

**Colorado Commission on Higher Education Finance, Performance, and Accountability (FPA)
Subcommittee Meeting Minutes**

Held virtually on Zoom

Friday October 18, 2024

12:30 pm

Commissioners attending: Subcommittee Chair Eric Tucker, Chair Jen Walmer, Teresa Kostenbaur, Jill Barkin

Approval of the September 20, 2024, and October 4, 2024, FPA Meeting Minutes

Commissioner Tucker: Motion to approve the minutes from the September 20 and October 4 FPA meetings. Commissioner Kostenbaur moved approval. Seconded by Chair Walmer. The motion was approved.

I. Recommend approval of cash spending authority for Colorado School of Mines Quantum Commons Existing Lab Building Renovations Project – Kennedy Evans, CDHE Budget and Policy Analyst

Ms. Evans provided an overview of the Colorado School of Mines' lab renovation project that will cost \$9.9 million in cash funds. The renovated facility will house laser labs, dilution refrigerator labs, workspaces, offices, conference spaces, and support amenities for members of the Elevate Quantum consortium. Colorado School of Mines is providing up-front cash funds for this project and will seek reimbursement through state tax credits pursuant to HB24-1325.

II. Recommend approval of cash spending authority for Colorado School of Mines Quantum Commons New Classroom Building Project – Kennedy Evans, CDHE Budget and Policy Analyst

Ms. Evans provided an overview of the new cleanroom building that will cost \$17 million in cash funds. The main function of this building will be to establish a unique nanofabrication facility for members of the Elevate Quantum consortium, which will produce photonic integrated circuits, addressing the critical industry need for quantum technology utilized in communications, defense, and remote sensing. Colorado School of Mines is providing up-front cash funds for this project and will seek reimbursement through state tax credits pursuant to HB24-1325.

III. Recommend approval of supplemental cash spending authority for Trinidad State College Freudenthal Library project – Kennedy Evans, CDHE Budget and Policy Analyst

Ms. Evans provided an overview of two of Trinidad State College's (TSC) requests. These project's budgets were created before the unprecedented cost increases in construction caused by the COVID-19 Pandemic.

Supplemental #1 As a result, TSC had to drastically cut costs through scope reduction in the design phase, which severely limited the program. To cover this budget shortfall, TSC has identified a grant and received donations through its foundation totaling \$695,139. TSC requests that these additional cash funds be used to realize the full scope of the original design program.

Supplemental #2 As a result, TSC had to drastically cut costs through scope reduction in the design phase, which severely limited the program, including eliminating the patio upgrades. To cover this budget shortfall, the TSC Foundation has raised funds through a naming rights campaign. TSC has also realized savings on Phase 1 of the project that will be applied to Phase 2 to realize the full patio scope. The total additional spending authority TSC requests is \$195,000. TSC requests the use of cash funds to realize the full scope of the patio upgrades.

IV. Recommend approval of cash spending authority for Colorado State University Colorado State Forest Service Nursery Renovation project – Kennedy Evans, CDHE Budget and Policy Analyst

Ms. Evans provided an overview of the Colorado State Forest Service Nursery renovation project. This project will construct a greenhouse and headhouse complex, new shade structures, and minor maintenance upgrades to the existing tree processing facility that will cost \$9 million in cash funds and \$5.3 million in federal funds. CSU intends to fund this request using funds from the Colorado State Legislature and federal grants. (HB22-1323 & HB23-1060.)

V. Recommend approval of cash spending authority for Colorado State University Don and Susie Law Engineering Future Technologies Building project – Kennedy Evans, CDHE Budget and Policy Analyst

Ms. Evans provided an overview of the Future Technologies Building at CSU that will be a major new academic project transforming the heart of campus, positioning CSU for sustained excellence in education and research. This project will cost \$160 million in cash funds and CSU will fund this request through student facility fees and donations.

VI. Recommend approval of cash spending authority for Fort Lewis College Apartment Acquisition – Kennedy Evans, CDHE Budget and Policy Analyst

Ms. Evans provided an overview of the Fort Lewis College request that has a one-year live on-campus requirement. This project will cost \$12.5 million and will be funded through bond revenue. “We anticipate issuing \$9.375 million in tax-exempt revenue bonds and \$3.125 million in taxable revenue bonds to provide flexibility in offering up to 25% of the units to faculty/staff or external parties if needed for occupancy. Rental revenue from the project would cover the debt service and related operating expenses. Given that the building is less than ten years old, we are exploring a 20-25-year bond term.”

VII. Recommend approval of Fiscal Year 2025-26 Capital Submission Program Plans – Kennedy Evans, CDHE Budget and Policy Analyst

Ms. Evans provided an overview of institutional program plans which CCHE is statutorily required to approve. (23-1-106(3)). The institutions may use program plans for three fiscal years. After three years they may either update their program plans or submit a waiver to extend their current plan. There are nine submissions that are new or revised and two have requested three-year program plan waivers.

Commissioner Tucker: Motion to approve items 1-7 per the FPA Agenda. Commissioner Walmer moved approval. Seconded by Commissioner Kostenbaur. The motion was approved.

VIII. Action items on business agenda

a. Recommend Approval of the Fiscal Year 2025-26 Funding Allocation Formula – Crystal L. Collins, Chief Financial Officer and Corey Evans, Budget Director

Ms. Collins presented the Fiscal Year 2025-26 Funding Allocation Formula. Commissioner Tucker: Motion to approve performance funding metric weights based on previous year’s performance funding metric weights. Chair Jen Walmer moved to approve. Seconded by Commissioner Barkin. The motion was approved.

Commissioner Tucker: Motion to approve the recommended proportion of total funding flowing through Step 1, Step 2, and Step 3 of the FY2025-26 higher education funding allocation formula. Step 2 would only be used unless there is an increase above the core operating cost, Step 1 would be utilized instead. Chair Jen Walmer moved to approve. Seconded by Commissioner Barkin. The motion was approved.

b. Recommend Approval of Five-Year Formula Review Committee Working Group Membership – Crystal L. Collins, Chief Financial Officer

Ms. Collins presented an overview of the 2025 Formula Review Committee Membership Feedback.

Commissioner Tucker: Motion to send the revised FRC working group membership to the full commission. Chair Jen Walmer moved to approve. Seconded by Commissioner Barkin. The motion was approved.

Meeting adjourned at 1:53 P.M.