

Finance, Performance, and Accountability Committee Meeting

September 15, 2023

Meeting Minutes

Call to Order – Commissioner Eric Tucker, Chair of FPA Committee, called the meeting to order.

Approve August Meeting Minutes – Commissioner Teresa Kostenbauer motioned to approve the August meeting minutes. Commissioner Meyer seconded. August meeting minutes approved.

Overview of Review Timelines

Crystal L. Collins—Chief Financial Officer—presented draft timelines for the three major programs up for periodic review in the next three years: capital scoring process, financial aid formula and allocation process, and the performance funding formula. Ms. Collins stated that the timelines being discussed were meant to be early ideas of how these reviews could move forward, and that the timelines would be discussed with the CFOs to allow for any feedback before finalization. A discussion of the purpose of each review and the rules for review would be discussed and established before each process begins.

Capital Scoring Review Timeline

Ms. Collins began with a discussion of the capital scoring process, presenting a process timeline using the Whiteboard app. Ms. Collins started by pointing out that the capital scoring process was last reviewed in early 2020, and while periodic review is not required in statute, the department recommends review of the capital scoring process every five years. The draft review timeline begins in January 2024 with a survey to external stakeholders, including IHEs, government partners, and Commissioners, to identify what our external partners believe is working with the current capital scoring process and what needs to be addressed in the new version. Ideas developed from these survey responses will guide the conversation during several successive stakeholder meetings from April through October, with a final rubric available for approval by the FPA in November and by the full CCHE in December 2024. This will allow Department staff to train IHEs on the new scoring parameters in early 2025, with the goal to use the new capital scoring rubric for projects submitted in May 2025 for fiscal year 2027. Commissioners recommended leveraging existing meetings to lessen the scheduling burden for this review process.

Financial Aid Methodology Review Timeline

Next, Ms. Collins discussed the proposed review timeline for the methodology used to distribute financial aid funding to institutions of higher education. Like the capital scoring process, review of the funding formula methodology is not required in statute, but the Department recommends reviewing this process to incorporate changes in financial aid processes at the state and federal level periodically, but at minimum every five years. While the current methodology was approved in 2022, the Department is recommending beginning the review process early to incorporate the changes included in the “Better FAFSA”, which will be released later this year. The Department is recommending beginning the review of the financial aid process in June 2025, with several stakeholder meetings through the end of 2025. The goal is to present new financial aid methodology for approval by FPA in March 2026 and by the full CCHE in April 2026. Once approved, this revised methodology will be used to allocate funding for approval by the FPA in April 2026 and the full CCHE in May 2026, for full implementation in June 2026 for the fiscal year 2027 allocations. Commission members stated they would like more information on how COSI and

other need based financial aid allocations interact. Additionally, a commissioner requested additional information on how effectively current financial aid is working for students.

Performance Funding Formula Review Timeline

Finally, Ms. Collins discussed the proposed funding formula review timeline. Unlike both the capital scoring and financial aid allocation processes, review of the funding formula is required by statute, with clear goals and responsibilities. The statute requires that a full review be completed, with the presentation of a new funding formula to the Governor, by November 1, 2026. To achieve this requirement, the Department is recommending beginning the review process in December 2024, with an initial collection of feedback from stakeholders to inform the discussions for the review. In addition to feedback collection, department staff will work with stakeholders to establish principles for the review process. Department staff recommend holding stakeholder meetings throughout 2025 with the goal of a new draft funding formula for review by March 2026. Continued discussions and revision of the model will continue through 2026, with a goal for submission for approval from the FPA in July 2026 and from the full CCH by August 2026. Department staff were urged by commissioners to start conversations as early as possible and leverage other work of the department for success.

Adjourn – After providing an opportunity for public comment and receiving none, Commissioner Tucker adjourned the meeting.