

**Minutes of the Colorado Commission on Higher Education (CCHE) Formula Funding Working Group
At Colorado Department of Higher Education, May 8, 2019**

Members of the Working Group in attendance: Renny Fagan, Maia Babbs and Tom McGimpsey.

Department staff presented an overview of the current budget situation for higher education in Colorado, as well as an overview of the current model. The one pager entitled Institutional Comparisons: State Support, Tuition Revenue, and Combined Revenue per FTE by Governing Board shows how Colorado compares in the national funding context in terms of state support (48th), tuition revenue (8th), and total revenue per FTE (26th). Staff commented that the funding environment will have consequences in redesigning an allocation methodology for distributing state resources.

Department staff and other participants discussed the COF stipend. The stipend itself is a volume-driven funding formula; the 52.5% requirement in statute is somewhat arbitrary, but COF itself is enmeshed in our system and the Commission should consider the political challenges associated with lowering the stipend amount. Though Advisor Marturano clarified that the tuition-setting process is holistic and that reductions in COF would be visible on a student's bill but would not change the total amount they pay.

The working group expressed strong interest in considering how to use the model to move the needle on state and master plan goals, particularly regarding closing equity gaps. One suggestion was to have performance metrics focus on recruitment, retention and completion. Commissioners might consider funding innovative ideas at institutions to move the needle; the suggestion was made to ask institutions to provide examples of ideas they would request funding for.

For the next working group meeting, staff will continue to speak with outside experts; staff would also seek further input on specific outcome measures Commissioners would like to see represented in the model. Staff will also develop a framework for use at the next meeting to facilitate discussion about alternative approaches to the current model.