state's ten governing boards. He also provided information regarding state funding amounts through the formula under the Governor's budget request and estimated base cost increases for governing boards. He indicated that some governing boards estimated FY 2021-22 cost increases could be met under the Governor's budget request, while others would not be. He noted that the FY 2021-22 cost increases are estimated from a lower base level for governing boards because of the budget reductions that have occurred for FY2020-21. Thus, for funding to be restored, in addition to state funding returning to the FY 2019-20 level, base cost increases for FY 2020-21 and FY 2021-22 would need to be funded. Mr. Brad Baca, CFO from Western Colorado University (WCU), questioned the graph and whether WCU's base cost increases would be met under the request.

The Committee discussed establishing a working group of stakeholders to clarify how step 1 and step 3 of the formula would be used in the future, as well as the process used for funding recommendations through step 1 and step 3. The Committee also discussed staff's recommendations for criteria that the full CCHE would use to evaluate a governing board's appeal to increase resident tuition above the 3% cap in the Governor's budget request. Mr. Schrock indicated that it is unlikely at this time that any governing board will be pursuing resident tuition increases above 3%.

**Hanover Study** -- Ms. Emily Orr, CDHE, led a discussion of the results of a research project carried out with the assistance of Hanover Research. The study is partially completed at this point and only the results of the revenue comparison were discussed. Staff provided an overview of the two phase research project and broadly described the results of the revenue comparison. Ms. Orr went on to explain some of the depth and breadth of the research and pointed out a methodological difference in how the percentage change from peers is being calculated by Hanover and CDHE. Ms. Orr also explained that the discussion was intended to be a preliminary overview of the research and that staff would continue to analyze the results. Further, staff would likely be seeking additional feedback from Commissioners as to how best to incorporate the findings into future decision making.