

Minutes for May 28, 2021 Fiscal Affairs Committee Meeting

Call to Order -- Commissioner Eric Tucker, Chair, called the meeting to order. The Committee approved the minutes from the April 30th meeting.

Higher Education Funding Formula for FY 2021-22 -- Mr. Jason Schrock, CDHE, gave an overview of the funding formula allocating funding to higher education institutions for FY 2021-22 as passed by the legislature. He indicated that of the 9.6 percent increase in funding through the formula, half will be allocated through step 2, the performance component, with the remaining amount of the increase being allocated through step 1. The step 1 funding includes four components: funding for the enrollment of first-generation students, students of color, Pell students, and for the retention of students of color. Ms. Emma Fedorchuk, CDHE, discussed how the money was allocated through the formula in more detail and answered questions on the formula from the committee.

CCHE Use of Step 1 and 3 of the Funding Formula -- Mr. Jason Schrock, CDHE, discussed the goal recommended by the institutions for the Commission to consider in making a funding recommendation in step 1 and/or 3 of the funding formula for the FY 2022-23 budget request. The recommended goal was reviewed by the Student Success and Academic Affairs committee last week. The language recommended by the institutions with the goal discusses levels of priority of funding—after sustaining current funding levels and funding core minimum cost increases through step 2 of the formula, additional investments in steps 1 and/or 3 should continue to focus on closing equity gaps as outlined in the Master Plan. The committee discussed the goal and voted to approve the language to forward to the full Commission.

Final Financial Aid Allocation Approval - Colorado Student Grant and Work Study – Ms. Emma Fedorchuk and Ms. Lauren Gilliland, CDHE, reviewed actions previously taken by Commissioners related to financial aid. The Committee and full Commission had previously approved financial aid allocations for FY 2021-22 for the Colorado Graduate Grant and CTE Grant programs but deferred a final decision on the Colorado Student Grant and Work Study Program until they could get additional information on performance and accountability measures at for-profit institutions receiving state financial aid funds.

Staff briefly reviewed the information that had been provided in the interim using College Scorecard data before the Committee moved into a discussion on financial aid for proprietary institutions. The Committee also heard from Tom Twardowski, President of International Salon and Spa Academy, on why state-funded aid is important to their students and took the opportunity to ask questions on some of the performance metrics discussed, such as placement rates.

Commissioner Meyer moved to approve allocation scenarios in which funding for proprietary institutions would increase at the overall statewide rate, which Commissioner McGimpsey seconded. Both commissioners indicated a strong desire to have a comprehensive review of funding for proprietary institutions during the Committee's planned summer review of financial aid allocations. The motion failed 2-3 following comments from Commissioners Colon and Kostenbauer on concerns related to graduation rates, loan amounts, and placement rates. A second motion made by Commissioner Colon and seconded by Commissioner McGimpsey to move forward a scenario in which funding for proprietary institutions flat for FY 2021-22, passed unanimously.

CCHE Policy Innovation Proposal - CCCS/CMC Pilot Program Awarding Financial Aid to Concurrent Enrollment Students

Ms. Lauren Gilliland and Mr. Spencer Ellis, CDHE, gave a presentation on a policy innovation proposal submitted by CCCS and CMC. Mr. Ellis began by reviewing the new CCHE Innovation Policy, which allows institutions to submit proposed policy innovations requiring temporary waivers to CCHE policy. He then summarized the proposal submitted by CCCS and CMC in February, which would allow those institutions to award Colorado Student Grant (CSG) need based financial aid dollars to concurrent enrollment students. The pilot would be two years long, would be capped at 3% of an institution's CSG (\$1.55 million for the entire program) per CDHE recommendation, and has extensive reporting requirements. Ms. Gilliland reviewed financial considerations, noting that the request does not come with new funding, and would not impact calculations of institution CSG allocations. She also noted that the submitting institutions estimated that \$200 would support one student in one course for one term. The presentation concluded with a review of next steps, which included bringing the proposal to the full Commission for discussion, then exploring a Memorandum of Understanding.