

Minutes for November 18, 2022 Finance, Performance and Accountability Committee Meeting

Commissioners in Attendance – Commissioner Eric Tucker, Commissioner Teresa Kostenbauer, Commissioner Aaron Harber

Call to Order -- Commissioner Eric Tucker, Chair, called the meeting to order.

Approve Minutes – The Committee unanimously approved the October 2022 Finance, Performance & Accountability Meeting Minutes.

Briefing of the November 1st Budget Request – Lauren Gilliland, Interim CFO, reviewed the Governor’s budget request released on November 1st. The request included a 6.8% increase in operating funds for institutions of higher education and financial aid for students, an increase in tuition spending authority using the assumptions of a 4% resident undergraduate tuition increase and 5.5% non-resident undergraduate tuition increase, a reduction in the Fort Lewis Native American Tuition Waiver appropriation associated with lower enrollment, and a cash spending authority increase for the Institute of Cannabis Research.

Draft Policy for New Student Postsecondary and Workforce Success Measures – Maggie Yang, Senior Director Data and Applications, discussed and was available for questions concerning the House Bill 22-1349 commission policy and how to move forward with implementation. Two issues were addressed by the FPA committee; one was caution on putting unfunded work on smaller institutions through this process and another was the re-iteration that this process seeks to utilize as much as possible existing data both at the Department and institution level.

Cash Spending Authority for Capital Project at Colorado Mesa University – Kennedy Evans, Lead Finance Analyst, discussed Colorado Mesa University's (CMU) cash-spending authority request for the next phase of their student housing project, Wingate North. This is the third phase of the student housing project. CMU requested authority to spend \$19.5 million of its own funds to support this project. The funds will be coming from a combination of 30-year bond debt, and unrestricted cash reserves. The Committee recommended the project to be presented to the full Commission.

Capital Nonmonetary Supplemental for Trinidad State College – Kennedy Evans, Lead Finance Analyst, discussed the capital non-monetary supplemental for Freudenthal Library Renovation at Trinidad State College (TSC). TSC had originally had this project approved, and state funds were appropriated in Fiscal Year 2021-22. Due to the rise in construction costs, TSC asked for the scope of the project to be reduced in order to stay within the originally appropriated budget. The Committee recommended the project to be presented to the full Commission.

Discussion of Capital Debt Relief as Capital Budget Submission – Lauren Gilliland, Interim CFO, reviewed the ongoing discussion about whether requests for debt relief on previously cash funded capital projects should be included in the annual capital budgeting process. This would require a change in statute. Ms. Gilliland noted previous FPA Committee conversations about the topic, as well as commentary from the Capital Development Committee and Office of State Planning and Budgeting. Commissioners discussed and asked the Department solicit opinion from institution chief financial officers.