

## **Minutes for August 19, 2021 Fiscal Affairs Committee Meeting**

**Call to Order** -- Commissioner Eric Tucker, Chair, called the meeting to order. The Committee approved the minutes from the July 16<sup>th</sup> meeting.

**Discussion of FY 2022-23 Funding Formula Recommendation** -- Mr. Jason Schrock, CDHE, gave an overview of the process for the CCHE's development of a funding formula recommendation for FY 2022-23. He indicated that institutions have generally agreed to a funding formula recommendation for the CCHE's consideration. The recommendation is aligned with the language adopted by the CCHE at its June meeting intended to guide the development of a funding formula recommendation.

Ms. Emma Fedorchuk, CDHE, gave an overview of the formula proposal that the institutions have a general agreement on. Institutions agree on the importance of covering core minimum cost increases, either through general fund contributions in step two or tuition increases (or some combination of the two). There is also general agreement on a proposal to put \$10 million through step one of the model utilizing the same metrics as approved by the General Assembly for FY 2021-22, but with different weights. One institution objects to the weights as proposed by the group.

The committee had an extensive discussion on the institutions' proposal, including the funding increase under the proposal. The commission also discussed the estimated base cost increase for institutions. The committee discussed with institutions their use of federal funds to support their budgets during the pandemic; institutions also discussed their efficiency and cost containment measures.

The committee did not take action on a funding formula recommendation and decided that a recommendation should be discussed by the full CCHE at its next meeting.

**FY 2022-23 Capital Construction and IT Projects Appeals** – Ms. Ashlee Pate, CDHE, provided a summary of appeals received for Capital. She stated that there were 26 appeals overall with the majority addressing deferred maintenance or the Higher Education Master Plan goals leaving no changes to the IT project requests and providing a 5-way tie for 100% on Capital Construction. The commissioners discussed the possibility of reviewing criteria going forward and set a motion to approve moving forward with both lists as they are for the full CCHE meeting.

**CSU Supplemental Capital Request -- Decrease Cash Spending Authority for the Shepardson Building Renovation and Addition** - Ms. Ashlee Pate, CDHE, gave an overview of CSU's requests to decrease cash spending authority as CSU requested additional spending authority in last year's long bill due to state budget constraints from the pandemic. The commissioners stated that it is purely administrative and to move forward with this at the full CCHE meeting as a consent item.

**Financial Aid Allocation Methodology Review** - Ms. Lauren Gilliland and Ms. Emma Fedorchuk, CDHE, gave an update on the financial aid allocation methodology review process. They reviewed a revised timeline, noting that the learning session prior to the CCHE meeting on September 2<sup>nd</sup> would include a

presentation and discussion by HCM Strategists lending national context to the review. They also presented information and analysis requested by FAA members at their July meeting. Finally, they provided a summary of preliminary feedback collected from institutions at the Financial Aid Directors meeting and CFO meeting.